



Government of **Western Australia**  
Department of **Mines, Industry Regulation and Safety**

Establishing Easter Sunday as a public holiday in Western Australia

Summary Decision Regulatory Impact Statement

June 2021

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## Policy proposal

The State Government made an election commitment for Easter Sunday to be a public holiday in Western Australia from 2022.

## Statement of issue

The Public and Bank Holidays Act 1972 (PBH Act) prescribes 10 public holidays in Western Australia. Easter Sunday is not appointed as a public holiday, although Good Friday and Easter Monday are public holidays.

Easter Sunday is a day of cultural and religious significance for many Western Australians. As Easter Sunday is not currently a public holiday, Western Australians who work on this significant day do not receive the employment benefits that flow from a public holiday.

Currently the lack of an Easter Sunday public holiday means there are negative implications for Western Australians in that:

- x there is no official recognition of the special significance of Easter Sunday; and
- x if employees work on Easter Sunday, they do not receive pay rates equivalent to the other significant days that are public holidays, including Easter Monday.

Easter Sunday is observed as a public holiday in Victoria, New South Wales, Queensland and the Australian Capital Territory. All of these jurisdictions also observe Easter Saturday as a public holiday, as well as South Australia and the Northern Territory.

## Objective of proposal

The State Government made an election commitment for Easter Sunday to be a public holiday throughout Western Australia from 2022 onwards.

The media statement<sup>1</sup> announcing the commitment states:

- x “Employees who are required to work on Easter Sunday will benefit from an increased penalty rate, rising from the ordinary Sunday rate to a public holiday penalty rate”;
- x “An Easter Sunday public holiday will ensure shift workers who need to work on Easter Sunday are paid fairly”;
- x “It will also ensure that hardworking Western Australians have more time to spend with their families and friends, with three public holidays to be included in the Easter holiday weekend”.

These statements indicate that the Government’s intention in making Easter Sunday a public holiday is to provide for paid time off work on Easter Sunday, and for those employees who do work, to facilitate the payment of public holiday penalty rates of pay on Easter Sunday.

This Decision Regulatory Impact Statement summarises the impacts of the regulatory changes

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summarised, noting a formal Consultation Regulatory Impact Statement was not required due to the changes being clearly open for public discussion with the proposal an election commitment.

### Options

There are two options by which Easter Sunday could be made a permanent public holiday in Western Australia.

Option 1 – Amendment of the PBH Act to prescribe Easter Sunday as a permanent public holiday

The PBH Act can be

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State industrial agreements would need to be varied to incorporate an Easter Sunday public holiday by consent of all parties or updated as part of negotiations for a replacement industrial agreement

Option 2 provides a significant advantage by definitively providing for prompt recognition of the new Easter Sunday public holiday in all State awards and agreements which may not occur under Option 1.

It should also be noted that many State awards provide for substitution of public holidays at

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progressed. Legislating to address these issues as per Option 2 would be significantly quicker and more efficient and reduce ongoing administrative impacts.

*Certainty for business, employees and the community*

It is important, particularly in the current environment that businesses, employers and the community are provided with certainty and security in employment rights and obligations.

If Option 1 was implemented, there would be no certainty as to whether, when or how State awards and agreements would recognise the new Easter Sunday public holiday.

Option 2 would have the advantage of providing clarity for employers regarding their ongoing employment obligations and assuring employees that they would benefit from public holiday employment entitlements in State awards and agreements from Easter Sunday from 2022 onwards.

Summary of benefits of Options 1 & 2

Option 1	Option 2
Implements new Easter Sunday public holiday.  May not achieve Government’s stated objective for employees in State industrial relations system.	Achieves dual objectives of implementing new public holiday and ensuring that it is recognised in both State and national industrial relations systems.
Does not address possible substitution issues for State industrial relations system.	Addresses possible substitution issues for State industrial relations system.
Potentially higher costs for government, employer and employee representatives in managing any WAIRC proceedings to recognise Easter Sunday in State industrial instruments.	Legislation obviates need for WAIRC proceedings to recognise Easter Sunday in State industrial instruments.
Uncertainty as to when or if the Easter Sunday public holiday would be recognised in State industrial instruments.	Certainty for employers, employees and the community.



