



SUBMISSION ON BEHALF OF THE AUSTRALIAN FEDERATION OF  
EMPLOYERS AND INDUSTRIES (AFEI)

AM2008/83 BUILDING SERVICES – EXPOSURE DRAFT DRY CLEANING AND  
LAUNDRY INDUSTRY AWARD 2010

AWARD MODERNISATION

**AFEI**  
Australian Federation of  
Employers & Industries

**BEFORE THE AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION**

**AWARD MODERNISATION – AM2008/69 – DRY CLEANING AND  
LAUNDRY SERVICES**

**SUBMISSION CONCERNING EXPOSURE DRAFT DRY CLEANING AND  
LAUNDRY INDUSTRY AWARD 2010**

1. The Australian Federation of Employers and Industries (AFEI) has previously made submissions concerning the Dry Cleaning and Laundry Services Industry and filed a draft award. AFEI makes this submission in relation to the Exposure Draft Dry Cleaning and Laundry Services Award 2010 (the “exposure draft”).
  
2. The awards that are relevant to this industry are:
  - Dry Cleaning Industry Award 2000;
  - Dry Cleaning (State) Award (NSW);
  - Dry Cleaning and Dyeing Industry Award - Southern and Central Divisions 2004;
  - Dry Cleaning and Dyeing Industry Award - State (Excluding South-East Queensland) 2002;
  - Dry Cleaners Award (SA);
  - Laundry and Dry Cleaning Award (WA);
  - Laundries, Dry Cleaning and Laundromats (Northern Territory) Award 2002;
  - Laundry and Dry Cleaning Award (TAS);
  - AWU Laundry (NSW) Award 1998;
  - Laundry Industry (Victoria) Award 1998;
  - AWU Laundry Industry (A.C.T.) Award 1998;
  - Laundry Employees (State) Award (NSW);
  - Laundry Workers Award - Brisbane 2003;
  - Laundry Workers Award - State (Excluding Brisbane) – 2003;
  - Laundries (SA) Award; and
  - Laundry Workers' Award, 1981 (WA).

3. Where the following submission includes reference to comparison of current award provisions, the relevant material is located in the table attached to this submission.

#### **Coverage (clause 4)**

4. AFEI is concerned that the exclusions in coverage of this modern award in clause 4.2 could provide an advantage to businesses operating under those excluded awards. If the businesses under these excluded awards were to provide laundry or dry cleaning services to the customers of other businesses then the lower wages and conditions in such awards as the Hospitality Industry (General) Award 2010 would provide those businesses with an advantage over those businesses covered by the Dry Cleaning and Laundry Services Award 2010. The Textile Rental & Laundry Associations of Australia Limited (TRLAAL) have discussed their concerns with the proposed coverage and AFEI shares their concern that this issue should be addressed in the modern award.
5. AFEI submits that where businesses covered by the excluded awards provide laundry or dry cleaning services to customers of other businesses the Dry Cleaning and Laundry Services Award 2010 should cover them.

#### **Part time employees (clause 10.4)**

6. The majority of industry awards (9 of the 16), including the Dry Cleaning Industry Award 2000 provide for overtime to be paid to part time employees in the same or similar manner it is paid to full time employees. They do not provide for payment of overtime when part time employees work in excess of their mutually agreed hours. The proposed provision is likely to impose additional costs on employers who do not currently have this provision and provide a disincentive for part time employment. AFEI submits therefore that clause 10.4 (e) should be deleted.

## **Casual employees (clause 10.5)**

7. Currently only a minority of industry awards (5 out of 16) provide that casual employees are to work less than 38 hours per week. AFEI submits that casual employees should not be restricted to less than 38 ordinary hours per week. It is highly restrictive and costly to employers to not allow casuals to work up to and more than 38 ordinary hours per week. It is also be a major departure from current conditions available for casual employees.

8. AFEI submits that clause 10.5 (a) should be amended as follows:

*“Subject to clause 10.4 a casual employee is an employee who is engaged and paid as such. Where a casual employee works in excess of 38 ordinary hours per week overtime shall be paid.”*

9. Most industry awards (12 of the 16) currently have a casual loading of less than a 25%. AFEI submits that the increase in casual loadings should be taken into account when setting the other rates and conditions in the modern award.

## **Minimum Wages**

10. AFEI previously submitted a draft award which had a single adult pay scale and a single junior pay scale which have not been adopted in the exposure draft. AFEI submits that the modern award should ensure equity between laundry and dry cleaning employees and that AFEI’s proposed single pay scale should be adopted in the modern award.

### **Junior employees (clause 14.3(b))**

11. There are currently only 4 laundry awards which provide for a proportion of junior employees to adult employees. The exposure draft provision appears to be based on the Laundry Industry (Victoria) Award 1998, which applies to Victoria only. The Laundry Workers' Award, 1981 (WA) has a proportion of 2 junior employees to 1 adult employee and when special circumstances arise there is scope to increase the number of juniors in proportion to adults. The Laundry Employees (State) Award (NSW) allows for juniors employees to work in any one department of a laundry as long as one adult is employed in the wash house. For juniors under 18 years of age working in the wash house, there must be 4 adults to every one of that age group of juniors. The Laundry Workers Award - State (Excluding Brisbane) – 2003 has a ratio of 2 junior employees to 1 adult employee.
  
12. The exposure draft proposal is present in only 3 awards and should not be included in the modern award.

### **First aid allowance (clause 15.1)**

13. The first aid allowance in the exposure draft is calculated to be \$14.03 per week. The proposed rate is excessive, the second highest rate amongst the 5 industry awards that have this allowance. The highest rate is only slightly higher at \$14.18 per week. The other rates are \$2 per day, \$11.10 per week, \$11.76 per week and \$1.75 per day/shift respectively.
  
14. AFEI submits that the first aid allowance should be 1.5% of the standard rate per week (\$9.56).

## **Meal allowance (clause 15.2)**

15. Clause 15.2 of the exposure draft describes when the meal allowance is to be paid. The provision appears to have been derived from the dry cleaning awards. The Laundry Industry (Victoria) Award 1998 is the only laundry award which references a time at which the meal allowance is payable in addition to a length of overtime worked.
16. Most of the industry awards (9 out of 16) provide that if notice is given prior to overtime being worked then the allowance is not payable. In some of the awards, if the overtime is cancelled the allowance will still be payable if an employee has brought a meal. The length of overtime before the meal allowance is paid varies from 1hr to 2hrs.
17. AFEI submits that clause 15.2 in the exposure draft should be deleted and replaced with the following clause:
  - (a) *An employee required to work overtime for any period in excess of one and a half hours after the usual finishing time will be paid \$7.55 per meal allowance.*
  - (b) *Clause 15.2(a) will not apply where the employee has been notified on the day prior to when they will be required to work overtime. Where an employee has been notified of the overtime and such overtime work is cancelled after the employee has provided a meal, the employee will be allowed the sum of \$7.55.*

#### **Tools of trade allowance (clause 15.4)**

18. The current laundry awards do not include provisions for a tools of trade allowance. The proposed allowance should not now be applied to the laundry sector. AFEI submits that this allowance should only apply to dry cleaning employees.

#### **Uniform allowance (clause 15.5)**

19. Reimbursement by the employer for the purchase of uniforms and for laundering uniforms are provisions that only apply to 2 laundry awards, the Laundry Industry (Victoria) Award 1998 and the Laundry Workers Award - Brisbane 2003. It therefore only applies to the laundry sector in one state and the area around Brisbane. AFEI submits that as this is largely an allowance found in dry cleaning awards, it should not be applied to the laundry sector.

#### **Disability allowance (clause 15.6)**

20. Currently a disability allowance is provided by 3 awards only across the dry cleaning and laundry industry out of 16. These are: the Dry Cleaning and Laundry Award 1979 (WA), Laundry Industry (Victoria) Award 1998 and Laundry Workers' Award, 1981 (WA). The allowance is only paid in two states. It should not be included in the modern award given its very limited current application and potential to increase costs for the vast majority of employers.
21. The proposed clause, moreover, is vague in regards to what conditions must arise for the allowance to be paid. Items submitted for laundering and dry cleaning are always 'dirty'. It should be assumed that this is part of the role of a laundry or dry cleaning employee. Whether an item can be defined as 'foul' is open to interpretation under this clause. It is not appropriate that such an allowance is included in the modern award for an industry that constantly cleans unclean items.

## **Method of payment (clause 19.2)**

22. Clause 19.2 of the exposure draft concerns when wages are to be paid. AFEI submits that employers should not be held to account for unforeseen events outside their control in relation to the availability of employees' pay and propose the following clause be included as a part (b) to 19.2:

*"Delay*

*Notwithstanding the above, an employer will not be held liable for any unforeseen event outside the control of the employer which prevents the employer's ability to meet the requirements of this clause, for example bank error or delay."*

## **Superannuation – absence from work (clause 20.5(b))**

23. Currently the costly obligation for employers to make superannuation contributions during absences from work related to workers compensation is only applicable to 7 awards out of 16 in this industry. It would significantly increase costs for those employers who currently do not have the obligation as contained in clause 20.5(b) of the exposure draft.
24. AFEI submits that the proposed obligation should only be applicable to those employers that are currently obliged to make that payment. It would be of great concern to the industry, especially the laundry sector, if those currently operating without the provision became obliged to take on this significant increase in costs under the modern award.

## Laundry hours of work (clause 21.2)

25. The ordinary hours of work for laundry workplaces in the exposure draft are restrictive and do not allow for the flexibility exhibited in the AWU Laundry (NSW) Award 1998, the Laundry Employees (State) Award (NSW), the Dry Cleaning and Laundry Award 1979 (WA) and the Laundry Industry (Victoria) Award 1998.
26. Currently the AWU Laundry (NSW) Award 1998, the Laundry Employees (State) Award (NSW) and the Laundry Workers Award 1981 (WA) provide ordinary hours of work Monday to Saturday. Significantly, the Laundry Industry (Victoria) Award 1998 provides for extended ordinary hours on a daily basis and ordinary hours on Saturday and Sunday, by agreement in the following terms:

*21.3 An agreement may be reached between the majority of employees in an establishment or section and an employer for the working of up to 10 ordinary hours on any one day. If an employee is a member of the ALHMMWU, the employee may be represented by the ALHMMWU in meeting and conferring with the employer about the implementation of this facilitative provision.*

*21.4 The spread of hours (i.e. 6am to 6pm) may be altered by up to one hour at either end of the spread, by agreement between an employer and the majority of employees in an establishment or section. If an employee is a member of the ALHMMWU, the employee may be represented by the ALHMMWU in meeting and conferring with the employer about the implementation of this facilitative provision.*

21.5 *The days on which ordinary hours are worked may include Saturday and Sunday subject to agreement between the employer and the majority of employees in an establishment or section. If an employee is a member of the ALHMMWU, the employee may be represented by the ALHMMWU in meeting and conferring with the employer about the implementation of this facilitative provision.*

21.6 *Where agreement is reached in accordance with 21.5 the minimum rate to be paid for a day worker for ordinary time worked between midnight on Friday and midnight on Saturday will be time and a half.*

21.7 *Where agreement is reached in accordance with 21.5 the minimum rate to be paid for a day worker for ordinary time worked between midnight on Saturday and midnight on Sunday will be double time.*

27. Given the provisions that currently exist in these awards AFEI submits that clause 21.2(a) of the exposure draft should be amended as follows:

*“The ordinary hours of work will average 38 hours per week. Ordinary hours may be worked Monday to Saturday between the spread of hours of 6.00 am to 7.00 pm and may be worked in one of the following arrangements...”*

28. AFEI also submits that the following subclause should be added to clause 21.2:

*“The spread of hours (i.e. 6am to 7pm) may be altered by up to one hour at either end of the spread, by agreement between an employer and the majority of employees in an establishment or section.”*

### **Accrual of rostered days off (clause 21.2(h))**

29. Currently the dry cleaning awards allow for the accrual of 4 rostered days off. Amongst the laundry awards there are 3 that allow for the accrual of 6 rostered days off. There are 4 awards that have no provision for the accrual of rostered days off at all.
30. The exposure draft provides for the accrual of up to 12 rostered days off. Given the potential for increased liabilities and increased pressure on record keeping for the majority of employers, AFEI proposes that the accrual of rostered days off be capped at 6.

### **Dry cleaning apprentices (clause 14.4)**

31. There is the capacity to employ both ordinary and school based apprentices in the following dry cleaning awards: the Dry Cleaning Industry Award 2000 and the Dry Cleaning and Dyeing Industry Award - Southern and Central Divisions 2004.
32. The exposure draft currently only allows for school-based apprentices. There is no reason why non-school-based apprentices should not be included in the modern award.
33. AFEI therefore submits that clause 14.4(a) should be amended to read as follows:

*“The following wage rates will apply to apprentices and school-based apprentices. The school-based apprentices will be engaged in accordance with Schedule F – School-based apprentices.”*

### **Shift length for laundry shift workers (clause 21.3)**

34. Currently only 4 of the awards covering laundries provide for an 8 hour shift length. The remaining awards provide either shift hours as agreed between the parties, do not designate a shift length, or, have a length of 10hrs. Given this current flexibility a balanced solution would be to extend the shift length to 10 hours in the modern award. This is generally in keeping with the shift lengths found in other modern awards.

### **Permanent night shift allowance (clause 23.5)**

35. Clause 23.5 of the exposure draft appears to provide a loading for permanent night shift. This provision is currently only contained in the Laundry Industry (Victoria) Award 1998, the Laundries, Dry Cleaning and Laundromats (Northern Territory) Award 2002 and the Laundry and Dry Cleaning Award (TAS). Given the limited application of this provision currently, there is little justification for it to be included in the modern award. AFEI submits that clause 23.5 should therefore be deleted.

### **Shift loading for non-continuous afternoon or night shifts (clause 23.6)**

36. Currently the provisions found in clause 23.6 of the exposure draft are only contained in one laundry award, the Laundry Industry (Victoria) Award 1998. It is not appropriate for this costly condition that is applicable to only one state should become a cost for all employers in that industry. AFEI submits that there is no justification for the inclusion of this clause in the modern award.

### **Early Morning Shift (clause 23)**

37. Currently 8 industry awards allow for early morning shifts to be worked. The Laundry and Dry Cleaning Award (TAS) specifically defines an early morning shift as follows:

*“Early Morning Shift’ means a shift commencing prior to 6.30am with 15% loading”*

38. Given the flexibility that currently exists, AFEI submits that the modern award should allow for an early morning shift. AFEI proposes that the following clause be included in the modern award:

*“Early Morning Shift’ means a shift commencing prior to 6.00 am with a 15% loading”*

### **Junior employees and shift work (clause 23.7)**

39. Clause 23.7 of the exposure draft appears to be derived from the dry cleaning awards. There is one laundry award only, the Laundries (SA) Award, which states that no employee under 17 years of age can do shift work. There does not appear to be any justification for excluding juniors from such work. AFEI therefore submits that clause 23.7 should be deleted from the exposure draft.

### **Overtime meal break (clause 24.1(c))**

40. Clause 24.1(c) of the exposure draft provides for a 30 minute paid meal break when employees work more than 1.5 hours overtime. This provision is similar to the dry cleaning awards, however, the dry cleaning awards have additional provisions and do not provide for a paid meal break. There are 12 awards in total out of 16 in this industry that do not provide for a paid overtime meal break.

41. In the 4 awards that have a paid meal break the provisions are as follows:

- Laundry Industry (Victoria) Award 1998 – a 20 minute paid meal break before working 1.5 or more hours of overtime;
- Laundries (SA) Award – a 10 minute paid crib break before working 2 or more hours of overtime;
- Laundries, Dry Cleaning and Laundromats (Northern Territory) Award 2002 – a paid 20 minute crib break after 4 hours of overtime is worked; and
- Laundry Workers' Award, 1981 (WA) – a 10 minute paid break after 1.5 hours of overtime is worked.

