

PROPOSED KRISPY KREME NATIONAL ENTERPRISE AGREEMENT 2024

Following negotiations between Krispy Kreme and the SDA, the proposed *Krispy Kreme National Enterprise Agreement 2024* is ready for you to consider.

Wages

- ✓ 4% increase for Crew employees on approval of new Agreement.
- ✓ 2% increase for Team Leaders on approval of the new Agreement.
- ✓ Locked in wage increases that match the Fair Work Commission (FWC) Annual Wage Review (AWR) decision for the Fast Food Industry Award 2020 (FFIA) applied on the anniversary of the approval in 2025, 2026 and 2027.

Rostering & Breaks Improvements

- ✓ Increase to permanent part-time minimum core hours from 7 to 10 hours per week.
- ✓ Rest breaks to be provided for 4 hours worked.
- ✓ Improved conditions on the taking of breaks.

Improvements to Leave Provisions

- ✓ Increases compassionate leave from 2 to 5 paid days upon the death of a parent, partner or child and in the event of miscarriage or stillbirth; and from 2 to 3 days for all other purposes.
- ✓ Improved paid Parental Leave up to 12 weeks.
- ✓ Expansion of the definition of immediate family for the purpose of carer's and compassionate leave.

- ✓ Ability to provide evidence for the care of a person who is frail, aged or has a long-term disability once for every 12 months.
- ✓ Improved Family and Domestic Violence Leave.
- ✓ Cashing out annual leave cap removed, but must retrain a 4-week minimum balance.

This document summarises key changes to conditions of employment at Krispy Kreme for Store Staff, including those working in Theatre Shops, in the proposed *Krispy Kreme National Enterprise Agreement 2024* compared to the current Agreement.

This summary does not explain the proposed changes to terms and conditions of Doughnut Factory Staff. You should refer to the full proposed Agreement available from Krispy Kreme for full detail.

If approved by a majority of eligible employees who participate in the ballot, the proposed Agreement will be lodged with the Fair Work Commission (FWC) for assessment.

If supported and approved by the FWC before 1 December 2024, the Agreement will commence 7 days after the approval. If approved after 1 December 2024, the Agreement will commence on the latter of 7 days after the date of approval or 20 January 2025.

Please read this information carefully. If you have any questions about the proposed Agreement, please speak to your SDA Organiser or contact the SDA.

WAGES & ALLOWANCES

Current Wage Rates

Current wage rates are reflected in this table:

CURRENT HOURLY RATES – STORE STAFF		
Employee Classifications	Permanent Base Hourly Rate	Casual Hourly rate (including 25% casual loading)
Krispy Crew – FFIA Level 1	\$25.70	\$32.13
Team Leader – FFIA Level 2	\$28.30	\$35.38

Wage Rates on Approval of Proposed Agreement

If the proposed Agreement is approved, then the wage rates below will apply from the date of approval. This is a premium of 4.2% above FFIA (Level 1) rates of pay for Krispy Crew and 6.2% above FFIA (Level 2) rates of pay for Team Leaders. Wage rates are inclusive of annual leave loading and uniform allowance.

PROPOSED HOURLY RATES – STORE STAFF		
Employee Classifications	Permanent Base Hourly Rate	Casual Hourly rate (including 25% casual loading)
Krispy Crew – FFIA Level 1	\$26.73	\$33.42
Team Leader – FFIA Level 2	\$28.86	\$36.07

Manager Salaries

The Assistant Store Manager proposed salary is \$60,000 per annum.

The Store Manager proposed salary is \$64,000 per annum.

Wage Increases

On the anniversary date of the approval of the Agreement, Krispy Kreme will apply the FWC percentage increase to the FFIA rates for Krispy Crew and Team Leader for both Store Staff and Doughnut Factory Staff based on its AWR decision for 2025, 2026 and 2027.

Example of Wage Increase

If the proposed Agreement is approved on 1 December 2024, and if the FWC determines in its 2025 AWR decision that the FFIA rates of pay will increase by 3.5%, then Krispy Kreme will apply 3.5% to the Krispy Crew base rate of \$26.73, which would result in a new hourly base rate of \$27.67 from 1 December 2025.

Motor Vehicle Allowance

The proposed Agreement provides for an increase to the vehicle allowance from \$0.78 per km to the relevant ATO rate, which is currently \$0.88 per km. This allowance is paid to employees who are required to use their own vehicle in performing their work.

Exclusion Clause

The proposed Agreement provides for an exclusion clause which clarifies that Store Management employees are not entitled to the payment of any allowances. This operates in addition to the current exclusion clause which excludes Management staff from receiving payments for overtime, additional hours worked or shift loadings. These entitlements are included as part of a manager's salary. Subject to prior agreement with Krispy Kreme, you may be permitted time off in lieu of additional hours on an hour for hour basis.

