

MEDIA STATEMENT

23 February 2017

Penalty rates decision welcome but we must think deeper on workplace reform

*AMMA – Australia's Resource Industry Employer Group
Statement by Steve Knott, Chief Executive*

AMMA welcomes today's decision by the Fair Work Commission to reduce Sunday Penalty Rates from double-time (200%) to time-and-a-half (150%) for most industries.

While weekend penalty rates are not a big issue for resource employers, whose employees are typically on annualised salaries and are among the best remunerated in the country, we support any decision which moves our workplace relations system in a more competitive direction and provides employers with savings to invest into employing more staff.

We welcome that this decision brings to effect an important recommendation arising from the Productivity Commission's 2015 review of Australia's workplace system.

However, AMMA would urge caution to any of our political leaders who may believe today's decision on penalty rates represents the type of transformational workplace relations reform our nation needs to address our deteriorating economic, employment and social conditions.

AMMA and our members are concerned that Australia is sleepwalking into a recession and our federal parliament is too far locked into a state of policy paralysis to make the type of reforms that could see us avoid this scenario.

While the government has successfully restored the ABCC and introduced some minor changes to the Fair Work Act, it is concerning that it appears to have no meaningful plans to make the case for substantial workplace relations reforms.

This should at least including implementing the majority of the Productivity Commission's recommendations, but beyond that, we need to ask the tough questions the Productivity Commission failed to engage with.

For instance, why we are the only country with layers upon layers of employment-related regulation, including the oxymoronic 'modern' awards system. With 700,000 working-age Australians without jobs and substantial under-employment, we should be asking why unemployment is higher and real wages growth lower today than following the deregulation efforts of Keating and Howard.

Despite nine in every 10 Australian employees choosing not to be union members, we are operating in a workplace relations system built on Labor and the unions' ideological agenda and not fit for a modern, competitive economy.

Throughout 2017, the resource industry will be stepping up its campaign for transformational workplace relations reform that would properly address these issues, rather than continuing to 'tinker around the edges' of a fundamentally flawed system.

If we cannot avoid a prolonged economic downturn, as predicted by many analysts, our recovery would be far quicker if our parliament undertook much-needed reforms now rather than wait until further deteriorations forces a reactive response.

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