42. AFEI submits that there is no justification for clause 24.1(c) based on the provisions of the current awards. AFEI submits that this clause should be deleted and replaced with the following:

*“Employees required to work for longer than one and a half hours after the usual ceasing time will be allowed not less than 30 minutes unpaid meal break. This provision will not apply to employees on any day where there is an early ceasing time, unless a total of five and a half hours or more inclusive of overtime is to be worked following the midday meal break.”*

43. This clause provides for an equitable position between the ten awards with no paid meal break and the three awards that provide for a paid meal break.

### **Washing time (clause 24.4)**

44. Currently only 2 awards in the industry, the Laundry Industry (Victoria) Award 1998 and the Laundries, Dry Cleaning and Laundromats (Northern Territory) Award 2002, contain the provisions proposed in clause 24.4 of the exposure draft. Given the very limited application of this provision currently across the industry there is insufficient justification for it to be included in the modern award.

### **Payment laundry shift workers on termination (clause 25.3(c))**

45. Currently the provisions found in clause 25.3(c) are only contained in one laundry award, the Laundry Industry (Victoria) Award 1998. It is not appropriate for this costly condition that is applicable to only one state should become a cost for all employers in that sector. AFEI submits that there is no justification for the inclusion of this clause in the modern award.

### **Annual Leave for laundry shift workers (clause 25.3)**

46. Currently the AWU Laundry (NSW) Award 1998, the Laundries (SA) Award and the Laundry and Dry Cleaning Award (TAS) provide the equivalent of 4 weeks annual leave for all employees regardless of whether they are day workers or shift workers. Given that shift workers will now be entitled to 5 weeks of annual leave it should be noted that this will be an increase in costs for these employers and this should be taken into account when setting the other rates and conditions in the modern award.

## **Transitional Provisions**

47. AFEI supports the inclusion in the modern award of the Transitional Provisions contained in Schedule A of the exposure draft.

## Comparison of Dry Cleaning and Laundry Services Awards in Australia

Table 1

Note: Section = Section of AFEI submission

	<b>Laundry Industry (Victoria) Award 1998</b>	<b>AWU Laundry (NSW) Award 1998</b>	<b>AWU Laundry Industry (A.C.T.) Award 1998</b>	<b>Laundries (SA) Award</b>	<b>Laundry and Dry Cleaning Award (TAS)</b>	<b>Laundry Employees (State) Award (NSW)</b>	<b>Laundry Workers Award - Brisbane 2003</b>	<b>Laundry Workers' Award, 1981 (WA)</b>
<b>Part time overtime paid for hrs worked in addition to agreed hrs? Section 6</b>	Yes	No 1	Yes	Yes	No 2	No 3	Yes	Yes
<b>Casual hrs less than 38 per wk? Section 7</b>	No	No	No	Yes 1	No	No	Yes 2	No
<b>Casual loading below 25%? Section 9</b>	Yes 1	No	No	Yes 2	Yes 3	Yes 4	Yes 5	Yes 6
<b>Proportion of junior laundry emp'ees? Section 12</b>	3 juniors to 2 adults 1	No	No	No	No	Varies dependent on section 2	No	2 juniors to 1 adult – more by agreement 3
<b>First Aid Allowance?</b>	\$14.18 per week	\$2 per day	None	\$11.10 per week	None	\$1.75 per day/shift	None	None