## Impact assessment

### *Benefits for employees*

Access to public holiday rates of pay for work on Easter Sunday would represent a benefit to eligible employees, and would result in higher compensation for work on a day of religious and cultural significance. These increased wages would boost the disposable income of employees who work on that day. This could potentially benefit the broader economy through increased spending, although that would depend on the extent of any reduced employment as a result of the higher pay rates.

### *Costs implication for employers*

There will be wage cost implications for employers who operate on Easter Sunday arising from the requirement to pay eligible employees public holiday penalty rates rather than Sunday pay rates.

There will be a particular impact on those industry sectors which commonly trade on Sundays including retail, cafes and restaurants, and other hospitality and accommodation services. Other industries with seven day operations would also be impacted by higher wage costs including health services, aged/disability care, tourism, transport and mining.

The cost estimate for the proposed Easter Sunday public holiday is \$8 million per year.

This cost estimate covers both the public and private sectors. (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15) (16) (17) (18) (19) (20) (21) (22) (23) (24) (25) (26) (27) (28) (29) (30) (31) (32) (33) (34) (35) (36) (37) (38) (39) (40) (41) (42) (43) (44) (45) (46) (47) (48) (49) (50) (51) (52) (53) (54) (55) (56) (57) (58) (59) (60) (61) (62) (63) (64) (65) (66) (67) (68) (69) (70) (71) (72) (73) (74) (75) (76) (77) (78) (79) (80) (81) (82) (83) (84) (85) (86) (87) (88) (89) (90) (91) (92) (93) (94) (95) (96) (97) (98) (99) (100)





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public holiday where New Year's Day, Anzac Day, Christmas Day or Boxing Day falls on a weekend, rather than the creation of an additional day.

CCIWA argues that an additional public holiday will negatively affect employment levels and availability of services, stating:

An increase to the number of public holidays will also have an impact on service delivery within affected industries as they adjust labour requirements to offset the increased costs associated with operating on that day. Research undertaken by the Fair Work Commission has previously identified that managing changes to labour costs, 72.7 per cent of award reliant retailers and 85.1 per cent of award reliant hospitality employers would implement strategies to manage or reduce the wage bill. The most commonly cited means for achieving this are:

- a) reducing the hours of casual staff in the case of 76.4 per cent of retailers and 84.7 per cent of hospitality employers;
- b) reducing the number or length of shifts in the case of 59.8 per cent of retailers and 71.9 per cent of hospitality employers;
- c) increasing the number of hours worked by the owners of the business in the case of 68.2 per cent of retailers and 77.5 per cent of hospitality employers;
- d) increasing the number of hours worked by family members or volunteers in the case of 38.2 per cent of retailers and 47.2 per cent of hospitality employers; and
- e) reducing the number of employees in the case of 5.1 per cent of retailers and 1.6 per cent of hospitality employers.

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To calculate median hourly earnings for public holiday work, it is necessary to estimate the current premium paid for work performed on a public holiday. Base median hourly earnings have been increased by 125 per cent for this purpose (Column C of Table 1.) This figure has been used as a number of the national modern awards applying to employees who work on public holidays provide for double time and one quarter to be paid for ordinary hours on a public holiday.<sup>6</sup>

As with Sunday wage premiums, there will be some employees who are entitled to receive premiums exceeding 125 per cent for work performed on a public holiday, while others will be entitled to a lower premium, or no premium at all. Overall, a 125 per cent wage premium is considered appropriate for the purpose of this exercise.

Once the median hourly earnings for Sunday and public holiday work have been determined, the hourly wage cost per employee associated with making Easter Sunday a public holiday can be calculated by subtracting the median Sunday rate from the median public holiday rate.

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To complete the costing process, an estimate of the average number of hours worked by employees on Sunday is also needed. While there is a paucity of data examining this issue, in 2008 the ABS released a publication entitled "How Australians use their time" which amongst



Assumptions

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