



Youth Affairs
Council Victoria

Cuts to penalty rates – The likely impact on young Victorians

Submission to the Penalty Rates and Fair Pay Select
Committee, Parliament of Victoria

May 2017

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About YACVic

Youth Affairs Council Victoria (YACVic) is the peak body and leading policy advocate on young people's issues in Victoria. YACVic's vision is that young Victorians have their rights upheld and are valued as active participants in their communities.

YACVic is an independent, not-for-profit, member driven organisation that represents young people (aged 12-25 years) and the sector that works with them. Through our research, advocacy and services, we:

- lead policy responses on issues affecting young people
- represent the youth sector and elevate young people's voices to government
- resource high-quality youth work practice.

We are driven by our members and prioritise their needs and concerns.

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Executive summary

Youth Affairs Council (YACVic) is the state peak body for young people aged 12-25 and the services that support them. In 2015-16 we had 313 members – approximately half of them young people, the others comprising local governments, community and health services and research bodies. Our vision is that young Victorians have their rights upheld and are valued as active participants in their communities.

Any consultation with young people or the youth sector about the factors which impact on young people's wellbeing, independence and participation in social and civic life invariably turns to issues of employment and financial security. For example, in 2016 we worked with the Victorian Government Office for Youth to run 12 youth forums around Victoria. 472 young people took part, and were asked about the issues they felt passionate about. They raised the topic of employment almost 200 times – after mental health, education and housing, it was the 4th most common concern raised.^{1*}

We are concerned about the likely impacts of the recent decision by the Fair Work Commission (23 February 2017) to cut penalty rates for the retail, fast food, restaurant, hospitality and pharmacy industries. These cuts (yet to be implemented) are outlined in the Appendix.

YACVic is concerned that these changes are likely to have a disproportionate and negative impact on young people. High numbers of young workers are concentrated in the industries that will be affected. Furthermore, over the past three decades, the jobs market has pushed young people away from full-time roles and into part-time and casual positions, often involving irregular and unsocial hours of work. People working such hours can be especially reliant on penalty rates to cover their costs of living.

Moreover, young people are remaining in such areas of work for longer than their predecessors used to. For many, part-time and insecure work is no longer a brief rite of passage; it is becoming the 'new normal'.

* Most of the young people involved were aged 18 or under – we suggest that had greater numbers of 19-25 year olds been engaged, the focus on employment would have been even more prominent.

We are especially concerned at the likely impact of the cuts on young people who are already vulnerable to other forms of disadvantage in the workforce. These groups include early school leavers, young women, young workers aged under 21, and young people living in communities with high rates of disadvantage, and/or rural and regional communities. In addition, we are concerned about the impacts on young workers who are providing financial support and care for family members.

When approaching this topic, YACVic is guided by the *Code of Ethical Practice for the Victorian Youth Sector*, which sets out key principles for working with young people:

- Positive health and wellbeing outcomes for young people
- The positive transitions and healthy development of young people
- Young people's connectedness to important people in their lives, such as family and community
- Social justice for young people
- The empowerment of all young people
- The safety of young people
- Respect for young people's human dignity and worth
- Young people's participation.

Coming from this perspective, we must raise concerns about the likely impacts of cutting penalty rates. While a common rationale for lowering penalty rates is that it will enable employers to hire more young staff, we await evidence as to whether this will actually occur. Moreover, we cannot support a development likely to have a harmful long-term impact on large numbers of young people, especially the most vulnerable young workers in the most precarious jobs, at a time when the cost of living for young people remains high.

Young people are already vulnerable in the workforce

Young people are disproportionately vulnerable to various forms of discrimination and disadvantage in the workforce. Cuts to penalty rates will come on top of these, and may exacerbate them. Existing inequalities include:

- Youth wages – many young workers under the age of 21 are already on wages lower than the standard minimum wage. For minimum wage jobs, youth wages are arranged on a sliding scale beginning with \$6.21 an hour for 16 year olds and ending with \$16.87 for 21 year olds.²
- Slow wage growth – over the past thirty years, real wages for young Australians have only increased at about half the average growth in wages in general.³
- Inexperience – young people generally have less experience in the workplace, less confidence and less knowledge of their workplace rights.⁴
- Illegal underpayment of young workers – in a recent survey of over 1,000 young Victorian workers, the Young Workers Centre reported that 1 in 5 young workers were paid at base rates below the national minimum wage order. While three-quarters of the young people worked unsocial hours, such as nights and weekends, less than half were paid penalty rates for this work. Young workers in the retail sector were especially vulnerable; more than a third of them were not paid the correct minimum wage. Many young workers did not know their rights; more than half of those who were underpaid believed they were receiving the legal minimum rate.⁵
- Workplace dangers – a 2016 survey of 1,028 young Victorian workers found that sexual harassment was common in many workplaces, that half the young workers had experienced bullying or harassment at work, and that 1 in 4 had been injured at work. It was very rare for young workers to report a workplace incident; many feared retaliation or did not expect to be taken seriously.⁶
- Outdated workplace agreements – it appears some workplaces have continued to employ people under WorkChoices-era agreements, some of which enabled employers to omit penalty rates and other conditions and entitlements.⁷
- Convoluted employment structures – some young people are employed not through the place where they work, but indirectly through ‘third party’ labour hire companies. This inaccessible structure makes it even harder to dispute concerns over pay or conditions and insist upon entitlements like penalty rates.
- Risk of unemployment – young people are disproportionately vulnerable to unemployment, which may make them unwilling to insist on their rights at work.

For example, in Victoria in February 2017, the unemployment rate for young people aged 15-24 who were not in full-time education was 12.8% - approximately twice the unemployment rate for the general population.⁸ Without a job, it is almost impossible for a young person to live independently. According to a recent scan by Anglicare of 14,203 private rental properties advertised across 48 Victorian local government areas, only 3 properties would be affordable[†] and appropriate for young people on Youth Allowance in a share house. For a single young person on Youth Allowance, *one property in the whole state* was identified as affordable and appropriate.⁹

Penalty rates will hurt young people disproportionately

We are concerned that young workers will be disproportionately affected by the cuts to penalty rates, as they are more likely than their older colleagues to work in the industries affected, and to work part-time or casually. As the industries affected by the cuts to penalty rates have moved heavily towards employing part-time and casual workers instead of full-time ones, it is likely the changes will affect large numbers of young people. Lowered penalty rates are likely to be detrimental to young workers who are already underemployed and who may have relied on the 'boost' provided by high penalty rates to cover their costs of living.

➤ Young workers are concentrated in retail, food and hospitality

Cutting the penalty rates to retail, fast food, restaurants and hospitality will affect workers aged under 26 more than older cohorts, as young workers are concentrated in these fields.

For example, in 2015, the Victorian Government's *On Track* survey interviewed 35,227 young people from all around the state who had finished Year 12 the previous year. Of those who had gone straight into employment instead of further study or training, their most common jobs six months later were: sales assistants, waiters, checkout operators and cashiers, counter hands at food outlets, storepersons, kitchenhands and bar attendants (as well as 'unknown').¹⁰

[†] Affordable rent was defined as that which takes up less than 30% of the household's income.

Comparable results were found amongst the 3,512 young Victorians surveyed who had left school without obtaining a Year 12 or equivalent qualification. Of those early school leavers who went straight into employment instead of further study or training, their most common area of work was listed as ‘food, hospitality and tourism’. Almost 28% of these vulnerable young workers were concentrated in this section of the workforce.¹¹

Similarly, according to the 2011 ABS census, of Victoria’s entire working population (all ages), 11% worked in ‘retail trade’ and 6% worked in ‘accommodation and food services’. But for young workers aged 15-24, 23% worked in retail and 17% worked in accommodation and food services. In other words, young people are more than twice as likely as their older colleagues to work in the areas affected by penalty rate cuts.¹²

➤ **Most young workers don’t work full-time**

Full-time employment is becoming extremely difficult for many young Australians to secure. Over the past three decades, and especially following the Global Financial Crisis (GFC), we have seen a drastic move away from the full-time employment of young people, and towards part-time and casual employment instead.

Between 2008 and 2014, the rate of full-time employment for young adults aged 20-24 fell from 52% to 42%, while their rates of part-time employment rose from 24% to 27%, and their rates of casual employment grew from 30% to 34%.¹³

There are now more part-time than full-time young workers aged 15-24, a radical change since the 1980s. In Victoria in February 2017, of the young people aged 15-24 who were in the workforce, the majority (58%) were working fewer than 35 hours a week.¹⁴

According to the Victorian Council of Social Service (VCOSS), the majority of young Victorian workers aged 15-19 are employed in jobs which do not include leave entitlements, as are a substantial minority of Victorian employees aged 20-24.¹⁵

As the Brotherhood of St Laurence have observed, these changes have been especially pronounced in the service industries, such as retail and accommodation, some of

which will be affected by the cuts to penalty rates. Since 1986 the percentage of young workers employed part-time in the services industries has shot up from 30% to 70% for 15-19 year old workers and 10% to 40% for 20-24 year old workers. At the same time, the percentage of young workers employed full-time in these industries has plummeted from 45% to 15% for 15-19 year old workers and from 60% to 40% for 20-24 year olds.¹⁶

For some young people, working fewer hours is a convenient personal choice, particularly if they are studying, travelling or volunteering at the same time. But many young people, including those with the lowest levels of educational qualification, are settling for fewer working hours than they want.

‘Underemployment’ is defined as having some paid work but wanting (and having the capacity) to work more hours. As of February 2017, youth underemployment in Australia was measured at 18% - a 40 year high.¹⁷ The Foundation for Young Australians has suggested that the real rate may be even higher; they estimate that around 30% of young workers would like to work more hours than they currently do.¹⁸

In 2015, the Victorian Government surveyed young people who had left school the year before, through the *On Track* survey. 4,552 of them had gone into part-time employment as their primary occupation, rather than further study or training. The majority of these young people (57% of those with a Year 12 qualification and 62% of those who’d left school early) said they would prefer to have a full-time job instead.¹⁹

➤ **Young workers are not just ‘students earning pocket money’**

There is a common assumption that young workers are undertaking post-school study or training, and therefore find it convenient to work fewer shifts, and to work outside of standard business hours. This period of working irregular hours in part-time or casual jobs is assumed to be a brief transitional stage in young people’s lives, before they attain higher qualifications and go onto full-time, secure and better paid work.

It is true that the majority of young Victorians who are working fewer than 35 hours a week are engaged in study or vocational training. However, the most rapid rise in part-

time and casual work has not been amongst students, but rather amongst young people who are *not* undertaking post-school study or training.²⁰

Finding full-time work with standard hours is becoming very difficult for young people who do not have post-school qualifications.²¹ In an economy where entry-level jobs are vanishing due to technology and the moving of industries offshore, growing numbers of young people with little or no work experience and junior qualifications are finding that part-time, insecure and poorly paid jobs are the only ones they can access.

Amongst young workers who are not also engaged in studying or training, the percentage who work part-time has risen by more than 12 percentage points since the GFC, and the percentage who work in casual jobs has grown by 7 percentage points. Meanwhile, the percentage of these young workers on permanent contracts has dropped by over 10% since the GFC.²²

In February 2017, 90,900 young Victorians aged 15-24 were working fewer than 35 hours a week without also undertaking study or training. This cohort made up almost 20% of all young workers, and over a third of all young workers who were not engaged in study or training.²³

Not only are there many young workers who are not involved in study or training, there are also young workers who face high expectations that they will earn wages and contribute financially to their families. For these young people, reduced rates of pay are not just a personal ‘inconvenience’. For example, the Koorie Youth Council has observed that Aboriginal young people often take on roles which would be considered ‘adult’ by non-Aboriginal observers, including providing financially for family members.²⁴

➤ **Part-time and casual work is becoming ‘the new normal’**

Young people are not indifferent to their financial security and career prospects. In 2016, 4,178 young Victorians aged 15-19 responded to Mission Australia’s annual *Youth Survey*, and even at this very young age 47% of them confirmed that they placed a high value on financial security, rating it as ‘very important’ or ‘extremely important’.²⁵ Similarly, when the Life Patterns study surveyed young Australians who left school in

