

Cutting Sunday penalty rates will hurt young people the most

Written by The Conversation

The Fair Work Commission decided to [cut Sunday and some public holiday](#) rates of pay across the hospitality, retail, pharmacy and fast food industries for full time, part time and some casual workers.

This will hit young people the hardest as [research](#) tells us that while a third of Australians rely on regular Sunday shifts as part of their wage, nearly [40% of young people](#) rely on penalty rates to survive.

Penalising people on penalty rates

Penalty rates have been part of the labour market for almost 100 years, since the Australian Conciliation and Arbitration Commission ruled in 1919 that additional payment was required for working unsociable hours. This decision remains popular a century later. According to the [latest polls](#), 82% of Australians support this compensation for working outside the usual working week.

The latest Fair Work Commission decision was the result of a full bench of commissioners hearing evidence from 143 witnesses after receiving 5,900 submissions. These submissions were from some of the largest interest groups in our society, such as the The Australian Council of Trade Unions (ACTU), the Australian Industry Group (AIG), Australian Chamber of Commerce and Industry (ACCI), National Retail Association (NRA), as well as submissions from individuals across Australia.

The timing of the release seems to be poor, as the latest Australian Bureau of Statistics (ABS) data shows that wage growth in the private sector is at an [all-time low](#) and that the cost of living is at an [all-time high](#).

Given this context, it seems ill advised to reduce the wages of a largely casual workforce that already lacks security and stability.

Second class citizens?

The decision to cut wages in industries where the majority of the workforce is under 25, while shocking, should come as no surprise. This undervaluation of the work done by young people is

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well established by our longstanding [junior rates](#) system.

We occupy an unusual position in the global economy as one of only a handful of countries to have lower legal minimum wages for young people, along with [Chile](#) , [Luxembourg](#) , [New Zealand](#) ,

and the

[UK](#)

. Unfortunately for Australia's young workers, our country has the lowest youth wage compared to minimum wage, in the world.

There is [no evidence](#) to suggest that reducing minimum entitlements like penalty rates will lead to net employment growth. Yet for young people, working these unsociable hours has a real impact on their [social lives](#) , ability to engage in [family life](#) , and overall [health](#)

. While Sunday is certainly not a religious day for most young Australians,

[research](#)

[consistently](#)

finds that those who work on Sundays are most affected by the negative effects of working non-standard hours. In other words, while it no longer has religious significance, Sunday is still a day of rest.

Community, sporting and social events are also usually held on Sunday. While young people might be able to catch up with some areas of social life outside of the weekend, their parents and older family members are [more likely](#) to work in the week, making it difficult to find time to spend together as a family.

The loss of this additional pay will have large ramifications for the retail industry, where [one in four](#)

young Australians are currently employed. By seeing their

[Sunday rates](#)

drop from A\$38.88 an hour to A\$29.16, young retail workers will need to pick up an extra hour's work to make up for the lost Sunday pay, in order to maintain their current wage.

For those who work the [minimum](#) three hours on a Sunday, they will now have to work an additional hour. For those who work the maximum nine hour day, they will need to work an extra three hour shift to make up for the loss of penalty rates.

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Otherwise, those who regularly work Sunday shifts in retail will be left between A\$29.16 and A\$86.78 worse off every week.

Living on the edge

The [Life Patterns](#) study conducted by the University of Melbourne's [Youth Research Centre](#) has found that work-life balance and cost of living pressures are already creating a stressful transition to adulthood for young Australians.

Participants in this study are less likely to experience major milestones like starting a family, finding a secure job or putting a deposit on a house, due to their prolonged experience of low-paid, insecure work. They are increasingly reporting increased mental health issues and incidences of housing stress.

This study has also found those from Gen Y work consistently on weekends, well into their late 20s.

Ultimately, young people are at the coal face of any change to minimum entitlements, and face the greatest risk of losing out at the hands of this reform.

Shirley Jackson receives funding from the Australian Research Council. He is affiliated with the Victorian Trades Hall Council and the Australian Labor Party.

Read more <http://theconversation.com/cutting-sunday-penalty-rates-will-hurt-young-people-the-most-73511>