The Committee Secretary
Senate Education, Employment & Workplace relations Committee,
PO Box 6100, Parliament House,
Canberra, ACT 2600
Dated: Wednesday, 19th September 2012

1. I have been an employer in the hospitality Industry in excess of 25 years. I currently operate and have operated other Accommodation and Restaurant facilities in a larger regional centre over this time. I employ less than the equivalent of 20 full time staff.
2. My comments are drawn from having operated my own business, as well as having the experience of communicating over the past 25 years with many other similar operators in like businesses across all States of Australia.
3. My first observation is the marked decline of hospitality services, in particular food and beverage, on offer to the travelling public over the past decade most noticeably. In the case of my own business when, as a family business, we first worked the business seven days a week from 0600 to 2200 hours daily we traded our ancillary restaurant business seven days per week(mornings and evenings). After some 9 years, tiring, and having several young children, we commenced to employ staff on week-end evenings. We traded for a few more years until the lack of profitability became so bad that we had to take the decision to close on Sunday evenings. A couple of years later, disappointed at the lack of seven day evening service for our accommodation guests, we tried opening again on Sunday evenings. We persevered for some 18 months and had to relinquish this Sunday Service again. The principal reason was the additional cost of Staff, in short, penalty rates, as compared to the normal casual rates of pay.
4. The downside of the decision to trade only on six days is two fold. Firstly, a lowering in service offer to the customer, and secondly, a loss of work to persons wanting to work in this environment.
5. Over the years now I have watched many small businesses take this same decision on the level of service offered. This is not only the case with accommodation providers with restaurants, but stand alone restaurants and hotels (public houses) as well. Penalty rates are the principal cause of this dissolution of Service provision.
6. I wish to make the following qualification. I fully support that a full-time person, on an award wage, who works in excess of a regular 38 hour week should receive a penalty rate for excess hours. I fully support that Casuals should receive a “penalty” rate in line with the Monday to Friday rates that currently exist. I fully support that there should be a minimum 2-3 hour hours of work for any casual call-in.
7. As a regional employer I see a huge opportunity, particularly for casual employment were penalty rates not exercised. If the Saturday and Sunday applied loadings were removed for Small business (under 20 full-time employees) many casual employment opportunities would be created in regional business operations. My vast experience allows me to make these qualified comments:-
    a. In accommodation facilities business owners do NOT employ week-end relief front office and clerical staff due to week-end loadings.

b. The majority of food and beverage establishments (other than those with gaming facilities) close on Sundays due to week-end penalty rates, NOT principally for lifestyle reasons.
c. Many food and beverage providers trade on a Saturday under "averaging" costs from Week days, but draw the line at Sundays that make the "averaging of trade costs" too high.
d. Customers do not want to charged more for services on a week-end than are charged during the week.
e. Regional operators, in particular, face a severe price point of affordability in meeting customer expectations.
f. There are many people in regional areas that welcome the opportunity to work week-ends. In particular, women with family that have a partner who works Monday to Friday and where children need to be cared for. Under school age child care is prohibitively expensive in Monday to Friday periods in many cases, making traditional week day employment not worthwhile. Many women in particular in regional areas welcome the opportunity to contribute to the family income, but only with family child care provision. Fair rates of pay ie, Monday to Friday casual rates, for casual employment would be most acceptable.
g. Most accommodation providers do not service all there soiled rooms on a week-end, particularly Sundays, purely due to penalty Rates. These means that staff rostered on, lose shifts on nearly every week-end across Australia. Operators would prefer to service EVERY used room EVERY day.
h. Because of the week-end penalty rate system, on many long week-ends, especially where multiple public holidays are involved, Food and Beverage establishments simply close down for the whole week-end period. This results in a dramatic drop in Customer service and satisfaction. Principally, only those establishments with gaming revenue, or take-away fast food, choose to open en-masse. This is not the environment that many persons seek as their first choice when on holiday.
i. From a tourism perspective, with an anticipated Chinese influx over the next decade travelling within Australia, do we wish to only offer these tourists venues with gaming and/or fast food take-away on Sundays, because this is what is chiefly on offer in regional/rural areas.

8. From my own business perspective, without the restriction of week-end penalty rates, this would facilitate the immediate resumption of Restaurant trading on Sundays, thus providing the creation of ONE FULLTIME apprentice cookery position, as well as creating several casual hours of service related activity. This is just one example of an additional employment opportunity from one small business in a regional area.
9. I ask the committee to examine the data that may be available to them on the result of seven day trading through the retail industry in particular and what effect that this has had on lowering the unemployment figures within Australia over the past fifteen years. I would confidently suggest that the extension of trading hours has contributed significantly to the low unemployment statistics enjoyed within this Nation. It is my conviction, that where Small business operators were afforded the opportunity of trading on week-ends in particular,

without week-end penalty rates, that many more employment opportunities would be created.

10. Given the obvious need to protect workers with minimum rates of pay, supply and demand principles should be permitted to operate within the employment market to effect any penalty or “BONUS” payment between Employee’s and Employer’s.

End of submission: