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Fair Work Amendment Bill 2013

**Submission to the House Standing Committee on
Education and Employment**

EXECUTIVE SUMMARY

- The contention of the Accommodation Association of Australia (the Accommodation Association) is that that the proposed amendments in the Bill are unbalanced in terms of providing a fair workplace relations system.
- While the proposals enhance the entitlements of employees and unions, they not only fail to provide our members with any relief from the significant burden imposed on them by the *Fair Work Act 2009*, the added costs associated with the proposals are counterproductive.
- As the overwhelming majority of members of this Association are small and medium size businesses which operate in a 24/7 environment, the added impost is particularly erroneous.

INTRODUCTION

1. The Accommodation Association is pleased to provide the following submission in respect of Fair Work Amendment Bill 2013. This submission only deals with the matters of most concern to the Association's members.

ABOUT THE ACCOMMODATION ASSOCIATION

2. The Accommodation Association is the national industry body for the Australian accommodation industry.
3. Members of the Accommodation Association include major hotels, resorts, motels, motor inns, serviced and holiday apartments, bed and breakfasts, guesthouses, backpackers and timeshare establishments in metropolitan, regional and rural Australia across all states and territories.
4. The Association's membership base includes almost 2000 properties ranging from 1 room to in excess of 600 rooms and totaling more than 110,000 guest rooms.
5. The Association's members include independent SME operators as well as major hotel and motel groups and chains, including Accor Hotels, Hilton Hotels, Toga Hospitality, Staywell Hospitality Group, Outrigger Hotels, Classic Holidays, Fraser Suites, Best Western, Choice Hotels, ARRA Group, Golden Chain, and Quest Serviced Apartments

TOURISM AND ACCOMMODATION – OVERVIEW

6. Tourism contributes \$34 billion to Australia's gross domestic product (GDP), a 2.6 per cent share.¹
7. Around 500,000 Australians are employed in the Australian tourism industry – 4.5 per cent of total employment.²

¹ Tourism Industry Facts & Figures (at a glance), Department of Resources, Energy and Tourism/Tourism Research Australia, May 2011, Page 44

² Ibid, Page 44

8. Employment within Australia’s accommodation sector is 71,500 – 14.3 per cent of the total employment in tourism.³
9. Tourism is Australia’s leading services export and it is the sixth-largest total export earner.⁴
10. Tourism contributes \$23 billion or 9 per cent of Australia’s total export earnings for all goods and services.⁵
11. There are 4279 tourism accommodation establishments in Australia.⁶
12. There are 227,320 tourism accommodation rooms within Australia and 640,454 bed spaces.
13. Tourism’s share of the Australian economy has been declining.
14. The number of domestic overnight trips taken by Australians has fallen by 1.1 per cent on average each year over the period 2001-2010.⁷
15. The total number of domestic visitor nights fell by 1.2 per cent on average each year between 2001-2010.⁸
16. Tourism has a number of unique characteristics in comparison to other industries. These include:
 - It is highly labour intensive;
 - It requires the input of many service providers into a single “product” to the end consumer;
 - It is dominated by a significant number of small businesses;
 - Tourism competes against all other discretionary expenditures for the “hearts and minds” expenditure of the consumer; and
 - Tourism businesses operate in a highly complex environment requiring significant compliance skills and costs.

ISSUES CONSIDERED IN THIS SUBMISSION

Any period of unpaid special maternity leave taken by an eligible employee does not reduce that employee’s entitlement to unpaid parental leave

17. The Accommodation Association supports the maintenance of the current entitlement in the Act.

Increase the maximum period of concurrent unpaid parental leave from three to eight weeks

18. The Accommodation Association supports the maintenance of the current entitlement in the Act. The amendments will result in additional administration expenses.

³ Ibid, Page 51

⁴ Ibid, Page 45

⁵ Ibid, Page 45

⁶ Ibid, Page 55

⁷ Ibid, Page 26

⁸ Ibid, Page 26

Allow parental leave to be taken in separate periods within the first 12 months of the birth or adoption of a child

19. The Accommodation Association supports the maintenance of the current entitlement in the Act. The amendments will result in additional administration expenses.

Enable pregnant employees to transfer to a safe job regardless of their period of service

20. The Accommodation Association strongly opposes this proposal. While the Association is sympathetic to employees in a predicament, small and medium businesses most often do not have any capacity to transfer employees.

Require the Commission to take into account the need to provide additional remuneration for certain employees

21. The Accommodation Association strongly opposes this proposal, believing that the matter of penalty rates should now be left for consideration in the 2014 modern award review, with proper consultation.

Expand access to the right to request flexible working arrangements

22. The Accommodation Association strongly opposes this proposal. In the experience of this Association, most businesses agree to requests for flexible working arrangement when possible. However, small and medium businesses most often have little capacity to rearrange working arrangements.

Conclusion

The Accommodation Association submits that the matters contained in this submission be considered in the interest of fairness to both employees and employers.

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Date: 18 April 2013