



Restaurant
& Catering

MEDIA RELEASE
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MINIMUM WAGE INCREASE TO DETER SMALL BUSINESS OWNERS FROM HIRING MORE STAFF

Today's Fair Work Commission (FWC) announcement of a 3.5 per cent increase to the national minimum wage will adversely affect business-owners' ability to hire new staff and offer existing staff more hours, according to peak industry association Restaurant & Catering Australia (R&CA).

Following the FWC's decision, the national minimum wage will increase to \$719.20 per week, or \$18.93 per hour commencing from 1 July 2018.

R&CA CEO Juliana Payne said that a significant increase in the minimum wage will act as a deterrent for small business owners from hiring new staff and expanding their businesses.

"According to our members, the various costs involved in employing staff for a typical café, restaurant or catering business already account for 44 per cent of all business expenditure and is continuing to grow.

"Service-based small businesses such as cafés, restaurants and caterers simply aren't in a position to absorb the increased operating costs associated with another minimum wage increase and this will subsequently force owners to cut back on existing staff hours and hire fewer new employees.

"Another increase to the minimum wage, combined with increases in all other major expenditure categories, is eroding the sustainability and confidence of the sector.

"If minimum wage growth continues to be out of step with the economic conditions that small businesses have to face, the forecasted 84,100 new jobs across the café and restaurant sector over the next five years may fail to materialise," Ms Payne said.

For further information on this media release, please contact:

Juliana Payne

Chief Executive Officer

Restaurant & Catering Industry Association

P: 1300 722 878

E: restncat@restaurantcater.asn.au