



Restaurant  
& Catering

**MEDIA RELEASE**  
**14 April 2011**  
**IMMEDIATE**

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## **No Compensation for Small Business on Carbon Tax**

Restaurant & Catering Australia is stunned that the Gillard Labour Government will ignore any compensation packages for cost increases on carbon tax for small businesses.

On Melbourne radio yesterday, the Climate Change Minister Mr Combet said the following when asked how small business would deal with the carbon tax;

*Well this is where you expect price impacts in the hands of households and consumers in the economy because those costs that small businesses are passed on in the form of higher prices and that is why the assistance package is targeted at the consumer or the household level because where there are price impacts they will be passed through the economy.*

The Government's attitude to small business is to take the costs on board as a day to day operating expense or pass it on to the consumers. Small businesses already have high operating costs due to regulatory burden placed on them.

Mr John Hart, Chief Executive Officer of Restaurant & Catering says restaurants and cafes do not need another added cost to operating a business or need to pass more expense on to the consumer. The Government needs to fully consider the impact on small business and possible loss of jobs.

He went on to say "that restaurants and cafes are already feeling the pinch with a 2% profit margin and a highly competitive market precluding any price increase, therefore the industry can not afford any additional costs.

The Association supports Small Business spoke person, the Hon. Bruce Bilson MP comments that small business operators do not need another tax and since the election of the Gillard Government, small business has lost 300,000 jobs.

Restaurant & Catering is concerned that the Government will give compensation packages to households and big businesses who can flex their muscles and demand compensation, however smaller businesses can't afford to make as much noise are left to carry the can on carbon tax.

Restaurant & Catering is the only peak organisation representing the interests of the 40,000 restaurants, cafes and caterers in Australia and the industry which turns over some \$15 billion per annum.

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