

## AIRC Modern Restaurant Award Decision

Following the revised request from Minister Gillard to the Australian Industrial Relations Commission to create a modern award covering the restaurant and catering industry, the AIRC on September 25<sup>th</sup> handing down an exposure draft for the sector..

Our initial reaction to the exposure draft is one of extreme disappointment and as result we have serious concerns as to its commercial impact on a sector that even Minister Gillard acknowledged is highly susceptible to wage increases and penalty rate and overtime rate movements.

In summary the R&C A is concerned that:

1. The AIRC has not included the Catering Industry sector into a new and separate award. Coverage of the Catering Industry has remained within the Modern Hospitality Award.
2. Our call to create greater flexibility in weekend penalty and overtime rates has been rejected.
3. A lower superannuation guarantee threshold minimum has been introduced.
4. The new award will exclude the fast food sector as well as restaurants operated in or in connection with Hotels.

### Minister's Request

Our concern on behalf of our members is justifiable when we consider that the Minister's initial request to the AIRC on May 28, 2009, stated:

*The Commission should create a modern award covering **the restaurant and catering industry**, separate from those sectors in the hospitality industry providing hotelier, accommodation or gaming services. The development of such a modern award should establish a **penalty rate and overtime regime that takes account of the operational requirements of the restaurant and catering industry**, including the labour intensive nature of the industry and the industry's core trading times."*

The AIRC's response to:

- *"Establishing a penalty rate and overtime regime"* – a slight variation to evening allowances.
- *"Operational requirements"* – little recognition that the sector is a seven day a week business. Weekend penalty rate changes are restricted to casual employees and overtime changes as requested not provided.
- *"Separate coverage of catering industry sector"* – this request did not succeed as the catering industry will now covered under the modern Hospitality Award.
- No significant change from current R&C Award (Tas)

### Transition Phasing in of Provisions

As per the AIRC Statement for Priority and Stage 1 Awards, the transition of monetary aspects of the new award will be over five years:

- 20% increments (phasing up from 20%, phasing down from 80%)
- Pay Scale Reliant Employees are expected to be phased in – greater clarification will be sought over the next few days)

### Next Stage in the Process

The R&CA over the next few weeks will analyze the impact of the Exposure draft. We ask that you compare the table below with any State specific award operating in your State with a view to providing feedback to us as soon as you can.

The reaction of members is vital in the response the R&CA is likely to mount.

- **16 October** - Closing date for lodging written comments on the exposure drafts of the Stage 4 modern awards.
- **26 to 30 October 2009** in Sydney and on Wednesday, **4 November 2009** in Melbourne, with Thursday, 5 November also being available if required.
- **4 December** - Final date for making Stage 4 modern awards.

# The New Award at a Glance

+ Gain from the current Restaurant & Catering Industry Award

\* Gain from the Modern Hospitality Award

Industry Coverage	New Modern Restaurant Award	AP787213 Restaurant	AP7726881 Catering	Modern Hospitality Award Hospitality - Catering	Restaurant & Catering Submission
Casual Loading M-F	25%	25%	25%	25%	25%
Saturday Penalty (FT and PT)	125%	125%	125%	125%	NIL
Saturday (Casual)	150%	150%	150%	150%	NIL
Sunday Penalty (FT and PT)	150%	175%	175%	175%	50% (150% Total)
Sunday Casual	175%	175%	175%	175%	NIL
Public Holiday (FT and PT)	250%	270%	250%	250%	250% Total
Public Holiday (Casual)	250%	275%	275%	275%	250%
Split Shift/Broken periods Allowance	5.4% of bhr per day	\$3.82	\$2.01 2-3 hours \$3.16 over 3 hours	0.33% bhr - 2-3 hours 0.5% bhr - over 3 hours	NIL
Tools Allowance (cooks)	\$1.55 pd, \$7.60 pw	NIL	\$1.58 pd, \$7.82 pw	\$1.55 pd, \$7.60 pw	\$1.55 pd, \$7.60 pw
Laundry Allowance	\$4.38 ft or \$1.42 per uniform	"agreed sum of money"	\$6.30 pw or \$2.12 per uniform	\$6.00 pw or \$2.05 per uniform	\$6.00 pw or \$2.05 per uniform
Morning Allowance	15% 12am – 7am	\$2.30 per hour from 12am – 7am	\$2.26 12am – 7am	15% 12am – 7am	NIL
Evening Allowance	10% 10pm – 12am M - F	\$1.60 per hour from 7pm-10pm M-F	\$1.57 7pm–10pm M-F	10% after 7pm	NIL
First Overtime Week Days	150% (first 2 hours per day) 200% (After first 2 hours)	150% (first 2 hours per day) 200% (After first 2 hours)	150% (first 2 hours per day) 200% (After first 2 hours)	150% (first 2 hours per day) 200% (After first 2 hours)	125% (first 8 hours per week)
Overtime after that on Saturday's	175% (first 2 hours) 200% (after first 2 hours)	175% (first 2 hours) 200% (all overtime)	200%	200% (all overtime)	150% (after 8 hours)
Sunday	200%	200%	200%	200%	
Super. Guarantee Threshold	\$350 per month	\$450 per month	\$450 per month	\$350 per month	\$450 per month