

Manager
Consumer Policy Framework Unit
Competition and Consumer Division
The Treasury
Langton Crescent
PARKES ACT 2600

4 January 2013

Submitted via email: australianconsumerlaw@treasury.gov.au

To whom it may concern:

Re: Restaurant and Café Menu Surcharges – Draft Amendments to the Single Pricing Requirements

CCIQ welcomes the opportunity to provide feedback to the Federal Government on the draft amendments to the single pricing requirements contained in the Australian Consumer Law.

CCIQ is the peak business and industry body representing the interests of over 25,000 Queensland businesses, many of whom operate within the tourism and hospitality industry who are affected by single pricing requirements.

The draft amendments substantially remove the current restrictions on component pricing requirements in restaurants and cafes that require businesses to differentially price on Sundays and public holidays where surcharges apply.

Currently, component pricing under section 48 of the Australian Consumer Law (contained in Schedule 2 of the Competition and Consumer Act 2010) requires businesses to provide a single total price in any representation to customers, rather than a price based on component parts. Businesses that continue to use component parts must also display a single total price as prominently as the component price.

The draft amendments would require only that the phrase “a surcharge of [percentage] applies on [the specified day or days]” to be displayed in a manner at least as prominently as the price or surcharge or at least in a way that is visible to a reader. Under the proposed changes, operators of restaurants or cafes would only be obliged to clearly display to customers that a surcharge is applicable to items purchased from the menu on that given day.

Feedback from CCIQ’s members in the hospitality industry affected by the single pricing requirements indicates support for the proposed changes contained in the draft legislation, as it would assist with reducing the cost of operating a business on weekends and public holidays.

However, CCIQ also received feedback that many businesses have no choice but to absorb the increased costs of operating on weekends and public holidays without transparently increasing the costs to customers. This is due to the depressed economic environment

coupled with a general unwillingness by customers to accept price rises. Business operators fear losing regular custom.

It is important to recognise the reasons behind the single pricing requirements. CCIQ has received feedback that the reason many businesses apply surcharges on Sundays and public holidays is due to the expense they incur through paying employees penalty rates that are significantly higher than ordinary wages. CCIQ is firmly of the view that the current framework around penalty rates is impractical and expensive.

In September, CCIQ made a submission (attached herewith) to the Senate Standing Committee on Education, Employment and Workplace Relations Inquiry into the Fair Work Amendment (Small Business – Penalty Rates Exemption) Bill 2012.

Passage of this Bill would ensure that a modern award cannot require a business employing fewer than 20 full time employees in the restaurant and catering or retail industries to pay penalty rates to an employee unless they have worked more than 10 hours in a 24 hour period, or more than 38 hours in total, in that week. Accordingly, CCIQ advocated strongly in favour of the Bill and recommends the passage of the Bill in 2013.

In summary, CCIQ supports the removal of single pricing requirements from the Australian Consumer Law as it relates to restaurant and café pricing.

Yours sincerely,



Nick Behrens
General Manager – Advocacy
Chamber of Commerce and Industry Queensland