The Original Pancake Kitchen

Dear Sir

We are the proprietors of The Original Pancake Kitchen. I am writing this letter in support of the penalty rates being revised in the hospitality industry.

The Original Pancake Kitchen has been an Adelaide icon since 1965. We supply a necessary service to the public because we operate 24 hours per day, 7 days a week, and 365 days per year. We are one of the only places in Adelaide that is open to everyone at any time of the day and night. We have a duty to the public to stay open to service those people who need refreshments and meals outside of the core retail times, we also double as a safe haven for people who just need a place to go and not be harassed, pressured or threatened. We do not have a standard demographic of customers. Our customers vary from Families to homeless people and every one in between from party goers to business men. We are not just a restaurant we are an institution and we supply a service to Adelaide that goes far beyond that of just a restaurant.

We employ 31 people in the restaurant on a 24 hour a day roster. All of them except for our Restaurant Manager are Casual employees. Between these employees they work approximately 600 hours per week. About 270 hours of this is done Monday to Friday leaving the remaining 330 hours done over the week end (Saturday and Sunday). Almost all of our employees do not have another source of income and they rely heavily on us having the customers so we can support them.
With the increase of penalty rates forced upon us we have had to make some cut backs. We have replaced staff with family to cut costs. That is an average of 60 hours over the week end alone that we have taken away from the staff and during the week 80 hours of work. So for the amount of work my family does I could employ an extra 3.5 full time employee's but I can't afford to. Full time employees cost more to employ that a casual employee.

We are a pancake restaurant, our staple food being pancakes which sell at $6.50 for a short stack of pancakes (our signature dish) and our coffees and soft drinks are $3.00.

To put it in to pancake perspective for you:

Monday to Friday	10.25 Short Stacks per hour = 1 hour wages
Saturday and Sunday	15.5 Short Stacks per hour = 1 hour wages
Public Holidays	23 Short Stacks per hour = 1 hour wages

I have worked this assuming that our wage costing is the optimum of 30% of our takings. In reality my wage costings are 41%. I can't do any more work in the restaurant then what I am doing to reduce costs and we can't reduce our staff levels any more than what they are without impeding on service and increasing stress levels to our staff. If we keep going this way we will be one of the businesses that close down. I have not included in my figures the Work Cover Levy, Superannuation costs and Payroll Tax fees.

I honestly don't understand why another two public holidays have been added to our year to pay, and why everyone assumes that restaurants make lots of money, it's a myth.

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With the added increases we have to incur from the Modern Award and the complications in working out the right pay rates, we now have to focus more on legislations, rules, regulation then we ever have had to before and slowly but surely it is killing our business. We should be out there serving our customers, making it an enjoyable experience for them to visit our establishment. Drumming up more business and supporting our local community and stakeholders and over all grow as a business. Instead I am looking for ways to cut my staffs hours down, employ juniors to do the work of experienced, skilled staff, double checking we are using the right pay rates and scales, implementing transitional payments and figuring out how not to send us into bankruptcy due to excessive wages.

It is time that people realise how hard we are doing it in the hospitality industry. I can speak from experience. I am a qualified Chef; I have worked as a waitress and have been function co coordinator for some of the most prestigious organisations. I have personally served Bob Hawke, Paul Keating, John Howard and Julia Gillard over my career as well as catered for performers like Pink Floyd, Justin Timberlake, Slip Knot and Paul McCartney. I speak from experience when I say that the Hospitality Industry is being forced to accepting lower standards due excessive wage increases which are greater than the general CPI and more experienced and qualified employees are being replaced by cheaper younger employees just so we can still stay in business. The long term effects will be internationally we will have a lower skill set in the Hospitality Industry making Australia not one of the places to visit for food and service and up to now we have always been one of the best in the world.

Thank you for considering my argument for reviewing the penalty rates for the Hospitality Industry.

Kind Regards

Julie Cane