

Enterprise agreements in the Hospitality sector

10 December 2020

This is a background document only and does not purport to be a comprehensive discussion of the issues involved. It does not represent the view of the Commission on any issue.

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Introduction

Based on analysis of enterprise agreement approval applications in the Hospitality sector in recent years, this research looks at:

- Who makes enterprise agreements in the Hospitality sector;
- What are employers seeking from an agreement—what are they trading off and what flexibilities are they looking for; and
- What are the issues in the relevant awards about which employers are apparently seeking additional flexibility or that may cause issues when making an agreement in this sector?

Who makes enterprise agreements?

The hospitality sector is one of the biggest employers throughout Australia. The sector's employers and employees are mostly covered by the following 3 modern awards if they are not covered by an enterprise agreement:

- [Hospitality Industry \(General\) Award 2020 \[MA000009\]](#)
- [Registered and Licensed Clubs Award 2010 \[MA000058\]](#)
- [Restaurant Industry Award 2020 \[MA000119\]](#)

Agreement making in this sector is very low which suggests that many employees in this industry are covered by their relevant award rather than an enterprise agreement. The table below shows

the number of agreements approved by the Commission between January 2017 and October 2020 in the sector was only 145, representing less than 1 per cent of agreements approved in this time.

Table 1: Number of agreements approved

Relevant modern award	January 2017 to October 2020
<i>Hospitality Industry (General) Award 2020</i>	75
<i>Registered and Licensed Clubs Award 2010</i>	40
<i>Restaurant Industry Award 2020</i>	30
Total	145

Source: Fair Work Commission.

The Australian Bureau of Statistics (ABS) includes these industries within the *Accommodation and food services* division. The division also includes Takeaway food services (4512) which has not been included in this analysis. In this paper, the term ‘Hospitality sector’ is used to include all other classes within this division.

While ABS data show the Accommodation and food services industry as being the 6th largest in terms of employment in Australia (before the pandemic), the proportion of employers who make agreements is relatively low. Table 2 uses data from the Workplace Agreements Database (WAD) to compare agreements approved in four of the largest employment sectors.

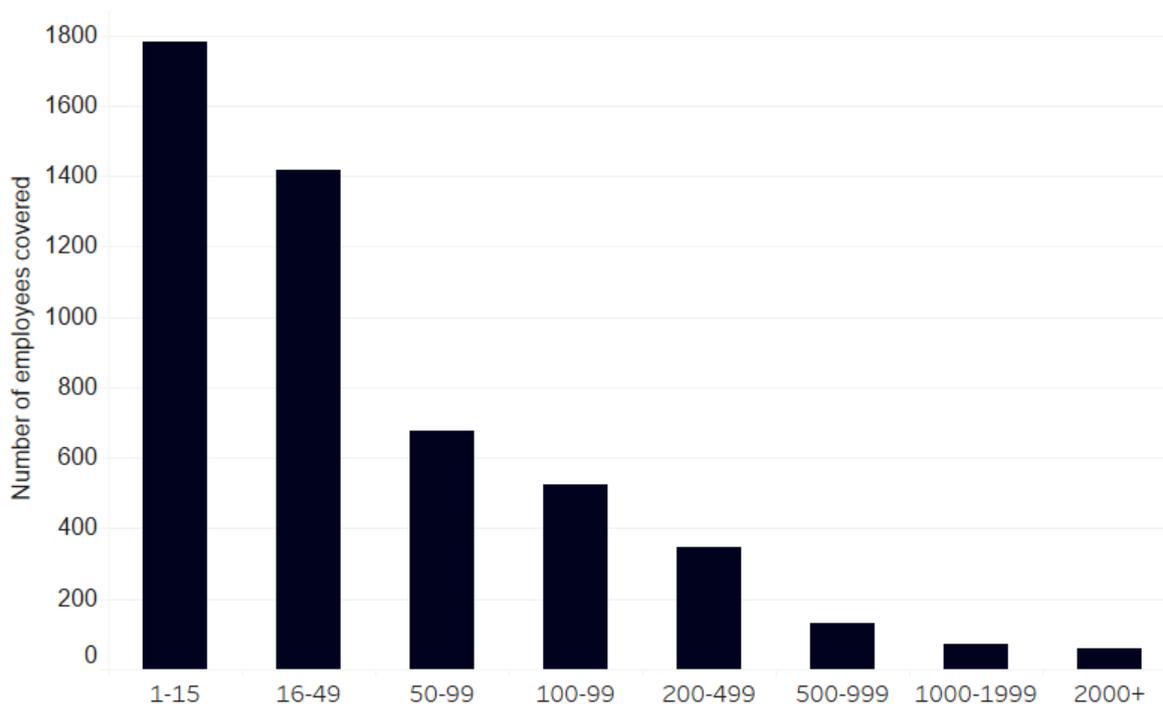
Table 2: Agreements approved in 2019

	Number of agreements	Total employees covered	Average employees per agreement
Retail	81	221 700	2737
Construction	1680	42 100	25
Manufacturing	955	69 900	73
Accommodation and food services	31	1918	62

Source: Attorney General’s Department, *Workplace Agreements Database*.

The following chart of the number of employees covered by agreements approved in 2019 across all industries shows the majority of agreements are made with fewer than 50 employees while the average for Accommodation and food services is 62 employees.

Chart 1: Agreements approved in 2019 by employees covered – all industries



Source: Fair Work Commission.

Agreements made in the Hospitality sector in 2019

[Attachment A](#) contains a more detailed list of agreements approved in 2019 covering employees who would otherwise be covered by the awards in the Hospitality sector (not including Takeaway food services).

For this research, Commission staff analysed 10 agreements across the 3 subsectors to identify which award provisions are traded off, what flexibilities are introduced, particularly around hours of work and penalty rates, and whether loaded rates are utilised in Hospitality sector agreements. The agreements researched are listed in [Attachment B](#).

What are employers seeking from an agreement?

Why make an agreement in the Hospitality sector?

Based on analysis of the sample of agreement approval applications in this sector it appears the flexibilities sought by employers bargaining for agreements can be summarised as:

- rolling up penalty rates and overtime into a loaded rate;
- flexibility around rostering part-time employees including removing the need to agree in writing to a pattern of regular hours and removing an entitlement to overtime for hours worked in excess of rostered hours;
- more flexible rostering (e.g. remove requirement to give certain period of notice); and
- less restrictive breaks provisions.

While the awards all contain options for annualised salaries or exemption clauses that roll up some award provisions with an offset ranging from 20–50 per cent, they are limited to more senior classifications.

Analysis of agreements against the Hospitality Industry (General) Award 2020

Three agreements were analysed where the *Hospitality Industry (General) Award 2020* (Hospitality Award) was the relevant comparator award for the BOOT; the Crown Casino agreement, the Spotless agreement and the Hibiscus Tavern agreement. This section summarises the results of this research.

All 3 agreements required undertakings to deal with a BOOT issue surrounding rates of pay. Each employer only gave the bare minimum required in an undertaking to rectify the issue.

What are the main increases above Award entitlements the agreement provides?

Union related provisions

- 2/3 agreements provided beneficial provisions for Unions and their delegates, such as paid training leave for delegates, stronger consultation obligations involving the unions and paid time and facilities for union delegates to help deal with workforce issues.
 - This was perhaps because United Voice were involved in 2 of the agreements randomly selected and may not reflect a major trend across this sector where union involvement in agreements may not necessarily always occur.
- 2/3 agreements provided protections to the job security of employees covered by the agreement by ensuring contractors had to be paid agreement rates.
 - Again, this may be because these 2 agreements had United Voice involvement and is unlikely to reflect what happens in non-union agreements.

Conditional/Discretionary Benefits

- The Crown Casino agreement analysed provided numerous conditional/discretionary benefits to employees such as better personal leave provisions, better termination and redundancy entitlements and journey insurance protection provisions.
 - Given Crown Casino is a large employer in the gaming sector.

Base Rates of Pay

- All 3 agreements generally had Monday to Friday base rates of pay higher than the award ordinary rates of pay. However, all 3 agreements adopted some system of loaded rates.

What allowable Award flexibilities do employers utilise?

Annualised salary arrangements

- Only 1 agreement took advantage of the annualised salary arrangements currently in the award at clause 24, by including a closely mirrored provision of the award clause. However, the scope of what could be annualised was expanded to include Time Off In Lieu (TOIL), allowances, annual leave loading, higher duties entitlements, Rostered Days Off (RDOs) and worksite flexibility, in addition to the standard inclusions of penalty rates and overtime entitlements.
 - The extra inclusions are allowable under the award given the provisions in the current clause 24.5 of the award.

- The other 2 agreements had no need to utilise the award's annualised salary clause given they adopted a loaded rates scheme for their whole agreement.

What are the main provisions that the agreement provides that are less beneficial or different from the Award?

Multi-hire arrangements

- 2/3 agreements provided multi-hire arrangements for employees and this type of arrangement is probably largely used throughout the hospitality sector. Clause 26.3 of the Spotless agreement is extracted below to explain this arrangement:

'26.3 Multi Hire

An employee may, if the employee and the Company agree, elect to work hours in excess of his or her normal rostered hours as a casual employee in a different capacity. For example, a permanent Food & Beverage Attendant at a Canteen may elect to work at the Grand Prix on a casual basis. The Company undertakes that this clause will not be used in a way to employ casual employees so as to deny weekly employees an opportunity to work overtime.'

- Basically, an employee can be employed in one discrete position and then work in another completely unrelated position as a casual to maximise their earnings. The arrangements are generally structured so that the positions are discrete, such that the extra work as a casual could not trigger overtime under the award.

Classification Structures

- All 3 agreements only covered classifications relevant to the business rather than utilising the wide-ranging classification structure in the Hospitality Award.

Loaded Rates

- 2 agreements had loaded rates of pay with the other agreement having a structured time block pay rate system to make payroll processing easier.
- The Crown Casino agreement had loaded rates of pay ranging from 32.13 per cent to 91.72 per cent above the award. The rates of pay were loaded for most award entitlements such as allowances, penalties, overtime, leave loading. To make the loaded rates work for the BOOT, the agreement had rostering safeguards, including the provision of some of the award safeguards in clause 15 of the current award. They also paid public holidays at 200 per cent of the loaded rate.
- The Hibiscus Tavern agreement had a loaded rates system to absorb all award penalty rate entitlements and overtime entitlements. The agreement had rates of pay tied to the award base rates so as to maintain the loaded rate relativities when the award changes for minimum wage adjustments. The loaded rates were:
 - 10 per cent above the award base rate for permanent employees for Mon-Fri work
 - 35 per cent above the award base rate for casual employees for Mon-Fri work
 - 60 per cent above the award base rate for all employees performing weekend or public holiday work

Similar, to the Crown Casino agreement, the agreement tried to include restrictions around public holiday and Sunday work where the award penalties are at their highest to make their

system work. As the loaded rate scheme was not sufficiently robust, they were required to give undertakings to provide weeknight penalties and overtime penalties.

- The Spotless agreement didn't have a single loaded rate; instead it has what could be characterised as 'time block' rates best explained by the excerpt below:

Mon - Fri	Mon - Fri (7pm-midnight)	Mon - Fri (midnight-7am)	Saturday	Sunday	Overtime 1	Overtime 2	Public Holiday
\$27.58	\$27.58	\$27.75	\$29.31	\$34.17	\$29.31	\$39.04	\$48.78
\$24.82	\$24.82	\$24.98	\$26.39	\$30.76	\$26.38	\$35.15	\$43.91

Overall, the time block rates generally work in the agreement so that there are higher margins in the Mon-Fri ordinary rate but the Saturday or Sunday rate is only slightly above what employees would be entitled to in the award.

- 2/3 agreements (i.e. the loaded rate agreements) did not provide overtime entitlements.

Flexible work provisions

- The Crown Casino agreement included shift swap, shift give away and shift pick up systems for its part-time and permanent employees. This allowed Crown Casino to have a flexitime type of arrangement for their full-time employees.

Allowances

- 2/3 agreements absorbed some or all the award allowances currently set out in clause 26 of the award into their rates of pay. The other agreement simply preserved award allowances through incorporation.
- 2/3 agreements did not include the ability to deduct money from an employee for breakages or cashiering underings currently in clause 36 of the award.
- 1 agreement used flat higher duty payments rather than a requirement to pay employees the applicable higher duty rate currently in the award.

Part-time employees

- All 3 agreements wanted a more flexible system of work for their part-time employees than the guaranteed hours and availability hours system under the award at clause 10.4 currently. The award system works whereby part-time employees have set minimum guaranteed hours each week that they agree on and all their hours guaranteed or otherwise can only be rostered in their agreed availability time blocks.

Ordinary working hours

- The Crown Casino agreement increased ordinary working hours to 40 per week.

Analysis of agreements against the Restaurant Industry Award 2020

Three agreements were analysed where the *Restaurant Industry Award 2020* (Restaurant Award) was the relevant comparator award for the purposes of the BOOT; the Lakeside agreement, the Louder Louder agreement, and the Mucho Mexicano agreement. This section briefly summarises the results of this research.

Two of the 3 agreements required undertakings to deal with a BOOT concern.

What are the main increases above Award entitlements the agreement provides?

- Most of the agreements have limited more beneficial terms and these terms are conditional in most instances.

- However, 2/3 agreements contain a higher minimum engagement for casual employees.
 - The Lakeside agreement contains a higher minimum engagement of 3 hours compared to 2 hours in the award.
 - The Louder Louder agreement contains a higher minimum engagement for casual employees when working on a public holiday (4 hours compared to 2 hours in the award).
- 2/3 agreements have a more beneficial maximum shift length that can be worked in any one day.

What allowable Award flexibilities do employers utilise?

Annualised salary arrangements

- Only 1 agreement utilised the annualised salary arrangements in the award. The agreement provided a salary for full-time 'exempt' employees which includes a Manager and Chef. These employees were excluded from the hours of work, overtime and payment for work on a public holiday provisions in the award.
- The agreement, however, does not contain any of the safeguards as contained in the award (Clause 28 of the [Restaurant Award as at 21 June 2017](#)) as set out below:
 - By agreement between the employer and an individual employee, an employee other than a casual, can be paid at a rate equivalent to an annual salary of at least 25% or more above the weekly rate multiplied by 52 for the work performed.
 - The salary must be sufficient to cover what the employee would have been entitled to if all award overtime and penalty rate obligations had been complied with.
 - In the event of termination prior to completion of a year, the salary must be sufficient to cover what the employee would have been entitled to.
 - An employee will be entitled to a minimum of 8 days off per four-week cycle.
 - If required to work on a public holiday, the employee will be entitled to a day off instead or a day added to their annual leave entitlement.
 - The employer must keep all records in relation to the starting and finishing times of employees under such an arrangement. The record must be signed weekly by the employee.
 - The employer must carry out a reconciliation at the end of each year comparing the employee's ordinary wage and actual payment and pay any shortfall.
- The agreement only provided a single salary and when compared to the highest classification in the award, fell below the minimum rate payable.
 - An undertaking (undertaking #9) was accepted which increases the salary payable and included some of the safeguards in the award. The undertaking ensures that the salary must be sufficient to cover what the employee would have received under the agreement.

What are the main provisions that the agreement provides that are less beneficial or different from the Award?

Loaded rates

- 2/3 agreements provide loaded rates of pay which absorb a number of penalties and allowances. One agreement has a Rates of pay schedule with hourly rates of pay for shifts that would ordinarily attract a penalty rate (i.e. weekends, night shifts) to make payroll processing easier.
 - The Mucho Mexicano agreement as lodged for approval contained loaded rates of pay which are 12% above the award. The rates of pay are inclusive of any applicable award or public holiday penalties and allowances and annual leave loading.
 - Notably, although the agreement specifies the rates are inclusive of public holiday penalties, the agreement provides an additional payment of \$5 per hour for work on a public holiday.
- The loaded rates were not sufficient to enable the agreement to pass the BOOT.
 - In response, an undertaking was accepted (undertaking #7) increasing the hourly rates payable to full-time and part-time employees.
 - An undertaking was also accepted which placed a limitation on the number of ordinary hours that can be performed on the weekends (non-salaried employees cannot be rostered to work more than 50% of their ordinary hours on weekends or one third of their ordinary hours on a Sunday, averaged over a 12 week cycle).
- The Lakeside agreement only covers casual employees and provides loaded rates of pay which absorbs all allowances, penalties and wage increases with the exception of payment for work performed on public holidays (and New Year's Eve).
- The rates of pay in the Lakeside agreement are between 10.36 per cent to 10.60 per cent above the award.
- The loaded rates were not sufficient to enable the agreement to pass the BOOT.
 - In response, an undertaking was accepted (undertaking #4) which confirmed that employees will be engaged for at least 13 hours during the week in addition to weekend work.
 - This undertaking appears to be in response to the concern that the rates of pay are not high enough to compensate for employees only working on the weekends without the relevant penalty rate.
- The Louder Louder agreement provides hourly rates for shifts that would otherwise attract a penalty rate (i.e. night shift, weekends and public holidays). The rates are marginally above the award hourly rate (inclusive of the penalty rate) and some rates for night shift performed after midnight appear to be below the award rate but are offset by other benefits.

Part-time employees

- 2/3 agreements wanted additional flexibility for their part-time employees.
 - The agreements do not specify that the part-time employee and employer must agree in writing on commencement on the employee's hours of work and any agreed variation must be in writing.
- The Louder Louder agreement does not set out that a part-time employee must agree on their guaranteed hours of work and availability at the time of engagement and the employee can only be rostered within their availability.

- The award at test time for the Mucho Mexicano agreement did not contain these provisions.
- The Lakeside agreement only covers casuals.
- 2/3 agreements contain less beneficial overtime provisions for part-time employees.
 - The Mucho Mexican agreement does not provide that a part-time employee is entitled to overtime for work in excess of their agreed hours.
 - An undertaking was accepted to address this issue
 - The undertaking (undertaking #10) provided that part-time employees will be paid overtime for work in excess of their hours agreed in writing.

Casual employees

- 2/3 agreements do not provide overtime penalties for casual employees.
 - The Lakeside agreement (which only covers casual employees) states that employees will be required to work ‘reasonable additional hours as required.’
 - Under the award, casual employees are entitled to overtime for time worked in excess of 38 hours per week or averaged over the roster cycle, or in excess of 12 hours per day (10 hours if under 18 years of age).
 - An undertaking that no employee will work over 10 hours was accepted, presumably to address this concern.

Breaks/Rosters

- 2/3 agreements contain less beneficial provisions in relation to the minimum break between the end of one shift on a day and the commencement of another shift on the following day.
- 3/3 agreements do not contain any additional provisions as found in the award in relation to meal breaks, or any safeguards if employees are not provided with their unpaid meal break at the required time. The award provides additional payments and breaks if an employee is not provided with their unpaid meal break at the required time, if an employee is required to work more than 10 ordinary hours in a day or more than 2 hours’ overtime after the completion of their rostered hours.
- 2/3 agreements contained less beneficial provisions in relation to rosters.
 - The Mucho Mexicano agreement provided a lesser notice period of 3 days compared to 7 days in the award for any changes to the roster. It also provided that where practicable the roster will be posted 7 days in advance, whereas the award provides two weeks’ notice.
 - The Louder Louder agreement states that a weekly roster will be posted which may be altered by mutual consent but does not specify the notice period for other changes. It also does not specify that where practicable two weeks’ notice will be provided.
- This suggests that the employer wants to maintain as much flexibility as possible in their rostering practices.

Allowances

- 3/3 agreements do not separately provide an entitlement to any allowances.

- 2/3 agreements absorb allowances into the loaded rate of pay.

Analysis of agreements against the Registered and Licensed Clubs Award 2010

Our observations for the 4 agreements with the *Registered and Licensed Clubs Award 2010* (Clubs Award) were much the same as the observations for the Restaurant and Hospitality Award agreements which is expected as the awards are very similar. Undertakings that were given by employers for these agreements were the minimum undertakings required to ensure the Fair Work Commission's BOOT issues were resolved.

What are the main increases above Award entitlements the agreement provides?

Royal Melbourne Golf Club Benefits

- Only one of the 4 agreements provided any significant benefits, being the Royal Melbourne Golf Club Agreement.
- The AWU was involved with the Royal Melbourne Golf Agreement.
- Benefits provided by the Royal Melbourne Golf Club Agreement included:
 - Ability to use their facilities
 - Base rates substantially above the Award at 16–29 per cent above
 - Better overtime entitlements in some circumstances

What allowable Award flexibilities do employers utilise?

Annualised salary arrangements

- 3/4 agreements utilised provisions similar to clause 17.3 of the current award to annualise rates of pay for managerial classifications.
- Some of the award safeguards, such as that the salary must be in excess of 50% above the minimum annual salary rate, were not necessarily translated to the agreements.

What are the main provisions that the agreement provides that are less beneficial or different from the Award?

Loaded Rates

- 2/4 agreements had specific rates of pay for all time blocks in a week, including ordinary hours and hours which would attract a penalty rate under the award.

Flexible work provisions

- The Royal Melbourne Golf Club introduced flexibilities into their agreement for peak work periods during their tournaments. Provisions such as the spread of ordinary hours were altered and new on call provisions were added for the duration of the tournament.

Part-time employees

- 3/4 agreements made alterations to the part-time protection provisions in the award to achieve more flexibility in their employment of part-time workers. Award provisions such as overtime in excess of rostered hours, minimum engagements and agreement to regular hours were modified in agreements.

Rostering

- 2/4 altered the award rostering provisions to reduce the fortnightly notice periods for rosters required in the award.
- 2/4 agreements did not provide maximum shift lengths consistent with the award which are currently 12 hours per shift.

Casual overtime

- One agreement did not provide casual employees with overtime entitlements; instead relying upon a quasi-loaded rate system for casuals where their normal agreement payments and penalty rates absorb the need for paying higher overtime rates when they worked what would be considered overtime under the award.

What are the issues in the Hospitality Award about which employers are seeking additional flexibility or that may cause issues when making an agreement?

Based on analysis of the sample of agreement approval applications based on the Hospitality award, it appears that some employers are using agreements to amend the perceived limitations in the award around rostering and part-time employment. Additionally, they are also trying to replace award penalty rates system with other wage rate systems. In summary:

- most agreements are utilising loaded rates of pay, annualised salary arrangements or specific rates of pay for all time blocks in a week to avoid having to apply the award penalty rate system
- where benefits are provided in agreements, they are often conditional benefits surrounding leave entitlements
- most agreements are seeking more flexibility for employing part-time workers, particularly around their agreed hours of work and roster changes
- most agreements contain fewer classifications than the award.

It should be noted however that other agreements in the Hospitality sector retain the penalty rates structure in the Hospitality award and relatively simple overtime arrangements within their agreements. See for example *Spotless Services North Queensland Stadium Enterprise Agreement 2020* [[AE506792](#)].

