



16 December 2015

Barbara Cullen
Small Business Victoria
GPO Box 4509
Melbourne Vic 3001

Dear Barbara

Submission to the evaluation of the two additional public holidays in Victoria

Please find attached the results from our most recent member consultation survey following the Grand Final eve public holiday on Friday 2 October 2015.

These findings, along with previous survey data, strongly indicate that a majority of Geelong businesses are opposed to the additional public holiday and that many were adversely impacted.

The Geelong Chamber of Commerce remains committed to ensuring that businesses in the Geelong region are able to operate within an environment that is conducive to doing business, supports economic growth and leads to the creation of many new jobs within the region.

The Chamber, however, remains steadfastly opposed to the two additional public holidays, in particular the Grand Final eve public holiday, and we would welcome the opportunity for further dialogue and consultation, on behalf of the business community, on this matter.

Economic modelling estimates undertaken on the impact within the City of Greater Geelong indicate that lost productivity on the Grand Final eve public holiday was approximately \$12.1m for the day. In other words, it cost employers in Geelong up to \$12m to not have their employees come to work. Factoring in the additional wages and penalty rates for those employed to work on the two public holidays was estimated to amount to approximately \$3.8m.



Below are comments received from two member businesses in Geelong.

Restaurant Owner

"Our staff currently work a minimum of 6 up to a maximum of 9 public holidays per year as a condition of their enterprise agreement. We currently recognize 11 public holidays. We have an "all in" rate of pay which reflects the typical hours our staff work in the course of a year.

An increase in the number of public holidays would necessarily increase our "all in" hourly rate of pay for all staff in the business as the number of public holidays worked by the "typical staff member" would increase. To reiterate, the hourly rate for all staff would increase, for every hour they work, across the board as a consequence of the way our enterprise agreement is structured.

Consequently, our hourly rates would be increased by 1.00% causing a total increase in gross wages of 0.995%. Once employment on-costs are added this would result in an increase in total employment costs in excess of \$28,000 per annum.

The alternative would be to close for those 2 days and lose approximately \$50,000 in revenue."

Bakery Owner

Wages

- An additional \$7,000 in wages (\$1,000 for Easter Sunday and \$6,000 for Grand Final eve Friday)
- Sunday already attracts a penalty rate of 200% where as a Friday is normally paid at 100%, hence the huge difference if Friday jumped from 100% to 250% on our busiest day of the week.

Turnover

- If the Friday of Grand Final eve becomes a gazetted public holiday we would expect a 20% reduction in turnover for that day due to our wholesale customers closing their business. This is based on existing data for public holidays where we normally see a reduction between 15% - 30%.

Overall the Grand Final eve Friday public holiday will cost our business close to \$10,000 with no way of clawing back the loss of earnings. As a result we will have to look at reducing overtime during both periods to reduce our risk although at the expense of employee overtime."

Kind regards



BERNADETTE UZELAC
Chief Executive Officer