



29 July 2009

Industrial Registrar
Queensland Industrial Relations Commission
GPO Box 373
BRISBANE QLD 4001

Via Fax: 3221 6074

Dear Industrial Registrar

Case Numbers B/2009/41 and B/2009/42

The Queensland Hotels Association Union of Employers ("QHA") seeks to note its interest in the above two matters. While QHA received a copy of the applications and the Directions Order for the Mention on 2 July, unfortunately QHA did not receive any information or Directions Orders regarding the submission deadline or the Hearing this Friday, 31 July at 10am.

Due to its interest in the above matters, and noting that the deadline for written submissions has passed, QHA seeks the Commission's permission to submit the attached submission. QHA also seeks leave to appear at the Hearing before the Full Bench this Friday.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J Minchinton', is written over a white background.

Joanna Minchinton
Employment Relations Manager



**QUEENSLAND HOTELS ASSOCIATION
UNION OF EMPLOYERS**

Submission to the Full Bench of the Queensland Industrial
Relations Commission

In the matters of

Queensland Council of Unions
(Number B/2009/41)

And

The Australian Workers Union of Employees, Queensland
(Number B/2009/42)

Application for a declaration of a General Ruling and Statement of Policy
State Wage Case 2009

This Submission is made on behalf of the Queensland Hotels Association Union of Employers ("QHA").

The QHA is the peak industry body in Queensland for the hotel and hospitality industries, accommodation providers, resorts, theme parks, convention centres and casinos. The QHA and its members are also important stakeholders in the tourism industry in Queensland.

The QHA dates its formation to 1885 when a group of hotel owners formed together to lobby the Colonial Government of the Colony of Queensland on matters of excise, taxation and labour / employment and immigration policies.

In 2009, the QHA has over 800 members in the state, and a number of those members are subject to the Queensland industrial relations system.

QHA is pleased to make this submission with regard to the applications for a Declaration for a General Ruling and Statement of Policy State Wage Case 2009.

THE APPLICATIONS

The applications by the Queensland Council of Unions (B/2009/41) and The Australian Worker's Union of Employees, Queensland (B/2009/42) seek a:

- \$27.80 per week wage increase to award wage rates; and
- An adjustment to existing award allowances which relate to work or conditions which have not changed and service increments by the equivalent percentage increase to that which the \$27.80 wage adjustment bears to the C10 wage rate as it appears in the Engineering Award – State; and
- An increase to the Queensland minimum wage as it applies to all employees by \$27.80 per week.

THE HOSPITALITY INDUSTRY

QHA submits that any increase to award rates, or to the minimum wage will have a negative impact on the hospitality industry. The current economic climate has impacted on the tourism industry, which in turn impacts on hospitality employers in accommodation and function Hotels, and in Hotels operating a food and beverage service.

In a survey of QHA members in the first half of 2009, feedback indicated that:

- Corporate travel has reduced and this has impacted on hospitality employers via less accommodation bookings from the corporate sector. This has also impacted on non-accommodation hospitality employers through less food and beverage services and less gaming.
- Corporate function and event bookings have decreased resulting in less business and income being generated by hospitality employers.
- Personal travel has reduced as a result of less discretionary spending within the community and this has resulted with less accommodation bookings and a decrease in the need for food and beverage services.

The impacts of the above economic factors are:

- Accommodation hotels have reduced room rates and engaged in other cost cutting initiatives to stimulate business from both the corporate sector and the wider community.
- Some services, such as functions and events have been closed in Hotels, resulting in the loss of permanent jobs. Others, such as housekeeping and laundry, have been outsourced as a way to cut costs.
- Hours of work have generally been cut for casual employees.
- Permanent hours have been cut, with full time positions in accommodation Hotels reduced to part time positions. Measures such as the reduction in hours are being implemented by employers to avoid redundancies and job losses. Many members feel that redundancies will need to occur if the measures they have put in place to reduce hours do not work due to increased wages costs.
- Bonus systems have been frozen during 2009 as a cost saving measure.
- Recruitment has slowed to a minimum level, and vacant positions are not being filled unless necessary. This has resulted in existing staff being required to work across other streams within the Hotel.
- Overall industry profitability and investment has declined.

QHA'S POSITION

QHA submits that real wages have increased in 2009 due to other means such as:

- A reduction in interest rates,
- Taxation rate changes, and the
- Commonwealth Government's economic stimulus packages.

The QHA submits that in light of the above three points, the impact the economic climate is having on its members, as outlined in this submission, and forecasts the economic climate will not improve in the short term, no increase should be granted.

QHA is concerned that any increase granted will further threaten the hospitality industry's viability, and result with the loss of jobs across all areas of the industry.

QHA supports the written submissions of the Chamber of Commerce and Industry Queensland.

May it please the Commission.



Justin O'Connor
Chief Executive