



Restaurant
& Catering

MEDIA RELEASE
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ECONOMIC CONDITIONS DO NOT JUSTIFY MINIMUM WAGE INCREASE, SAYS R&CA

Restaurant & Catering Australia (R&CA) has argued that the Fair Work Commission (FWC) should not consider another increase to the national minimum wage, given the magnitude of the previous two years' increases.

R&CA's submission the 2017-18 Annual Wage Review argued that Australia's current economic environment did not warrant further increases to the minimum wage.

R&CA CEO Juliana Payne said that the 3.3 per cent increase to the minimum wage arising from last year's Annual Wage Review and the 2.4 per cent increase in 2015-16 did not reflect conditions in Australia's economic environment and particularly those in the café, restaurant and catering sector.

"Last year's minimum wage increase of 3.3 per cent was an overreach and in hindsight, the prevailing economic indicators since have failed to keep up.

"As a result, there is a strong imperative to ensure that the decision reached in this year's Annual Wage Review takes into account the economic conditions for the sector.

Ms Payne also said that another significant increase to the minimum wage mirroring the increases in 2015-16 and 2016-17 would negatively affect jobs growth in the hospitality sector.

"In the current business operating environment, hospitality businesses are already on spending approximately 44 per cent of their expenditure employing staff. This is before you even think about other significant expense items like rent, produce or electricity.

"Another unjustified increase to the minimum wage has the potential to put 84,100 new jobs in Australia's café and restaurant sector over the next five years at risk."

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