



## **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> handed 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 be covered under the modern Hospitality Award.
- No significant change from current R&C Award (Vic)

### **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 analyse 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.

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

### **Restaurant & Catering Australia**

**Date: 29<sup>th</sup> September, 2009**