2005-6 (starting with 3,977 participants in 2005 and ending with 591 in 2015), they found that 'financial security' remained one of the most common priorities for the young participants over this ten-year period. 95% of these young people agreed that 'job security' was highly important when deciding on a career.²⁶

However, despite a common wish for financial security, many young people are finding themselves spending longer and longer in a part-time and casualised workforce. According to the Foundation for Young Australians, in 2015 it took a young person an average of 4.7 years from leaving full-time education to finding full-time work.²⁷ The situation is most precarious for early school leavers and young people without a post-school qualification, but even well-qualified young people can struggle. Only 65% of university graduates and 58% of Cert III or higher graduates are in full-time work four months after graduating – these figures have plummeted since the GFC.²⁸

A recent example was provided by the Life Patterns survey of young Australians who finished school in 2005-6. The researchers found that *ten years after leaving school*, of the 591 remaining survey participants, 60% said their job involved working weekends, half said their job included night or evening shifts, and 40% said their job included shifts on public holidays. A quarter of these young adults reported that they did not feel they had job security. The researchers commented '*Difficult transitions to work have become an increasing reality for everyone, not just for those historically labelled as disadvantaged.*'²⁹

In the long term, working in precarious jobs has negative impacts on a young person. Part-time, temporary and casual workers often receive lower and more unstable earnings, less training and professional support, less job security, and slower wage growth.³⁰

➤ **Combining study and work can take a significant toll**

Of those young people who are combining paid work with further study or training, not all of them have comfortable family resources to fall back on if their work situation goes wrong. Nor can they all look forward to a rewarding, full-time career in a year or two. For many students, penalty rates are financially important, and represent some recognition of the toll that irregular and after-hours work takes on their lives.

Cuts to penalty rates are likely to put new pressure on young people who are already juggling study and work, forcing them to seek longer working hours, potentially to the detriment of their studies and/or their health and wellbeing.

In recent decades, young people have been expected to attain much higher levels of qualification than ever before – at the same time as job prospects have become scarcer and less secure. It has become common for young people to spend many years balancing post-school study and part-time or casual work. Almost 40% of Australian students experience financial hardship, and the University of Melbourne’s Life Patterns study of ‘Generation Y’ young adults found that high numbers of them reported stress over the demands of balancing study and work.³¹

For example, in 2012-13, Dr Dan Woodman (University of Melbourne) conducted interviews with 50 young adults from the Life Patterns cohort. Many of them were mixing study with part-time or casual work. While they recognised the need to combine the two, most of the young people did not feel they had much control over when they worked. Finding time for personal relationships was nominated as a concern by half the interview cohort, who reflected that mixing study with irregular, after-hours work made it hard to maintain friendship groups, enjoy close family life, or take part in regular activities such as sporting clubs. Those students who did report strong control over their working lives came from more privileged backgrounds and had greater parental support.³² Comments from the young people included:

- *‘My working conditions cause me a fair amount of stress and anxiety. My irregular hours (as a casual) means that I am always worried about whether I will have enough hours in the next fortnight to pay my bills and for food. Certain times of the year are quieter than others, which is always stressful. I feel like I need to always be as available as possible - not taking sick days or leave, working the weekend and late shifts, often at short notice, to maintain a sense of job security and try and improve my chances of getting work in the future.’*
- *‘Between doing 20 contact hours at uni plus that at work as well as a good 20-30 hours outside uni study a week, my body is exhausted and mentally it feels like uni is overtaking my life and may not be worth all this. I can’t work less hours as I am saving.’*

- *'Uni work and money issues stress me out. Centrelink Youth Allowance does not pay enough to cover rent, bills, car needs, medical or dental, but uni hours and work requirements don't allow time to work.'*
- *'I probably found most friends sort of disappeared ... separate ways, different jobs. I mean retail and hospitality they're not a great combination ... You can say "oh what are you doing? Do you want to catch up?" and they'd say "look I'm working I can't go out".'*
- *'The irregular hours started to kill me you know. Some mornings you'd start work at 10 o'clock and sometimes you'd start work at 2 o'clock in the afternoon ... You'd come home from work ... and your [housemates] are at home ... having fun and you've just come home off a ten hour shift and you're [really tired] and all you want to do is sleep.'*³³

The demands of the new economy are eroding what has traditionally been a crucial part of young adulthood: making new friends, bonding closely with peers, and having the chance to explore different social and personal pathways.

