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## **WEEKEND PENALTY RATES – BUSINESSES SHOULD DECIDE**

The market, not the parliament or a government tribunal, should determine wages in the retail and hospitality industries according to free market think tank the Institute of Public Affairs.

“Today’s battle between Labor and the Greens as to whether the Fair Work Commission or the Australian Parliament should determine the wages that businesses in these industries pay to workers captures everything that is wrong with Australia’s workplace relations system,” says Brett Hogan, Director of Energy and Innovation Policy.

“It is beyond belief that no party is prepared to assert that the decision as to what private businesses should pay workers on a Saturday, Sunday, or any other day, should ultimately belong to businesses themselves,” says Mr Hogan.

Today the Greens have promised to legislate to maintain weekend penalty rates, while Labor has said that it is a matter for the Fair Work Commission and that in government it would formally intervene in the Commission’s current case to support the existing pay regime.

“This episode clearly shows how deeply Australia’s labour laws are bound up in political considerations,” says Mr Hogan.

“Businesses should not be used as political footballs, and decisions about what to pay people who work on weekends should be made at the workplace level,” says Mr Hogan.

Mr Hogan also highlighted that Labor has recent form on using legislation to shape penalty rate outcomes.

“In 2013 as Workplace Relations Minister Bill Shorten introduced a new modern award objective via the Fair Work Act that the Fair Work Commission “must take into account the need to provide additional remuneration for employees working outside normal hours, such as employees working overtime or on weekends” – or in other words used legislation to influence future Fair Work decisions on penalty rates,” says Mr Hogan.

“If the umpire is only independent until politicians decide they don’t like a decision, then frankly its ongoing existence needs to be questioned.”

“In the 21<sup>st</sup> century, government should not be in the business of prescribing pay rates in particular industries,” says Mr Hogan.

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