	Laundry Industry (Victoria) Award 1998	AWU Laundry (NSW) Award 1998	AWU Laundry Industry (A.C.T.) Award 1998	Laundries (SA) Award	Laundry and Dry Cleaning Award (TAS)	Laundry Employees (State) Award (NSW)	Laundry Workers Award - Brisbane 2003	Laundry Workers' Award, 1981 (WA)
<b>Section 14</b>								
<b>Meal Allowance not payable with notice?</b>	Yes 1	Yes 2	Yes 3	Yes 4	No	Yes 5	Yes 6	Yes 7
<b>1 Section 16</b>								
<b>Super. contributions while absent on WC?</b>	No	No	No	No	No	No	Yes 1	Yes 2
<b>Section 24</b>								
<b>Accrual of RDOs?</b>	12 days	6 days	6 days	No	7 days	6 days	No	12 days
<b>Section 30</b>								
<b>Shift lengths for laundry shiftworkers</b>	8 hours	8 hours	No mention	No mention	By agreement	8 hours	By agreement	No mention
<b>Section 35</b>								
<b>Early morning shift possible?</b>	No	No	No	No	Yes	No	Yes	Yes
<b>Section 38</b>								
<b>Paid overtime meal break?</b>	Yes	No 1	No 2	Yes	No 3	No 4	No 5	Yes
<b>Section 41</b>								

## Comparison of Dry Cleaning and Laundry Services Awards in Australia

Table 2

Note: Section = Section of AFEI submission

	Laundry Workers Award - State (Excluding Brisbane) – 2003	Dry Cleaning Industry Award 2000	Dry Cleaners Award (SA)	Dry Cleaning (State) Award (NSW)	Dry Cleaning and Dyeing Industry Award - Southern and Central Divisions 2004	Dry Cleaning and Laundry Award 1979 (WA)	Dry Cleaning and Dyeing Industry Award - State (Excluding South-East Queensland) 2002	Laundries, Dry Cleaning and Laundromats (Northern Territory) Award 2002
<b>Part time overtime paid for hrs worked in addition to agreed hrs? Section 6</b>	No 4	No 5	No 6	No 7	No 8	Yes	Yes	No 9
<b>Casual hrs less than 38 per wk? Section 7</b>	Yes 3	No	No	No	No	No	Yes 4	Yes 5
<b>Casual loading below 25%? Section 9</b>	No	Yes 7	Yes 8	No	Yes 9	Yes 10	Yes 11	Yes 12
<b>Proportion of junior laundry emp'ees?</b>	2 juniors to 1 adult 4					No		No

	Laundry Workers Award - State (Excluding Brisbane) – 2003	Dry Cleaning Industry Award 2000	Dry Cleaners Award (SA)	Dry Cleaning (State) Award (NSW)	Dry Cleaning and Dyeing Industry Award - Southern and Central Divisions 2004	Dry Cleaning and Laundry Award 1979 (WA)	Dry Cleaning and Dyeing Industry Award - State (Excluding South-East Queensland) 2002	Laundries, Dry Cleaning and Laundromats (Northern Territory) Award 2002
<b>Section 12</b>								
<b>First Aid Allowance? Section 14</b>	None	None	None	None	None	None	None	\$11.76 per week
<b>Meal Allowance not payable with notice? Section 16</b>	Yes 8 \$9.60 2hrs – 30min unpaid break	No	No	No	No	No	Yes 9 \$9.60 60 min No break	No
<b>Super. contributions while absent on WC? Section 24</b>	Yes 3	Yes 4	No	Yes 5	No	Yes 6	Yes 7	No
<b>Accrual of RDOs Section 30</b>	5 days	4 days	4 days	4 days	4 days	4 days	None	None
<b>Shift lengths for laundry shiftworkers Section 35</b>	10 hours					By agreement		8 hours
<b>Early morning shift possible?</b>	No	Yes	Yes	Yes	Yes	Yes	No	No

	Laundry Workers Award - State (Excluding Brisbane) – 2003	Dry Cleaning Industry Award 2000	Dry Cleaners Award (SA)	Dry Cleaning (State) Award (NSW)	Dry Cleaning and Dyeing Industry Award - Southern and Central Divisions 2004	Dry Cleaning and Laundry Award 1979 (WA)	Dry Cleaning and Dyeing Industry Award - State (Excluding South-East Queensland) 2002	Laundries, Dry Cleaning and Laundromats (Northern Territory) Award 2002
<b>Section 38</b>								
<b>Paid overtime meal break? Section 41</b>	No 6	No 7	No 8	No 9	No 10	No 11	No 12	Yes