It is worth considering whether the very high rates of poor or fair mental health amongst young people – nominated as a concern by 70% of university and TAFE students in a recent study³⁴ – may be related to this normalisation of high but irregular demands and unsocial hours.

Some young workers are especially vulnerable

Certain groups of young people are likely to be disproportionately impacted by the cuts to penalty rates. This is because they are more likely than their peers to be in part-time or casual work, and/or more likely than their peers to work in the industries affected by cuts to penalty rates.

➤ Young women

Young women are disproportionately vulnerable to underemployment. They are also overrepresented in the industries that will be affected by the cuts to penalty rates. An effective lowering of incomes for part-time and casual workers in these industries is

likely to further widen the pay gap between women and men – which is still at nearly 17%, virtually unchanged since 1985. Today’s young women face the same gender wage gap as their mothers.³⁵

In 2015, through the *On Track* survey, the Victorian Government interviewed 6,812 young people who had left school the previous year and gone straight into employment, rather than into further study or training. Of these young people, the young women were more likely than the young men to go into part-time work and less likely than the young men to go into full-time work. Meanwhile, amongst the Year 12 graduates interviewed,[‡] the young women were more likely than the young men to go into a job or a traineeship / apprenticeship in the fields of ‘sales assistance’ or ‘food, hospitality and tourism’ – fields which will feel the impact of cuts to penalty rates. A traineeship / apprenticeship in the field of food, hospitality and tourism was more than twice as popular with female Year 12 graduates than it was with males.³⁶

Similarly, according to the 2011 ABS census, 28% of female workers aged 15-24 in Victoria were working in retail trade, compared to 18% of young male workers. 20% of young female workers were employed in accommodation and food services, compared to 14% of young male workers. Young women were more than twice as likely to be employed in retail trade than the ‘average’ Victorian worker, and more than three times more likely to be employed in accommodation and food services.³⁷

According to VCOSS, young women in the Victorian workforce are exceptionally vulnerable to working in jobs which do not include paid leave. In 2014, 79% of Victorian female workers aged 15-19 did not have paid leave entitlements. Nor did 43% of female workers aged 20-24. In both cases their access to paid leave was worse than that of their young male peers. Young workers with no leave access might be assumed to be especially reliant on the benefits conferred by penalty rates.³⁸

➤ **Young people without a Year 12 or equivalent qualification**

On average, early school leavers already tend to be more vulnerable to poorer transitions into the workforce than their peers who complete Year 12.³⁹ We are

[‡] The areas of vocational training chosen by early school leavers were not listed in the study.

concerned about the impacts of cuts to penalty rates in industries where high numbers of these young people work part-time.

For young people who left school without a Year 12 or equivalent qualification, finding full-time work is becoming very difficult. In 2015, the Victorian Government surveyed 3,521 early school leavers, and found that more of them had gone into part-time work as their main pathway, than into full-time work – 14.8% and 8.9% of all early school leavers respectively. Rates of part-time work for early school leavers in Victoria have risen steadily since 2011, while rates of full-time work have fallen.⁴⁰

Of the early school leavers who went straight into the workforce (i.e. not into further study or training), their most common jobs were: counter hands at food outlets, sales assistants, checkout operators, waiters, kitchenhands and storepersons.⁴¹

➤ **Young people in low-income communities and rural/regional communities**

Young people who have grown up in communities with higher than average rates of economic disadvantage are more likely than their peers elsewhere to go from school straight into part-time work. As such, we suggest the impact of cuts to penalty rates is likely to be felt more acutely there, and may have the effect of further entrenching disadvantage.

