



## **Joint Committee of Employment Affairs and Social Protection Thursday 10<sup>th</sup> October 2019**

Firstly, I would like to thank the Chair and Committee Members for inviting us here to this session of the Joint Committee of Employment Affairs and Social Protection to speak on this proposed legislation regarding tips and gratuities.

I am joined here today by:

- Amy Sweetman – Membership Services & Public Affairs Manager for the Restaurants Association of Ireland
- Please accept the apologies of our President Mark McGowan who unfortunately could not attend today

By way of a brief background, The Restaurants Association of Ireland was founded in 1970 with the goal of representing restaurants on the Island of Ireland, on issues impacting the restaurant, hospitality and tourism industry. Over the years, the Association has sought to represent the views and interests of its now 2,500 plus members at a local and national government level, as well as at an EU level through membership of the EU umbrella group HOTREC.

We welcome the opportunity to comment on the Bill proposed by Minister Regina Doherty and the Department of Employment Affairs and Social Protection; the Payment of Wages (Amendment) Bill 2019.

We welcome the principle of this Bill, that tips and gratuities should not be used to make up contractual wages. This is something which we have always advocated to our members and we welcome that it shall, going forward, be stated in legislation. One hospitality worker who does not get their tips is



simply one too many. We must highlight that the Association has daily communication with our members through various means and continuously advocates and informs members of best employer practices and informs of employment legislation obligations. This legislation will stamp out the bad behaviour of the few and renew public confidence in the many.

With regard to the proposed Bill specifically, firstly we welcome the distinction between tips / gratuities and service charges in this proposed legislation.

With regard to Head 6 – “Obligation on certain employers to prominently display notice on tips”, Amendment 1. We welcome that both customer, patron and employee will be made aware clearly, through display notice, the manner in which tips, gratuities and service charges are distributed on that premises. However, subsection 2 states “display on menus or at principal points of payment”.

May we suggest, given that menus are increasingly becoming more of a legal statement rather than a list of food options available, that the requirement be similar to requirements through Food Safety legislation. That is, such information being displayed in a prominent location within the establishment that is easily accessed by members of the public, perhaps with a brief indication of the location of the information on the menu.

By way of example, a statement on a menu, along the lines of, “For more information on how tips, gratuities and service charges are handled in this business, please see public notice”

We note that in Section 4A (3) in which “The Minister may make regulations to provide for the matter, means and form by which employers shall display the information referred to under subsection (2). We ask that the Minister have regard for the fact that this notice will be required in a number of varying businesses, and as such it is our hope that such a regulation may not be too



prescriptive. Some businesses within the requirement may not have menus, but a menu board on display for example.

Head 6: refers to the obligation on employers to prominently display notice on tips and states in Section 4A (1) that it “applies to employers whose company is registered with the appropriate authorities as a licenced premises or business serving food or drink” the purpose outlines that display of a tipping policy “would be confined to businesses in the hospitality sector where food and drink is served to paying customers. Whilst there are other sectors where tips and gratuities are quite common, it is primarily in relation to service staff (waiters, waitress and kitchen staff) that this issue has been raised as a problem that requires legislative intervention.”

It is disappointing that the restaurant and hospitality sector has been singled out on this occasion. As outlined in the Low Pay Commission Report there is practice of tips and gratuities in many other sectors, including but not restricted to; couriers and taxis, hairdressing and beauty therapists and croupiers. The question we would pose is, should employees and customers not be made aware of what happens to tips in those sectors also?

A number of statements have been made in the Dail and Seanad in relation to non-compliance of employment law within our sector. The Workplace Relations Commission report for 2018 has been referenced on a number of occasions in debates regarding tips and gratuities and the statistics of 67% rate of non-compliance has been referenced for our sector. We wish for committee members to take note that based on how the Workplace relations commission categorise sectors, Food and Drink is the applicable category for our members. Indicating that pubs and takeaways, including convenience store delis, and service station delis and fastfood outlets are all included in this category. We



take issue with such statements, as whilst our members would fall under food and drink the sector that the Restaurants Association of Ireland represents includes only; full-service restaurants, hotel restaurants, gastro pubs, cafés, golf club restaurants and cookery schools.

I would encourage the committee members to review the 2018 Annual Report by the WRC specifically pages 41 through to 46 listing convictions and the majority if not all of those under the Food and Drink Sector do not fall under our membership.

Finally, under a Freedom of Information request sent to the Workplace Relations Commission regarding the issue of employees not receiving tips over the last 5 years, no employee has raised the issue to the WRC as a complaint. On that note I look forward to answering your questions.