

MEDIA RELEASE

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Protecting Small Hospitality Businesses: The Importance of Surcharges

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The Restaurant & Catering Association (R&CA) strongly supports the ability of businesses to use of surcharges in cafés, restaurants, and catering businesses, particularly on weekends and public holidays.

John Hart OAM, National President of the Association, said today that surcharges are a necessary measure to ensure that businesses can continue operating sustainably on days when wage costs are significantly higher.

“In recent years, hospitality wage costs have increased by 21 per cent, driven by ongoing rises to the minimum wage and the superannuation guarantee,” Mr Hart said. “For small business operators, weekends and public holidays attract penalty rates of up to 250 per cent of base wages. With wages already accounting for around 48 per cent of a venue’s turnover, these higher rates place an extraordinary burden on small businesses.”

Mr Hart explained that without the use of surcharges, many small hospitality operators would face a simple but difficult choice: absorb significant losses, reduce staff, limit trading hours, or shut their doors entirely on key trading days.

“Surcharges are a transparent, lawful, and fair practice that enables businesses to compensate for the additional costs of trading. Without them, the viability of many hospitality businesses would be at risk on days when customers want to eat out” Mr Hart said.

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The Association notes that hospitality owners are already working within some of the tightest margins in the economy, and the pressures from rising wages, increasing compliance obligations, and operational costs have only grown. In this environment, applying a clearly communicated surcharge ensures that businesses can continue to offer employment, service their communities, and contribute to Australia's economy.

Mr Hart said that hospitality businesses are committed to operating with fairness and transparency, with any surcharges required to be clearly disclosed to customers under Australian Consumer Law.

"We strongly support our members' right to manage their businesses and ensure their long-term survival responsibly. Applying a surcharge is one of the few tools small businesses have to remain viable while providing services on high-cost days," he said.

The Restaurant & Catering Association will continue to advocate for a practical understanding of the real pressures facing Australia's small hospitality businesses and the critical role they play in the national economy.

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About the Restaurant & Catering Association (R&CA):

The Restaurant & Catering Association is the national industry body representing over 57,000 cafés, restaurants and catering businesses across Australia. R&CA advocates on behalf of its members to the government, supports industry development, and champions a sustainable and prosperous hospitality sector.