

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

Dear Committee Secretary

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

I run a restaurant employing 13 full time employees.

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. My current labour costs are now exceeding 51% of turnover. My wife and I own and run the business and are now working 90hours each per week to ensure cash flow is sufficient to support our labour cost. Our staffs get paid more than what we do; yet we bare all the risk. The hospitality industry is facing a crisis on three fronts, labour cost blowouts, major skill shortage. & increased operations cost due to the flow on cost of We are finding a low calibre of employees entering hospitality to milk penalty rates , providing low productivity and poor customer service.

If penalty rates were abolished not only would my business be more viable on weekends I would consider employing more casual employees. To that end, we already pay staff above the award wages structure already outlined, due to a skill shortage. Adding penalty rates to that, just cripples our business.

Consumers expect restaurants and cafes to trade 24/7 yet this can only be achieved if it is commercially viable to trade through de-regulation of the mandatory penalty rates applied under the Modern Industrial Award system.

Yours faithfully

Jon Burfurd
Proprietor
Hotel Lincoln, Carlton.