



Restaurant
& Catering

SAVOUR
AUSTRALIA



13 December 2019

Queensland Small Business Strategy

Department of Employment, Small Business and Training

By Email: SmallBusinessStrategy@desbt.qld.gov.au

Dear Sir, Madam

Restaurant & Catering Australia (R&CA) appreciates the opportunity to provide a submission regarding the Queensland Government's Small Business Strategy Discussion Paper.

R&CA notes that the Queensland Government feedback from small business on what can be done to create the right conditions and opportunities for small business to start, grow and employ by examining five proposed focus areas including:

1. giving small business the tools and support to grow
2. simple and easy to do business
3. creating sustainable jobs in regional Queensland
4. supporting a diverse small business sector
5. giving small business a voice.

However, R&CA remains steadfastly of the view that the Queensland Government, through recent introduction of the new Christmas Eve Part-Day Public Holiday, has proven it is unwilling and unable to listen to the concerns of small businesses in Queensland.

Background

Restaurant & Catering Australia (R&CA) is the national industry association representing the interests of more than 47,000 restaurants, cafés and catering businesses across Australia. The café, restaurant and catering sector is vitally important to the national economy, generating over \$37 billion in retail turnover each year as well as employing 450,000 people. Over 92 per cent of



RESTAURANT & CATERING INDUSTRY ASSOCIATION

PO Box 121, SURRY HILLS NSW 2010 T: 1300 722 878 F: 1300 722 396 E: info@restaurantcater.asn.au
www.R&CA.asn.au

businesses in the café, restaurant and catering sector are small businesses, employing 19 people or less.

R&CA delivers tangible outcomes to small businesses within the hospitality industry by influencing the policy decisions and regulations that impact the sector's operating environment. R&CA is committed to ensuring the industry is recognised as one of excellence, professionalism, profitability and sustainability. This includes advocating the broader social and economic contribution of the sector to industry and government stakeholders, as well as highlighting the value of the restaurant experience to the public.

As the only national industry association acting on behalf of the café, restaurant and catering sector, R&CA is keen to be actively involved in the continued development of the Queensland Government's Small Business Strategy. Restaurants, cafes and hospitality providers are a critical component of the retail and tourism offering across Queensland. Restaurants complement the retail offering in shopping precincts, encouraging greater patronage and expenditure, while activating leisure destinations. Coffee, alcoholic beverages and food at restaurants while shopping for pleasure are the two most popular activities for international and domestic visitors to Queensland.

Queensland's Hospitality Industry

Australian Bureau of Statistics Data shows that as at June 2018, the most recent Count of Australian Businesses showed 6,173 Cafes and Restaurants operating across Queensland. The most recent Census data shows that 49,488 workers derive their primary source of income from Cafés and Restaurants, making up 2.3% of the total workforce for the state of Queensland. This sector represents the fourth largest employment sector by employed people in the state of Queensland.

R&CA notes that the Regulatory Impact Statement released by the Office of Industrial Relations shows the restaurant and café sector will be disproportionately affected by the proposed part-day public holiday, with more businesses than any other subsector of the Queensland economy likely

to be impacted by the introduction of a public holiday.

Data from the R&CA 2019 Benchmarking Survey shows wages and salaries continue to be the highest source of cost within the industry, representing 41 per cent of overall business costs. Total staff costs including wages, payroll tax, workers compensation and training now represent 50 per cent of total business costs which has increased from 48 per cent in 2018.

Christmas Eve Part-Day Public Holiday

In November this year, the Queensland Parliament passed the Holidays and Other Legislation Amendment Act 2019, which gives effect to the Queensland Labor Government's proposal to establish a part-day public holiday on Christmas Eve, starting this year.

R&CA fought hard against this proposal at the request of our members, the overwhelming number of which are small business, making submissions recommending the Government not proceed with this proposal to both the Queensland Office of Industrial Relations and the Queensland Parliament's Education, Employment and Small Business Committee's inquiry into the Bill.

R&CA also appeared before the committee to give verbal testimony as to why R&CA believes this change was unwarranted and unfairly impacts the 6,173 restaurants, cafes and caterers in operation across Queensland. We believe that this bill gives members no choice but to either operate at a loss, pass on a surcharge (of between 10 and 15 per cent) to customers or, most likely, shut their doors.

R&CA also stated that these changes would deprive 49,488 workers who derive their primary source of income from Cafés and Restaurants, making up 2.3% of the total workforce for the state of Queensland from earning much needed wages before the holiday season. Our industry represents the fourth largest employment sector by employed people in the state of Queensland, many of which is regional and tourism hotspots.

Unfortunately, the Queensland Government has not listened to concerns raised by the R&CA and the wider business community and has passed the Bill. This means that on the 24th December 2019, restaurants, cafes and catering companies will need to pay public holiday rates for all relevant staff working between the hours of 6pm and midnight.

It is confusing and concerning that days after this proposal was passed, with the voices of small businesses especially restaurants and cafes across the economy ignored, that the Queensland Government would seek to hear our views on how to better listen to small business, how to support their success and how to create more sustainable jobs in regional Queensland.

Conclusion

If you wish to discuss R&CA's submission further, do not hesitate to contact Tom Green, Manager – Policy and Government at R&CA by email at tom@rca.asn.au.

R&CA again thanks you for the opportunity to make this submission.

Regards

A handwritten signature in black ink, appearing to be 'Wes Lambert', written in a cursive style.

Wes Lambert CPA FGIA MAICD
Chief Executive Officer
Restaurant and Catering Australia

