Restaurant & Catering

MEDIA RELEASE
11 July 2011
IMMEDIATE

CARBON PRICE A RECIPE FOR DISASTER

The Gillard Government announcement yesterday that it will introduce a carbon price of $23 per tonne from the 1 July 2012 will be a financial disaster for restaurants, cafes and catering businesses already reeling with high operating costs and excessive government taxes.

Approximately 63% of the industry earns an average 2% after tax and the overall average is only 4%. It is expected profits will further deteriorate in the short term. The restaurant sector is 58% of the hospitality industry and some 51% of employment in the industry. The average employment per business is 8 employees.

Restaurant & Catering Acting Chief Executive Officer Mr Greg Parkes said, 'the spiralling costs of electricity is already impacting our members with ageing infrastructure driving up costs, and the imposition of a carbon price will only exacerbate these increases.'

Mr Parkes continued on to say 'the Government needs to ensure that small and medium size businesses are compensated for these price hikes under a carbon tax or many businesses will be forced to close as they will become commercially unviable. Any further risk to consumer spending in this sector will have dire consequences.'

Mr Parkes said Australia is set to become one of the most highly taxed countries in the world and this means that many companies may decide to move offshore as result of the impending carbon tax.

Restaurant & Catering Australia is the peak national organisation representing the interests of Australia's 40,000 restaurants, caterers and cafes.

For further information on this media release please contact:
Greg Parkes
Acting Chief Executive Officer
Restaurant & Catering
0435 892 007
E: gregp@restaurantcater.asn.au