



Specialty Coffee & Smart Food

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Committee Secretary
Senate Standing Committees on Education, Employment and Workplace Relations
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary

Fair Work Amendment (Small Business Penalty Rate Exemption) Bill 2012

I run a small A La Cart café in a country town employing less than twenty full time equivalent employees. I used to employ 23 permanent & part-time equivalent employees, and trade 7 days a week, now due to the high operating costs, such as wages, gas & electricity and government red tape, I now trade 6 days a week and do not open on public holidays.

I also have additional costs such as superannuation and workers compensation, which are directly affected by the wage each employee receives.

I wish to provide my absolute support for the passage of this Bill through Parliament as my labour costs have blown out since the introduction of the Restaurant Industry Award regulating wages and penalty rates.

I do not employ casual labour any more, all of my staff now are permanent or permanent part-time, all are paid the award rate for their level of competency.

My workforce has been reduced from 21 to 14 as a direct result of rising wage costs.

If penalty rates were abolished, or substantially revamped to reflect today's consumer needs, not only would my business be more viable on a 7 day a week basis, I would be employing more permanent and permanent-time employees.

Consumers expect restaurants and cafes to trade 24/7 yet this can only be achieved if it is commercially viable. My business has a net return on turnover of approx. 6%, and I am one of the lucky ones, trying to trade through de-regulation of the mandatory penalty rates, applied under the Modern Industrial Award system is increasingly not viable unless there is more flexibility with wages.

Yours faithfully

Michael Coffey
Small Business Owner