In East Gippsland, for example, the percentage of Year 12 graduates who go into part-time work as their main post-school pathway is more than double the state average. In Mildura, it is almost double the state average.⁴² In 2015, nearly 14% of Year 12 graduates from low/mid SES areas went from school into part-time work, compared to 10% of Year 12 graduates from upper-mid/high SES categories.⁴³ Of the 20 local government areas rated as having Victoria's highest levels of disadvantage according to the SEIFA index, 12 produced identified data on post-school pathways in relation to employment in 2016. Of these highly disadvantaged communities, the majority (10) showed higher rates of part-time work amongst their Year 12 graduates than the state average.⁴⁴

Meanwhile, it is possible that cuts to penalty rates may have a more tangible impact outside of major cities, as young people from rural and regional Victoria are more likely

than their metropolitan peers to go straight from school into employment, including into part-time employment.⁴⁵

➤ **Young people managing additional family responsibilities and ‘cultural load’**

Some young people are using their wages to support other members of their families and communities. In particular, our colleagues in the Koorie Youth Council have raised concerns about the potential impacts of reduced penalty rates on Aboriginal young people in the workforce. Aboriginal young people are more likely than their non-Aboriginal peers to take on ‘adult’ and caring responsibilities at a young age, including providing financially for family members. For young people in such circumstances, reduced salaries have implications that go far beyond the young person’s own access to consumer goods or recreation.

For some young people, higher family responsibilities coincide with higher levels of vulnerability in the workforce and higher concentration in areas of work likely to be affected by cuts to penalty rates. For instance, in the case of Aboriginal young Victorians:

- Aboriginal school-leavers in Victoria are more likely than their peers to go straight into employment or job-seeking, rather than university.⁴⁶
- In 2015, Aboriginal VET students in Victoria were somewhat more likely than the VET student population as a whole to be studying in the field of food, hospitality and personal services, which will be affected by cuts to penalty rates.⁴⁷
- According to the Foundation for Young Australians, the majority of young Aboriginal Australians who are in paid work (59%) report that they would like more hours. Aboriginal young workers are more likely than their non-Aboriginal colleagues to wish they had more work hours.⁴⁸

Recommendations

Many of the policy positions recommended here are beyond the remit of the Victorian Government. Nonetheless, given YACVic's responsibility to advocate on key issues affecting young people, we feel it is important to put them on record.

We support the position adopted by the Australian Council of Social Service (ACOSS): that the decision to cut penalty rates should not result in existing or future low-paid employees being worse off in terms of the income they receive for the hours they work. One option would be to ensure that any employees who are subject to reductions in penalty rates are paid 'loaded hourly rates' in compensation, offsetting the loss of hourly wages for after-hours work with increases in the regular rates of pay. We concur with ACOSS that any future review of penalty rates should be based on the principle of consistent, appropriately-graduated compensation for the disutility of working unhealthy or unsocial hours.⁴⁹

Meanwhile, several other measures would help to ameliorate the impact of the cuts to penalty rates on young people's incomes. Specifically:

- We support the recommendation of ACOSS that real minimum wages be increased substantially to reduce the gap between them and median pay levels, in recognition that an unfairly low national minimum wage worsens poverty and inequality by reducing the income of low-paid workers and indirectly serving to keep social security payments well below the poverty line. ACOSS called for decisions on the level of minimum wages to be informed by regular comparisons between the living standards of minimum wage earning households with benchmark indicators of a 'decent basic living standard' for a single adult. (In 2015 the minimum wage was worth 53.4% of full-time median weekly earnings, while unemployment benefits for a single adult sit at 40% of minimum wage.)⁵⁰
- We call for a review of the system of junior wages, to interrogate the merits of moving away from a junior wages system based on age (which is arguably inherently discriminatory) and towards a pay scale based around levels of experience and training needs. Such a review should engage young workers from a variety of backgrounds, industries and ages, as well as other key stakeholders

such as the Young Workers Centre. A review should also consider whether, in the event of a distinction being maintained between junior and adult wages, there are grounds for lowering the adult wage threshold from the current age of 21. We submit that the current age threshold is unusually high. Many young people need to support themselves financially before the age of 21, and 18 is widely treated as the beginning of responsible adulthood. For example, at the age of 18 young Victorians can vote, drive independently, graduate from school, drink alcohol, get married, change their name without permission, leave home to live independently, or serve time in an adult prison. It is worth considering whether their rates of pay should align with these other rights and responsibilities of adulthood.

