

This week Restaurant & Catering lodged its post budget submission to the Minimum Wage Panel of Fair Work Australia who will shortly determine this year's minimum wage case. Restaurant & Catering highlighted to the Minimum Wage Panel that the Fair Work Act 2009 allows for differential increases to apply to Modern Awards which would address the so called "patchwork" economy described by the Treasurer.

The Commonwealth Budget identifies that the floods and Cyclone Yasi will cost the economy \$9 billion in lost output and reduce GDP in 2010/11 and therefore Restaurant & Catering reiterates its call for a twelve month deferral of any increase to the national minimum wage to allow those businesses time to recover financially.

The Minimum Wage Panel is likely to hand down its decision in early June 2011. The submission quotes Treasurer the Hon Wayne Swan MP as follows: "Our public debt is a tiny fraction of that carried by comparable economies, our fiscal position the envy of the developed world. An investment boom is gathering pace. Yet our patchwork economy grows unevenly across the nation. Natural disasters have devastated families, cities and towns. The high dollar hurts our tourism and many manufacturing industries, especially small businesses.

For some, talk of an investment boom seems divorced from reality. Wages are growing, yet many live paycheque to paycheque. Not every region prospers." Restaurant & Catering Australia argued that the Commonwealth Treasurer's statements in his second reading speech acknowledge that there are regions within Australia that are not growing and that the patchwork economy requires a move away from the one size fits all application of wage increases.

Restaurant & Catering Australia reiterate its initial submission to the Minimum Wage Panel arguing that a new differential approach where sectors that are underperforming or experiencing little growth are not subjected to the same quantum increases that apply in booming sectors such as the resources sector.