

**Fact Sheet:**

**Women’s Wages and the Penalty Rate Cut**

March 8, 2017

The Fair Work Commission’s ruling to cut penalty rates for Sunday and holiday work in the retail and hospitality sectors will hurt hundreds of thousands of workers who depend on pay premiums to make ends meet. But women will be affected especially badly. Here’s why:

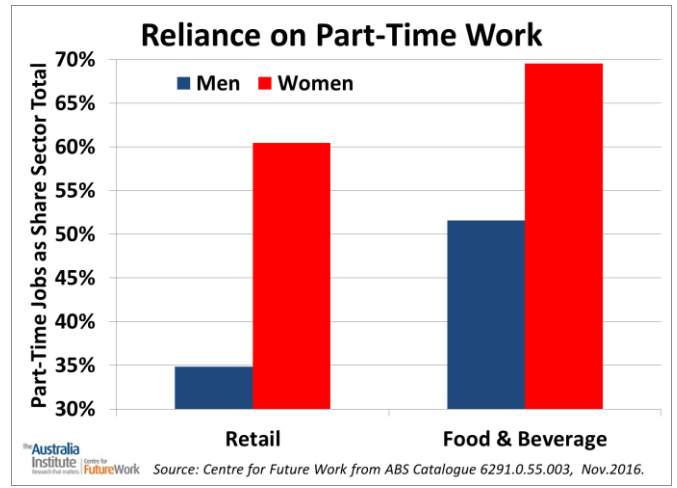
**#1. Most retail and hospitality workers are women.**

Women account for 55 percent of all employment in the retail sector, and 53 percent of all employment in food and beverage services. These two sectors are the largest employers of women in the whole private sector of the economy.



**#2. Women are much more likely to be in part-time jobs in those sectors than men.**

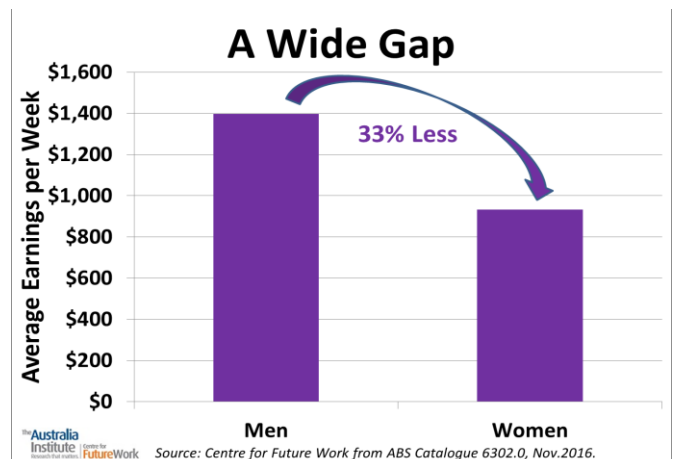
70 percent of women working in food and beverage services work part-time (versus 52 percent of men). And 60 percent of women working in retail are in part-time jobs (versus just 35 percent of men).



**#3. Most of the workers whose penalty rates will be cut are women.**

For both reasons (more women working in those sectors, and a greater concentration in part-time positions), most of those who work regularly on Sundays are women. ABS data indicates that over 60 percent of Sunday workers in retail, and 54 percent in hospitality, are women.\*

**#4. Women’s wages were lower to start with.**



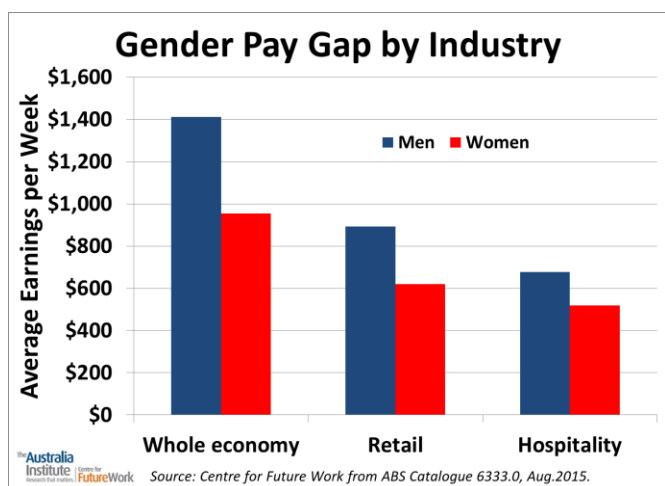
\* Unpublished ABS data cited by Prof. David Peetz.

Across the economy as a whole, women earn one-third less per week on average than men. That’s because of both direct discrimination in pay (women earn less than men, even in full-time jobs), and because of women’s greater concentration in part-time jobs.

**#5. Women’s wages are especially low in retail and hospitality.**

Average retail and hospitality wages are much lower than economy-wide average incomes. Retail earnings are only about 60 percent of the national average, and hospitality earnings (counting both food and beverage and accommodation services) are less than half the national average.

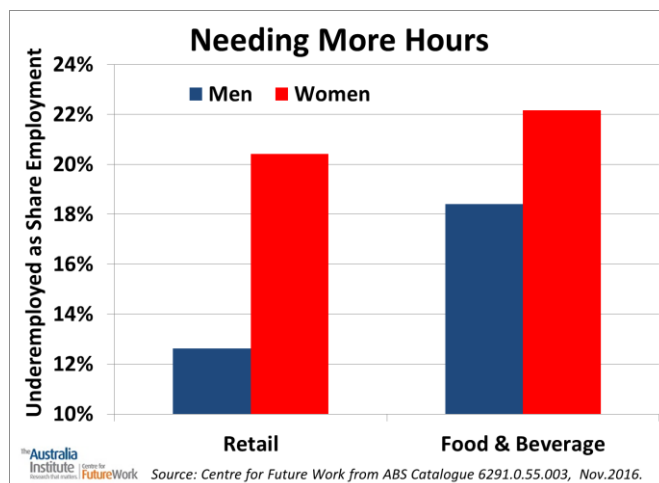
But women suffer a double penalty: they earn less than men, even in these low-pay sectors. On average, women earn just over \$500 per week in hospitality, and just over \$600 per week in retail. For women who usually work Sundays, the penalty rate cut (reducing their wages by up to \$10 per hour or more) will significantly reduce incomes that are already far too low.



**#6. Women need more work and income, not less.**

Over 20 percent of women workers in retail, and over 22 percent of those in hospitality, say they need more hours of work. This problem of “underemployment” is significantly worse for women than men in these sectors. That means the

penalty rate cut will be felt more severely by women – since they were more likely to be working inadequate hours in the first place.



**#7. Lower penalty rates won’t create new work.**

Employment in the retail and hospitality sectors depends completely on the level of consumer spending power in the national economy. It doesn’t matter how long stores and restaurants are open: consumers can’t shop more or eat out more, unless they have more money in their pockets. Wage growth in Australia has slowed almost to zero: in fact, most recent economic data shows total wages and salaries paid out across the national economy actually *shrank* 0.5 percent at the end of 2016.

By reducing the incomes of hundreds of thousands of workers in the retail and hospitality industries, lower penalty rates will undermine consumer purchasing power – and destroy retail and hospitality jobs, not create them.

**Conclusion: Women can’t afford lower weekend wages.**

Women are disproportionately concentrated in retail and hospitality work, already suffering low wages and inadequate hours. The premium pay they receive on Sundays helps to partly offset the economic burden associated with precarious work. The Fair Work Commission’s decision will impose a particular burden on women workers, who can least afford it.