PENALTY RATES

There are numerous changes to the penalty rates in the proposed Agreement – see table below:

PENALTY RATES FOR STORE STAFF					
Current EA	FT/ PT	Casual	Proposed EA	FT/PT	Casual
Nights: Mon-Sat 12.01am-5.00am	125%	150%	Nights: Mon-Sat 12.01am-5.00am	120%	145%
Saturday (Store Staff)	100%	125%	Saturday (Store Staff)	125%	150%
Saturday (Theatre Shop production roles)	100%	125%	Saturday (Theatre Shop production roles)	135%	160%
Sunday	140%	165%	Sunday	140%	165%
Public Holiday	150%	175%	Public Holiday	130%	155%
Mentor	5%	30%	Mentor	5%	30%

Penalty rate increases

The proposed Agreement includes the following increases:

- » Saturday (Store Staff) penalty rate from 100% to 125% for permanent, and 125% to 150% for casual employees
- » Saturday (Theatre Shop production roles) penalty rate from 100% to 135% for permanent, and 125% to 160% for casual employees

Penalty rate decreases

The proposed Agreement includes the following decreases:

- » Public holiday penalty rate from 250% to 230% for permanent, and 275% to 255% for casual employees
- » Night penalty rate from 125% to 120% for permanent, and 150% to 145% for casual employees

Penalty rates that remain unchanged

- » Sunday rate remains at 140% for permanent, and 165% for casual employees
- » Monday to Friday 5.00am to 6.00am rate remains at 100% for permanent, and 125% for casual employees

REST BREAKS

Under the proposed Agreement, rest breaks will be provided for 4 hours worked or more rather than for more than 4 hours under the current Agreement.

	Paid rest break	Unpaid meal break
If you work 4 hours and up to 5 hours	10 minutes	None
If you work 5 hours and up to 8 hours	10 minutes	30 minutes
If you work more than 8 hours	2 x 10 minutes	30 minutes

The proposed Agreement includes the following provisions:

- » All breaks are to be taken as determined by Krispy Kreme and as directed by your Manager. The timing of the paid rest and unpaid meal break is intended to provide a meaningful break for you during your work hours.
- » Krispy Kreme cannot require an employee to:
 - Take a paid rest break or unpaid meal break within the first or last hour of your shift.
 - Take a paid rest break combined with a meal break; or
 - Work more than 5 hours without taking an unpaid meal break.

HOURS OF WORK & ROSTERING

Part-time – increase in minimum base contract hours

The proposed Agreement increases the part-time minimum weekly engagement from 7 hours to 10 hours per week.

The proposed Agreement includes the provision that a part-time employees' number of contract hours will be agreed to in writing on commencement of employment.

Deletion of right to unilateral changes to contracted hours

The proposed Agreement removes the right of Krispy Kreme to unilaterally change contracted hours for part-time employees with 4 weeks' notice.

Stable & Predictable Rosters

The proposed Agreement includes the following provision: *"Krispy Kreme will consider family and caring responsibilities when setting rosters including the benefit of stable and predictable rosters for full-time and part-time employees."*

Part-time – standing consent for additional rostered hours

The proposed Agreement permits part-time employees to provide standing written consent to work additional hours above their contract hours, but less than 38 hours per week, paid at their base hourly rate of pay. This standing consent may be withdrawn at any time by providing 14 days written notice.

The proposed Agreement also includes a provision for part-time employees, who work an average of more than their contracted hours, a right to request Krispy Kreme provide a new contract of either 10, 14, 21 or 28 hours per week. The new contract hours will be closest to the average hours worked in the previous 12 months.

Where a part-time employee has not provided standing written consent to work additional hours, then any hours worked above their contract hours in a single week are to be paid at overtime rates, except in relation to Part-time Additional Rostered Hours (see below). The proposed Agreement provides for part-time employees the right to decline to work additional hours above their contracted hours.

Team Meeting or Training Shifts

The proposed Agreement allows Krispy Kreme to roster employees for 1 hour to participate in a team meeting or training to no more than 4 occasions per calendar year. Attendance at these meetings is strictly on a voluntary basis.

Part-time Additional Rostered Hours

The proposed Agreement maintains the current arrangement where Krispy Kreme may roster additional part-time hours (Part-time Additional Rostered Hours) in addition to an employee's Contract Hours, and if that employee does not decline to work hours above their Contracted Hours and works those additional hours (but no more than 38 hours per week) then those hours will be paid at the Base Hour Rate of Pay (plus applicable shift loadings).

The SDA did not agree to this arrangement and has expressed concerns to Krispy Kreme during bargaining. If the proposed Agreement is supported by team members, the SDA will raise this matter and its concerns during the Better Off Overall assessment and approval by the Fair Work Commission.

Minimum Engagement

The proposed Agreement maintains the current minimum shift of 4 consecutive hours for part-time and casual employees. Part-time and casual employees may be rostered to work for a minimum 3 consecutive hours if they are 16 years and under or the part-time or casual employee elects to a minimum 3-hour shift and Krispy Kreme agrees.

JUNIOR RATES

There are no changes to the junior rates in the proposed Agreement.

Employees under the age of 20 years will be paid the below listed percentages of the relevant rate of pay for your employment status and classification:

Age	% of Base Hourly Rate of Pay
At 16 years and under	50%
At 17 years of age	60%
At 18 years of age	70%
At 19 years of age	80%
At 20 years and over	100%

LEAVE

Annual Leave

The proposed Agreement provides 20 days paid annual leave per annum for permanent full-time employees, pro-rata for part-time employees. Employees are required to give 4 weeks' notice of the intention to take annual leave. Krispy Kreme will also provide a minimum 4 weeks' notice if it requires you to take annual leave.

