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## **PENALTY RATES KILLING RESTAURANT TRADE**

John Lloyd, Director Work Reform and Productivity at the Institute of Public Affairs today called on Bill Shorten and the unions to listen to the concerns of leading restaurateur George Calombaris about the impact of weekend penalty rates.

George Calombaris has joined a growing list of restaurant owners warning that the new penalty rates regime will cause restaurant closures and a loss of jobs. Waiters are now attracting pay rates of \$40 per hour on a Sunday.

It is disappointing that the Minister for Workplace Relations Bill Shorten dismissed Mr Calombaris' comments with an observation that envy justified high penalty rates and Mr Calombaris was out of touch.

Mr Shorten went on to claim that bargaining to increase productivity could fix the problem. But under the current system the penalty rates are underpinned by an award and basically set in concrete.

The ACTU joined in and talked about insecure and casual employment. The ACTU, as usual, is blind to the fact that the current highly regulated system is the biggest threat to sustainable jobs. It denies many young people the opportunity to enter the workforce.

The Rudd/Gillard workplace relations system has imposed a rigid set of rules. Small businesses are opting out of genuine bargaining with their employees. Initiatives that offer growth to a business and job security for employees are not being pursued. Instead most small employers accept the rigid rules and cut their operations to suit.

Unions offer platitudes about enterprise bargaining. In practice the unions will not entertain even the slightest reduction in agreement or award terms. Their agenda is to limit management discretion even further by imposing more crippling limits on how a business is run.

"The arrogance of the Government and the unions is threatening current jobs and placing future job opportunities at risk. The review into the fair work system announced by Mr Shorten has the hallmarks of a modest exercise and will not recommend the breadth of change that is required. The destructive role of unions in bargaining and crippling penalty rates should be on the table." Mr Lloyd said.

**For media and comment:**

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