



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

ADJOURNMENT

Indi Electorate: Fair Work Australia

SPEECH

Monday, 15 March 2010

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Mirabella, Sophie, MP

Source House
Proof Yes
Responder
Question No.

Mrs MIRABELLA (Indi) (9.30 pm)—I rise to speak on an issue of great concern to several constituents from my electorate. I received a call last week from an extremely concerned person who lives in my electorate and operates a family newsagency. I should note at the outset that this particular constituent does not want to be named. I will explain why that is the case very soon.

This particular family is not unusual when compared to many others in the newsagency business who have operated newsagencies for some time. Their establishment has become part of the fabric of the town in which they operate. People know the owners, know the family of the newsagency. They have built up relationships with the community and organisations within the community over some time. In turn, the community relies on this newsagency for a number of services—most importantly, for the newspaper run that is operated from this business, as is usual for many newsagencies in rural and regional Victoria and, indeed, around the country.

For several years now this operator has employed some local seniors, many of whom are pensioners, to operate the particular delivery runs. These elderly employees enjoy the delivery run. It provides them with a means by which to remain engaged in the community and participate in the workforce. It also allows them to earn a small amount of extra money over and above their fixed pension incomes. There are four separate delivery runs that operate, and each of these runs takes approximately 1½ to two hours to complete. The operator and his delivery workers have reached agreements on the conditions of their employment which are mutually beneficial but also operate within the contractual conditions that are set by newspaper publishers, who supply the newspapers.

The newspaper delivery component is the cornerstone of many newsagencies. The deliveries reach across the community and reinforce the relationship between the business and the customer. It should be noted that the profit margins on the delivery side of a newsagency are marginal at best. As publishers have become more competitive, contracts with newsagencies have become somewhat less profitable. Nevertheless, the paper delivery run does continue to be a key component of the business. To put things in perspective, I would like to note some key figures. The contract between the newsagent

and the newspaper publisher provides for 97c per household for a house that is delivered a paper every day of the week. Based purely on the employee costs associated with the delivery of these papers, it costs the newsagent approximately \$2.10 per house that receives a paper each day of the week. This means that for each household that is delivered a paper for each day of the week the newsagent is running at a loss of around \$1.13. The loss is subsidised by wholesale deliveries to other suppliers such as the local supermarket, where the newsagent receives a 17 per cent commission on all papers sold. After all expenses are paid they are lucky to break even.

My constituent does not seek to make large profits from his delivery service; it is a community service. I want to focus on the notion of mutually beneficial employment arrangements for a moment, because they go to the core of the employment market in our country and to the core of Liberal Party philosophy. If an employee and an employer come to an arrangement where both parties are happy and both parties can benefit from the arrangement, we have a win-win situation. The employer has employees they can rely on and the employee is happy to receive the employment and the benefits from it. We see this in the local newsagency example. What we have seen is the so-called Fair Work Act operating in a way that prevents this employer and his employees from entering into an arrangement on their own terms. The Fair Work Act stipulates that under the transport workers award the employer must pay each of his employees for a minimum engagement of four hours. It does not matter that the run will only take 1½ hours; the government is forcing him to pay four hours of engagement. My constituent is very concerned. He was prepared to put his name to this but, after hearing that a newsagent who had raised similar issues publicly had copped an audit within a matter of days of speaking up in Melbourne a couple of weeks ago, he decided not to go public. People are afraid. *(Time expired)*