LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON ECONOMY AND GENDER AND ECONOMIC EQUALITY Ms Leanne Castley MLA (Chair), Ms Suzanne Orr MLA (Deputy Chair), Mr Johnathan Davis MLA

Submission Cover sheet

Inquiry into the future of the working week

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From: russell hearne

To: LA Committee - EGEE <u>LACommitteeEGEE@parliament.act.gov.au</u>

Cc: James Milligan MLA

Dear Chair

I welcome the opportunity to make a contribution.

Central to the deliberations of the Committee should be the notion of labour productivity. Productivity is the relation of inputs to outputs - how much bang you get for your buck. You should <u>always</u> bear in mind that any labour cost rise will affect bottom lines, in the public and private sectors. When the bottom line is negative, businesses fail or budget deficits grow.

The Committee should consider these points in order to improve labour productivity:

- 1. shorter working weeks, that is parttime work, must be paid at part time rates. To do otherwise is to raise the cost of inputs, and decrease productivity.
- 2. red tape costs on hiring and retaining staff should be decreased or abolished
- penalty rates should be retained only for overtime. Weekend penalties are anachronistic, and restrict employment growth, according to the Productivity Commission
- 4. OHS requirements should put more responsibility on employees for their own safety. This will decrease insurance costs.

Orr's flyer entitled 'Fancy a 4 day work week" trivialises this important issue. It is not about flights of fancy, but economics. It is not just the working week by itself but the cost of labour as an input to the cost of production, and how those costs can be contained while rewarding employees appropriately.

She also seems to have the view that the enquiry is about how to benefit workers. Fair enough, but you need viable businesses and public sector cost control to provide for workers' most basic need - to have a job.

Russell Hearne