

MEDIA RELEASE

Accommodation & Tourism body says jobs will be lost unless greater workplace flexibility is introduced

Regional and remote areas facing greatest burden as penalty rates bite

10 March 2014: Tourism Accommodation Australia (TAA) says the capacity for the hospitality and tourism industries to employ Australians is being severely hampered by the inflexibility of current work conditions.

TAA Managing Director, Rodger Powell, welcomed the Federal Government's decision to ask the Productivity Commission to review the Fair Work Act, and said that TAA would be making a submission to the Productivity Commission that would demonstrate that greater flexibility of labour conditions would benefit both businesses and workers.

"Industrial regulations and inflexible working conditions are preventing hotels and tourism businesses from offering services at times that customers expect, from growing, and in some cases making it almost impossible for them to survive, especially given the difficult trading conditions in some parts of Australia," he said.

"What people don't understand is that this is a common view shared by most employers and employees. Our businesses could employ many more people, particularly casual and part-time, if regulations didn't make it such a disincentive to employ staff.

"We are not about seeking to reduce wages, we want to see an increase in flexibility of working conditions so that both employers and employees can benefit.

"The key is to match employee and employer needs. Currently, there are major restrictions about minimum hours and mixing roles within a hotel, but that doesn't reflect how the business operates and the needs of employees and customers. For example, a hotel might need a staff member for the breakfast restaurant shift, but if the restaurant is then closed till dinner, the worker may only get a four hour shift, which doesn't suit either employee or hotel management. Equally, a hotel may need someone for two hours and an employee may only have two hours available to work.

Mr Powell said that TAA would call for penalty rates to be included in the review because rather than protecting workers' rights they were impeding opportunities for greater employment.

"Many hotels these days have closed their restaurants during the day because it is simply too costly to keep them open due to labour conditions, but if there was more flexibility that could be changed. Penalty rates make it very hard for many businesses to employ staff on weekends and over holiday periods, but this is when casuals and part-timers most want to work and when customers most need to be served. It simply is not satisfactory, and Australia's competitiveness and professionalism in the eyes of the international tourism industry are suffering as a result.

"The tourism sector has the potential to be a major economic driver of the Australian economy as the mining boom wanes and greater flexibility in working conditions can be particularly beneficial in regional and remote areas, many of which are experiencing economic downturns.

Tourism Accommodation Australia (TAA) represents the interests of the 24 Australian Accommodation Chains and over 800 individual members in the Hotel, Serviced Apartment, Integrated Resort, Motel and Vacation Ownership sectors. Servicing owners, operators, managers, franchises and other industry stakeholders, TAA is a division of the Australian Hotels Association, a federally registered organisation of employers representing hotels since 1836.

“Regional centres have great potential for tourism development and job creation, but operating costs are a fundamental problem for many of the companies. Regional and resort areas are very reasonable operations characterised by short periods of peak business and longer periods of fairly slow business, so employment and work conditions need to better reflect the trading cycle of these businesses and their customers.”

Mr Powell said that he was aware of hotels which were planning to close down during the low-season because it was simply unsustainable to keep them open during these periods, and with the upcoming Easter holidays, travellers might be surprised to find many restaurants and other services closed on the two Easter public holidays because the industry could not ask customers to pay the ridiculous prices required to support the up to 275% penalty rates that can apply during a peak holiday period.

“Easter isn’t going to be all chocolate eggs for workers because in many cases penalty rates will penalise the very people they are meant to benefit, with businesses just closing down because the additional costs will outweigh the revenues they can earn,” he said. “There’s no winners out of that scenario”.

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