



**VICTORIAN LIBERAL  
STUDENTS' ASSOCIATION**

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

**The Victorian Liberal Students' Association Inc.**

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**February 2018**

Dear Committee Secretary,

**RE: Inquiry into Penalty Rates and Fair Pay**

The Victorian Liberal Students' Association Inc. (VLSA) is the Victorian peak body representing thousands of Liberal students in tertiary education.

We make the following submission to the Committee's Inquiry into Penalty Rates and Fair Pay in respect of the economic and social impacts for young workers of the Fair Work Commission's decision of 23 February 2017 to reduce Sunday and public holiday penalty rates in the retail, fast food, hospitality, restaurant and pharmacy awards by between 10% and 25%.<sup>1</sup>

The Victorian Liberal Students' Association strongly supports the Commission's decision.

This decision balances the needs of employees in the hospitality and retail industries with the needs of consumers, small business operators and the broader public interest in job creation and youth employment.

These modest reductions in Sunday and public holiday penalty rates (most in the order of \$20-\$30 per affected employee) will reduce the cost of trading and allow more small businesses to open on Sundays and public holidays. This will create new employment opportunities for Victoria's youngest workers and prospective workers to find gainful and fair paying work.

As many as over 80% of young workers are students under-taking some form of study.<sup>2</sup> Many students rely upon casual and part-time employment in these industries to meet everyday expenses such as food and housing. Others use this employment to develop practical job skills and improve their future employability as they study.

Without the opportunity afforded by gainful employment, tertiary education can be a significant burden for too many young Victorians. Young Victorians are particularly reliant upon the hospitality and retail sectors, with 23% of Victorian workers aged 15-24 employed in the retail sector and 17% employed in accommodation and food services.<sup>3</sup> Greater job opportunities in these industries can only benefit young Victorians.

We believe that long-term youth unemployment, which now sits at 13.2% in Victoria, is a significant challenge for young Victorians.<sup>4</sup> The Commission's decision will help alleviate some of the stress faced by thousands of young Victorian jobseekers by creating new employment opportunities for the least experienced prospective workers just trying to get their foot in the door.

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<sup>1</sup> Calculated by the VLSA using data from Fair Work Commission: <https://www.fairwork.gov.au/pay/penalty-rates-and-allowances/penalty-rates-changes-2017>

<sup>2</sup> Australian Bureau of Statistics: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6202.0Feb%202017?OpenDocument>

<sup>3</sup> Australian Bureau of Statistics: <http://www.abs.gov.au/ausstats/abs@.nsf/ViewContent?readform&view=productsbyCatalogue&Action=Expand&Num=2.1>

<sup>4</sup> Parliament of Australia: [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp1718/Quick\\_Guides/YthUnemployAreas](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1718/Quick_Guides/YthUnemployAreas)

Therefore, we strongly urge the Committee, in preparing its report, to take into account the interests of young Victorians who are struggling to find work. The Commission's decision will allow these Victorians the dignity of fair paying jobs and end their reliance on Youth Allowance and other Government payments so that they too have the opportunity to build their futures while undertaking tertiary education.

Yours sincerely,

Nicholas Seers

*President*

**Victorian Liberal Students' Association**