- We support the position of ACOSS that Newstart Allowance and Youth Allowance for young people living away from the parental home be raised for a single person by at least \$54 per week, to address the exceptionally high rates of poverty amongst people who are reliant on these payments. (For example, recent research by the Salvation Army found that people receiving Newstart had just \$15 per day in disposable income left after paying for their housing.)⁵¹
- Long-term, rigorous evaluation and research must be conducted into the impacts of the cuts to penalty rates. This research should measure any changes to the employment rates, hours and pay levels of employees, disaggregated wherever possible according to employee age, gender, location, highest level of education qualification, and whether or not the employee is simultaneously engaged in education or vocational training. The findings of this work should be used to inform future policy-making, with the aim of reducing inequality and eliminating poverty.
- We support pursuing the recommendations of the Young Workers Centre (2017) for steps to address the frequent violation of young people's wage rights in the workforce. This should include steps to enforce payment of correct minimum wages and penalty rates, and embedding education about workplace rights into young people's career planning and work-readiness programs in schools.⁵²

Appendix

Following the Fair Work Commission's decision, changes to penalty rates will include:

- Retail Award – Sunday penalty rates will drop from 200% to 150% for full-time and part-time employees, and from 200% to 175% for casuals. Public holiday penalty rates will drop from 250% to 225% for full-time and part-time employees, and from 275/250% to 250% for casuals.
- Fast Food Award – Sunday penalty rates will drop for Level 1 employees only, from 150% to 125% for full-time and part-time employees, and from 175% to 150% for casuals. Public holiday penalty rates will drop from 250% to 225% for full-time and part-time employees, and 275% to 250% for casuals. The 10% evening work penalty will apply from 10.00pm, instead of 9.00pm.
- Hospitality Award – Sunday penalty rates will drop from 175% to 150% for full-time and part-time employees. (No change for casuals.) Public holiday penalty rates will drop from 250% to 225% for full-time and part-time employees, and from 275% to 250% for casuals.
- Restaurant Award – Public holiday penalty rates for full-time and part-time employees (not casuals) will drop from 250% to 225%. The 15% after midnight penalty will apply to hours worked between midnight and 6.00am, not 7.00am.⁵³
- Pharmacy Award – Sunday penalty rates will drop from 200% to 150% for full-time and part-time workers, and from 200% to 175% for casuals. Public holiday penalty rates will drop from 250% to 225% for full-time and part-time workers, and from 275% to 250% for casuals.

For example, we calculate that under the new system, if you are a part-time employee and you work an 8-hour Sunday shift:

- A 17-year-old working in the fast food industry on a junior wage (Level 1), would be paid \$23 less than current levels.
- A 19-year-old working in the retail industry on a junior wage (Level 1), would be paid \$62 less than current levels.
- A 22-year-old working in the hospitality industry on the national minimum wage (introductory level), would be paid \$35 less than current levels.[§]

[§] Please note: these are our estimates only and should not be taken as a definitive future guide. To calculate your wages, please go to the Fair Work Ombudsman's Pay Calculator [here](#).

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- ¹ Youth Affairs Council Victoria (YACVic), *Turning Ideas Into Action Youth Forums 2016 - Summary Report*, Melbourne, 2017
- ² ACTU Worksafe, 'Youth and entry level wages,' accessed April 2017, <http://worksites.actu.org.au/youth-entry-level-wages/>
- ³ Foundation for Young Australians (FYA), *Renewing Australia's Promise: Report Card*, Sydney, 2016
- ⁴ Young Workers Centre, *Submission to the Victorian Enquiry into the Labour Hire Industry and Secure Work*, Melbourne, 2017
- ⁵ Young Workers Centre, *Young Workers Snapshot: The Great Wage Rip-Off*, Melbourne, 2017
- ⁶ Young Workers Centre, *Young Workers Health & Safety Snapshot*, Melbourne, 2016
- ⁷ Young Workers Centre Submission, *Inquiry into Corporate Avoidance of the Fair Work Act*, January 2017
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