

**Submission to the Fair Work  
Commission Hospitality and Retail  
Penalty Rate Review**

**February 2016**

## Introduction

The Curtin Student Guild is the peak representative body for over 60,000 students at Curtin University. Since 1969, we have been at the forefront of student advocacy and representation at Curtin University, and although the issues have changed, our primary objective to advance our members' interests to the University, as well as the wider community has remained consistent.

A dynamic and effective student organisation must remain consistent in its understanding of the concerns of its members. In heeding the concerns of our members, the Curtin Student Guild believes that it is pertinent to its interests to stake our support for the retention of the current retail and hospitality award rate.

It is with great pride that we present this submission on behalf of our members, particularly those who are gainfully employed in the retail and hospitality sector.



**Jake Wittey**  
2016 President  
Curtin Student Guild



**Corrie Fillmore**  
Project Research Officer  
Curtin Student Guild

## The Importance of Jobs and Economic Growth

The Curtin Student Guild notes the importance of a dynamic and productive economy. Through sustainable and equitable economic growth, our members' standard of living increases. Additionally, the Curtin Student Guild, as the peak service provider at Curtin University benefits immensely from economic prosperity and sufficient student purchasing power.

## The Real Cost of a Degree: The Relationship between Income and Student Attrition Rates

Despite stable economic growth since 1991, two-thirds of university students live below the poverty line<sup>1</sup>. Recent information brought to our attention by the University has suggested that over 50 percent of students who do not complete their degree at Curtin University are in good academic standing. Upon further examination, the University confirmed that these students were not presenting with academic problems (i.e. their ability to complete the required course content because of their intellectual ability), but rather extenuating circumstances. Although no Curtin University specific data exists, studies indicate that students who experience stress as a result of their personal finances are three times more likely to drop out than their peers who do not<sup>2</sup>.

In a study conducted nationally, it was found that one-third of domestic and one-sixth of international students' studies were adversely impacted upon by work commitments<sup>3</sup>. The Universities Australia student finances survey<sup>4</sup> showed that the average weekly number of hours worked for full-time students was 16.0 hours for undergraduates; 20.1 hours for postgraduate coursework students, and 10.5 hours for HDR candidates. The Curtin Student Guild acknowledges that employment plays a necessary component of a student's income, and supports those who undertake gainful employment; however it is of fundamental importance that a student's work and study commitments are balanced.

Indigenous Australians, and those from a lower socio-economic background have seen average incomes rise over the last decade<sup>5</sup>. In spite of this, Indigenous and students from a lower socio-economic background are less likely to be recipients of family support; with 66.3 percent of indigenous undergraduates, and 58.4 percent of students from a lower socio-economic background reporting zero financial support from their immediate family<sup>6</sup>. Whilst these figures on their own are not of particular concern, the impact on Indigenous and low socio-economic status students' studies is quite concerning.

Without adequate parental, family, or spousal income support, students become more reliant on their personal labour to fund their education, which has a negative impact on academic performance for these two key at-risk groups. Survey data has shown that more than two-thirds of students were worried about their financial situation, with the highest level of concern voiced by full-time, low

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<sup>1</sup> Bexley, Daroesman, Arkoudis and James. 2013. *University Student Finances in 2012: A Study of the Financial Circumstances of Domestic and International Students in Australia*: Centre for the Study of Higher Education

<sup>2</sup> Hil. 2015. *Selling Students Short: Why You Won't Get the University Education You Deserve*: Allen and Unwin.