Cashing out of Annual Leave

The current Agreement limits the number of days that may be cashed out to 10 days per annum. The proposed Agreement removes the cap, but employees must retain a minimum balance of 4 weeks after cashing out Annual Leave.

Additional day of paid leave

The proposed Agreement retains the provision for one additional day of paid leave per annum for Store Management employees.

Personal Leave

Full-time employees are entitled to 10 days Personal Leave per annum, pro-rata for part-time employees. The proposed Agreement removes the ability to cash out personal leave, which is currently at Krispy Kreme's discretion.

The proposed Agreement includes a provision for an employee who is caring for a person who has a long-term disability or illness to provide evidence of the need to take leave for this purpose for a period of up to 12 months. This ensures that employees are not required to constantly provide medical evidence to access personal leave for their ongoing caring responsibilities.

Stand Down

The proposed Agreement also includes a provision in the event an employee is stood down in accordance with the *Fair Work Act 2009* (Cth), they may access personal leave during the stand down period.

Compassionate Leave

The proposed Agreement increases Compassionate Leave from 2 paid days to 5 paid days upon the death of a parent, partner or child and in the event of a miscarriage or stillbirth. It also increases Compassionate Leave from 2 paid days to 3 paid days for all other purposes.

Definition of "immediate family"

The proposed Agreement provides for an expansion of the definition of "immediate family" to include a child placed on a permanent care-order or long-term foster arrangement; and a person of significance to the employee to whom the employee provides regular care.

The definition also includes "Found Family," which relates to an employee who is out of contact with a member(s) of their immediate family and forms a close family-like bond with another person(s) with whom they have a genuine relationship of identifiable equivalence. The definition also includes someone who is related by Aboriginal or Torres Strait Island kinship rules.

Family & Domestic Violence Leave

The proposed Agreement provides for 10 days paid leave per annum for all employees. Casual employees are entitled to take leave and will be paid for 5 hours for the day at ordinary rates of pay (exclusive of penalties), regardless of whether a shift in the period of absence has been rostered and accepted.

This leave can be taken in blocks or as a single or part-day absence to allow employees to take necessary actions to ensure their family safety.

Paid Parental Leave

The proposed Agreement increases paid parental leave for full-time and part-time store staff from 6 weeks to 12 weeks paid parental leave for primary carers. Secondary carers are entitled to 2 weeks paid parental leave.

Superannuation paid on Company Parental Leave

Additionally, superannuation will be paid on the Company paid parental leave.

Return to work after Parental Leave

The proposed Agreement includes a provision that by mutual agreement a full-time employee may return to work on a part-time basis, and a part-time employee may return to work on fewer part-time hours.

OTHER IMPROVEMENTS & CHANGES

Superannuation

The proposed Agreement provides for an updated superannuation clause that includes Retail Employees Superannuation Trust (REST) as the default fund should an employee not have an existing fund or nominate a fund of choice.

Public Holidays

The proposed Agreement provides for the entitlement to public holidays in accordance with the *Fair Work Act 2009*, including the right not to work on a public holiday.

Online & Workplace Training

Krispy Kreme will ensure that all training, online or in person, will be completed as a part of an employee's rostered shift and will be paid at the applicable rate of pay.

Right to Disconnect

The proposed Agreement provides for the right to disconnect for all employees in accordance with the Fair Work Act. This includes the right for an employee to choose not to monitor, read or respond to contact, or attempted contact by their employer outside of an employee's working hours.

Delegates' Rights

The proposed Agreement provides for delegates' rights in accordance with the Fast Food Industry Award 2020. This provides that SDA Delegates have the right to represent members and undertake important tasks associated with their role as a union representative. It further provides for 5 days training per annum to attend union training courses to develop skills to help represent co-workers and provide advice in stores.

Abandonment of Employment

The proposed Agreement removes this clause.

Casual Conversion & Pathways

The proposed Agreement includes the right of a casual employee to convert from casual employment to full-time or part-time employment in accordance with the *Fair Work Act 2009*.

Grievance Procedure

The proposed Agreement improves the Grievance Procedure by providing the unilateral right to elect to proceed to arbitration by either party in the event they are dissatisfied with the outcome of conciliation.

Employee Benefits

The proposed Agreement removes additional benefits within the current Agreement that is captured by Company policies, including:

- » Reward and Recognition Program;
- » Employee Referral Bonus (limited to 'eligible' employees, but not specified); and
- » Entitlements to free doughnuts, beverages and discounted merchandise.

The proposed Agreement retains provisions relating to:

- » One additional day of paid leave per annum;
- » Access to Employee Assistance Program (EAP) for all employees and employees' family members; and
- » Requirement to supply a uniform to all employees.

Incentive Program for Management Employees

The proposed Agreement retains the incentive program for all Store and Doughnut Factory Management employees.

If you have any questions about the proposal, please speak to your SDA Delegate or Organiser, or call the SDA.