



WES SAYS ‘EASE THE SQUEEZE’

Recently appointed Restaurant and Catering Industry Association (R&CA) CEO, Wes Lambert, welcomed the Governor of the Reserve Bank’s speech to the Queensland branch of the Economic Society of Australia system, which flagged the strong likelihood of an interest rate cut in June and called on the re-elected Morrison government to consider industrial relations reforms.

Mr. Lambert said lower interest rates would “help to ‘ease the squeeze’ on restaurants, cafes and catering companies who have been facing strong economic headwinds due to rising costs”.

“Restaurants and cafes, the vast majority who have 20 or fewer employees and whose profit margins average 2%, simply cannot continue to absorb rising power prices.”

“Neither can they afford to cover penalty rates for their full-time and part-time employees who have to be paid 225% of their base pay rate for work on public holidays, when their patrons balk at surcharges in the range of 10 -20%, which self-evidently don’t cover those costs.”

“An increasing number of restaurants and cafes are now choosing not to open on Sundays and/or public holidays due to an inability to trade profitably.”

“This results in a loss of hours and income for their employees and also less choice for Australians that want to have a coffee or eat out.”

“We also have concerns that it may be contributing to the black economy through workers that demand to be paid in cash for those hours worked.”

“These cost pressures come at a time when restaurants and cafes are struggling to fill vacancies for chefs, cooks and restaurant managers due to a lack of skilled labour, which have become harder to attract due to government visa and migration changes.”

The R&CA CEO said he welcomed the \$525 million skills package announced in the 2019 budget to fund 80,000 new apprenticeships in industries with skills shortages but questioned which businesses in his industry would have enough requisite staff to offer apprentices 'on the job' training considering their existing staff shortages".

Wes Lambert concluded by saying restaurant and cafe owners would welcome lower interest rates to 'ease the financial squeeze' that so many are facing and called on Federal and State governments to work with the R&CA to support the industry's ability to trade profitably and grow.

[THE END]