<sup>3</sup> Ibid

<sup>4</sup> Bexley, Daroesman, Arkoudis and James. 2013. *University Student Finances in 2012: A Study of the Financial Circumstances of Domestic and International Students in Australia*: Centre for the Study of Higher Education

<sup>5</sup> 1370.0 - Measures of Australia's Progress, 2010. Australian Bureau of Statistics

<sup>6</sup> Bexley, Daroesman, Arkoudis and James. 2013. *University Student Finances in 2012: A Study of the Financial Circumstances of Domestic and International Students in Australia*: Centre for the Study of Higher Education

socio-economic undergraduates<sup>7</sup>. It was also found that 57 percent of undergraduate students from a low socio-economic background indicated that their work commitments negatively impacted upon their academic performance, as opposed to 52 percent of undergraduate students from a higher socio-economic background<sup>8</sup>. Similarly, Indigenous undergraduates are more likely to report that they regularly miss class because of work commitments – with 37.8 percent of Indigenous undergraduates reporting they regularly miss class because of work, as opposed to 33.2 percent of non-Indigenous undergraduates. Correlating with our previous findings, Indigenous and students from a low socio-economic background at Curtin University are increasingly becoming more likely to attrite than their peers.

The Curtin Student Guild is steadfast in its commitment to engaging and advancing the interests of persons from a disadvantaged background. Although the argument is that education is the great equaliser, unless students are afforded a decent standard of living for the duration of their studies irrespective of their background, inequality will persist.

Lucas Walsh, a writer for The Conversation, noted that,

“For those who “choose” to work on weekends, the penalty rate provides an incentive for trading off this valuable social, family and rest time to maintain a living. But for many, the “choice” to work on weekends is somewhat illusory, because they need this income to survive, particularly while studying<sup>9</sup>.”

Often the need to work evenings and weekends in relatively low paying jobs is barely enough for students to afford the costs of living, with an average of 17 per cent of students having reported regularly going without food or other necessities because they were unable to afford them<sup>10</sup>. Notwithstanding the demand of students for increased wages, a poll taken in January 2015 showed that 81% of voters agreed that people working outside of normal hours should receive a higher rate of pay, and there was a slightly lower majority who disagreed with cutting weekend and public holiday rates for workers in retail and hospitality<sup>11</sup>.

For these reasons, the Curtin Student Guild views the Fair Work Commission consideration of changes to the hospitality and retail awards, particularly a reduction or removal of penalty rates, to be antithetical to the higher education sectors stated aims of reducing the attrition rate of students. Any changes to the hospitality and retail awards in this direction will also be a significant disadvantage to Indigenous and students of a low socio-economic status.

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<sup>7</sup> Ibid

<sup>8</sup> Ibid

<sup>9</sup> A day of rest: the costs of removing penalty rates. (3 February 2015). Retrieved from <http://theconversation.com/a-day-of-rest-the-costs-of-removing-penalty-rates-36911>

<sup>10</sup> Bexley, Daroesman, Arkoudis and James. 2013. University Student Finances in 2012: A Study of the Financial Circumstances of Domestic and International Students in Australia: Centre for the Study of Higher Education

<sup>11</sup> Tony Abbott says cutting penalty rates will create jobs, but voters disagree. (23 January 2015). Retrieved from <http://www.theguardian.com/australia-news/2015/jan/23/coalition-faces-uphill-task-convincing-even-their-supporters-on-penalty-rates>

## The Cost of Living and the Student Experience

The Curtin Student Guild notes that real disposable income has decreased over the last 15 years (Figure 1). Students are no more exempt from this than any other sector of the population. Of equal concern is the appreciation of the proportion of students' income spent on essential items since 1974 – as exhibited in the graph below. These figures affirm our members' concerns regarding the cost of living, and its impact upon disposable income.

<b>Rent, Food, and Household Amenities (% of income)</b>	<b>Year</b>
43	1974
40	1979
34	1984
31	2000
35	2006
49	2012

Source: Bexley, Daroesman, Arkoudis and James. 2013. University Student Finances in 2012 (pp.31)

Our engagement with our members has suggested that if students have less money, or are more time-poor due to increased financial pressure, their university experience in both the academic and social realms, will suffer. For this reason, the Curtin Student Guild upholds its support for penalty rates as just recompense for students' labour, but also as remuneration that is necessary to provide them with greater purchasing power.

## Students in the Workplace

Students are overrepresented in the industries covered by the hospitality and retail award. In Figure 2, 43.5 percent of students represented in these industries are covered by the hospitality or retail award. The Curtin Student Guild believes that these figures would not be dissimilar to the breakdown of Curtin University students by employment. Therefore, to advance our members interests, the Curtin Student Guild opposes any changes to penalty rates in the hospitality and retail awards.

## Conclusion

The Curtin Student Guild, as the peak representative body for over 59,000 Curtin University students, has an obligation to advance its members interests on and off of campus. The removal of penalty rates for hospitality and retail works represents a cut to their base wage and reduction in their quality of life. This would further exacerbate the pressures of the cost of living for students, and adversely affect the number of students undertaking tertiary education, their subsequent success at university, and their likelihood of graduating. Any removal or reduction in penalty rates will also negatively impact students from disadvantaged backgrounds to a larger extent.

## Graphs

Figure 1:

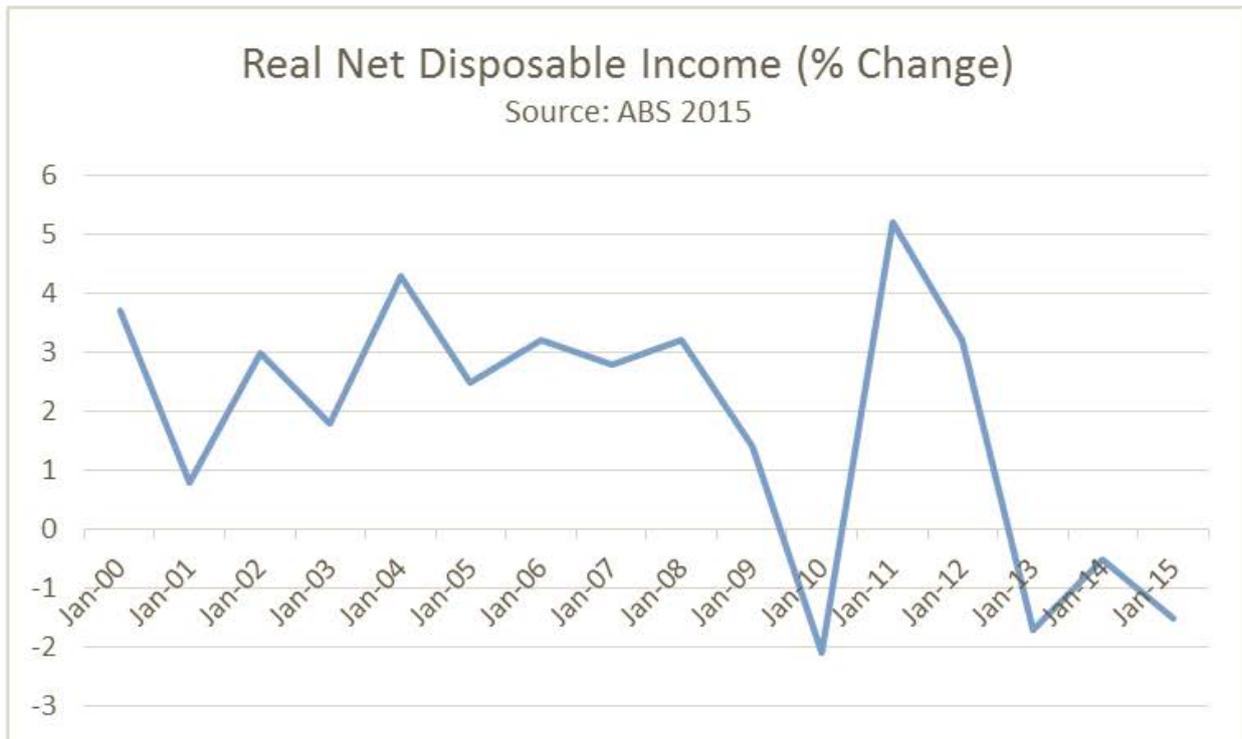


Figure 2:

