

MEDIA RELEASE

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Restaurant industry calls on Fair Work Commission to protect jobs in wage review

Restaurant & Catering Australia (R&CA) today lodged a supplementary submission to the Fair Work Commission's Annual Wage Review 2026, warning that Australia's restaurant, café and catering industry cannot sustain further wage increases magnified through penalty rates and loadings at a time of unprecedented economic disruption.

R&CA National President John Hart said the industry was already buckling under the combined weight of the fuel supply crisis, soaring input costs and razor-thin margins.

"Our industry operates on profit margins as low as 2.3 per cent. Forty-one per cent of accommodation and food service businesses are already cutting staff hours — nearly three times the rate of the broader economy. A wage increase that ignores these realities will cost jobs, not protect them," Mr Hart said.

"We are not opposing fair pay increases for workers. What we are asking the Commission to recognise is that in our industry, where nearly every hour worked attracts a casual loading or weekend penalty, any increase to the base rate is automatically amplified well beyond the headline figure.

"If the Commission grants a 3.5 per cent increase, our businesses don't pay 3.5 per cent more — they pay significantly more once penalties and loadings compound on top. That is the structural reality the Commission must grapple with."

R&CA's submission calls for any increase to be applied as a flat dollar amount to both the standard and casual hourly rates, rather than allowing increases to be magnified through the penalty rate system.

"The restaurant industry employs nearly 700,000 Australians, overwhelmingly young people, casual workers and new migrants. These are the very jobs that will be lost if the Commission gets this wrong," Mr Hart said.

R&CA's supplementary submission draws on ACCI survey data showing 95 per cent of businesses are impacted by higher fuel prices and notes the industry's position as the most award-reliant and most casualised sector in the Australian economy.

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