The flexibilities sought in agreements based on the Restaurants and Clubs awards are similar which is to be expected as all 3 awards contain comparable entitlements.

Attachment A: Number of employees covered by agreements – 2019

Agreement title	Employees covered	Part-time	Casual	Relevant award [^]
Crown Perth, CFMMEU, CEPU - Property Services Enterprise Agreement 2018	50	0	0	H
Compass Group - ESS Offshore Oil and Gas (MODU) Enterprise Agreement 2018	16	0	3	H
Swansea RSL Club Enterprise Agreement	40	7	31	H
Armidale City Bowling Club Shared Vision Enterprise Agreement 2018	44	11	16	H
Poet's Lane & Lyrebird Falls Enterprise Agreement 2018	50	43	5	H
ISS Facility Services East Pilbara Region Catering & Cleaning Agreement 2019	128	0	46	H
KGS Staff Pty Ltd Workplace Agreement 2019	8	0	8	H
Broken Hill Sturt Club Limited Employee Collective Agreement 2018	20	1	13	H
Entier Australia Pty Ltd Onshore Agreement 2019	3	0	3	H
Spotless BHPB WA Sites Enterprise Agreement 2019	257	3	56	H
Compass Group - ESS Offshore Oil & Gas (Wheatstone Platform) Enterprise Agreement 2019	24	0	3	H
Broadspectrum (Base Services) NT Enterprise Agreement 2019	248	18	56	H
Compass Group - ESS Offshore Oil & Gas (Woodside Platforms) Enterprise Agreement 2019	52	0	8	H
Civeo WA & SA Accomodation Services Enterprise Agreement 2019	30	0	6	H
Compass Group (Medirest - Thomas Embling) Enterprise Agreement 2019	25	11	12	H
ACS Enterprise Agreement 2019	17	0	17	H
Compass Group (ESS Cannington) Enterprise Agreement 2019	66	0	14	H
The Hibiscus Tavern Enterprise Agreement	42	0	35	H
Broken Hill Musicians Club Ltd Enterprise Agreement 2018	33	5	15	C
CHRSL&SC Enterprise Agreement 2019	86	17		C
BSC Enterprise Agreement 2019	133	30	90	C
Smithfield RSL Club Employees Enterprise Agreement 2019	113	0	68	C
Sutherland District Trade Union Club Ltd Management Enterprise Agreement 2018	34	4	0	C
Blacktown Workers Club Greenskeepers Enterprise Agreement	5	0	0	C
West Lakes Golf Club Enterprise Agreement 2019	6	0	0	C
Cultivated by Good Pty Ltd Queensland Enterprise Agreement 2019	4	0	1	R

Note: Relevant award is primary award used for the BOOT assessment: H = *Hospitality Industry (General) Award 2010*; C = *Registered and Licensed Clubs Award 2010*; R = *Restaurant Industry Award 2010*.

Source: Unpublished data from the Workplace Agreements Database extracted from Form F17s for agreements approved in 2019 for which BOOT analysis was based on the 3 awards above.

Attachment B: Agreements analysed for this research

Agreement Title	Agmt ID	Matter Number	Operative Date	Employees covered
Hospitality Industry (General) Award 2020 agreements				
United Voice & Spotless Hospitality Services (Victoria) Enterprise Agreement 2019 - 2023	AE504259	AG2019/1976	09 July 2019	2768
Crown Melbourne Limited (Table Games & Cage Area Managers, Security Services Managers and Surveillance Team) Enterprise Agreement 2018	AE505339	AG2019/2627	24 September 2019	424
The Hibiscus Tavern Enterprise Agreement	AE506545	AG2019/4324	06 January 2020	42
Restaurant Industry Award 2020 agreements				
Mucho Mexicano Milton - Enterprise Agreement 2017	AE424939	AG2017/2389	26 July 2017	17
Lakeside Banquet and Convention Centre Enterprise Agreement 2018	AE429035	AG2018/602	06 July 2018	80
The Louder Louder Enterprise Agreement 2018	AE500300	AG2018/2155	10 October 2018	2
Registered and Licensed Clubs Award 2010 agreements				
Royal Melbourne Golf Club Enterprise Agreement 2018	AE900043	AG2018/1423; varied in AG2020/1092	01 May 2020	32
City Golf Club Toowoomba Enterprise Agreement 2019	AE504294	AG2019/1535	11 July 2019	160
Greensborough RSL Sub-Branch Enterprise Agreement 2018-2022	AE500367	AG2018/2674	15 October 2018	49
West's Illawarra Leagues Enterprise Agreement	AE428988	AG2018/815	03 July 2018	135

Attachment C: Possible award options

Option 1:

Based on the Crown Casino agreement, it appears a loaded rate of 30–33% could be included to offset penalties (except public holidays), overtime, allowances and leave loading however rostering limitations were required to ensure all employees would be better off under this arrangement. These included specifying a minimum proportion of hours to be worked at time that attract no penalty or a lower penalty rate and limits on hours that would otherwise attract overtime.

The Loaded rates case [decision](#) at [117] outlined various roster scenarios and the requisite loading required to compensate employees for penalties otherwise payable to full-time employees under the *Security Services Industry Award 2010*:

Roster Scenario	% Rate required to be above award base rate
Scenario 1 – Full-time Employee working a 38 hour week. Roster made up as follows: <ul style="list-style-type: none"> • 1/7 of their ordinary hours worked on each day of the week • Mon-Fri work is split evenly between night shift and day shift. • 6 public holidays are worked each year for 7.6 hours. 	34%
Scenario 2 – Full-time Employee working a 38 hour week. Roster is as follows: <ul style="list-style-type: none"> • Employees work 7.6 hour shifts on 2 Saturdays and 2 Sundays in a 4 week period. • Other hours worked on day shift. • 6 public holidays are worked each year for 7.6 hours. 	20%
Scenario 3 – Full-time Employee working a 38 hour week. Roster is as follows: <ul style="list-style-type: none"> • Employees work 12 hour shifts on 2 Saturdays and 2 Sundays in a 4 week period. • Other hours worked on day shift. • 6 public holidays are worked each year for 7.6 hours. 	29%
Scenario 4 – Full-time Employee working a 38 hour week. Roster is as follows: <ul style="list-style-type: none"> • Employees work 7.6 hour shifts on 2 Saturdays and 2 Sundays in a 4 week period. • Other hours worked on permanent night shift. • 6 public holidays are worked each year for 7.6 hours. 	43%
Scenario 5 – Full-time Employee working a 38 hour week. Roster is as follows: <ul style="list-style-type: none"> • Employees work 12 hour shifts on 2 Saturdays and 2 Sundays in a 4 week period. • Other hours worked on permanent night shift. • 6 public holidays are worked each year for 7.6 hours. 	49%

Options for part-time employees were set out in [119] of the decision

A ‘flexibility loading’ could be paid to part-time employees to offset the minimum engagement and overtime provisions (see for example Cleaning award at [Attachment B](#))

Casual employees would either need to be paid a casual loading in addition to the loaded rate or not included in this scheme.

A reconciliation term should also be included in any such wage structure (see for example provision at [Attachment C](#)).

Option 2 – lower cost, less flexible:

Based on the Hibiscus Tavern agreement, rather than using a model based on rostering scenarios across the week as in Option 1, a multi-level rate structure could be utilised dependent on the when the hours are worked – weekdays, Saturdays or Sundays while offsetting some penalties and overtime, allowances and leave loading. This model would be less flexible and more administratively burdensome than Option 1 but cheaper for the employer by reducing the loaded rate payable on weekdays and to some extent, Saturdays.

A 'flexibility loading' could be paid to part-time employees to offset the minimum engagement and overtime provisions.

Casual employees would either need to be paid a casual loading in addition to the loaded rate or not included in this scheme.

A reconciliation term should also be included in any such wage structure.