27 September 2012

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

We run a small business being a late night licensed cafe/restaurant employing less than twenty full time equivalent employees.

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

When we first commenced business in 2003 if we had paid award rates we would have gone broke very quickly. Fortunately we were able to establish Work Place Agreements under a template supplied by the WA Restaurant and Catering Association which enabled us to pay just 1 single pay rate for all hours worked even on public holidays. Our mostly university student casual employees did not appear to object or be disadvantaged as our hours suited their study regime timetable.

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Since we have been forced to pay award rates on public holidays we have had to close on public holidays as it is no longer viable for us to be open.

If penalty rates were abolished not only would our business be more viable on weekends we would consider employing more casual employees.
As we are open late and open 7 days and there are different rates for working before 10pm, between 10pm and midnight, between midnight and 7am we have 9 different pay rates for each employee each week as follows:

Mon-Fri B4 10pm
Mon-Fri 10-12
Mon-Fri 12-7am
Sat B4 19pm
Sat 10-12
Sat 12-7am
Sun B4 10pm
Sun 10-12
Sun 12-7am

If a Sunday is followed by a Monday public Holiday we close the kitchen at 1.30am but employees are still closing down and are paid at public holiday rates until 2.30am so that adds another pay rate!

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

Shirley Thomas
Director

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