



**Accommodation  
Association  
of Australia**

**New Template Labour Agreement  
Submission – 2012**

**Submission of the Accommodation  
Association of Australia**

## **INTRODUCTION**

1. The Accommodation Association of Australia welcomes the opportunity to provide input to assist with the development of a new template labour agreement between the Commonwealth Government and employers in tourism and hospitality.

## **ABOUT THE ACCOMMODATION ASSOCIATION**

2. The Accommodation Association of Australia (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 and more than 110,000 guest rooms.
5. The Association's members include major hotel chains, including Accor Hotels, Mirvac Hotels and Resorts, Hilton Hotels, Toga Hospitality, Mantra Group, Rydges Hotels, Amora Hotels, InterContinental Hotels Group, 8Hotels 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.<sup>1</sup>
7. Around 500,000 Australians are employed in the Australian tourism industry – 4.5 per cent of total employment.<sup>2</sup>
8. Employment within Australia's accommodation sector is 109,945.<sup>3</sup>
9. Tourism is Australia's leading services export and it is the sixth-largest total export earner.<sup>4</sup>
10. Tourism contributes \$23 billion or 9 per cent of Australia's total export earnings for all goods and services.<sup>5</sup>
11. There are 4279 tourism accommodation establishments in Australia.<sup>6</sup>
12. There are 227,320 tourism accommodation rooms within Australia and 640,454 bed spaces.<sup>7</sup>

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

<sup>2</sup> Ibid, Page 44

<sup>3</sup> Tourism Accommodation – Australia, September Quarter 2011, Australian Bureau of Statistics

<sup>4</sup> Tourism Industry Facts & Figures (at a glance), Department of Resources, Energy and Tourism/Tourism Research Australia, May 2011, Page 45

<sup>5</sup> Ibid, Page 45

<sup>6</sup> Ibid, Page 55

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.<sup>8</sup>
15. The total number of domestic visitor nights fell by 1.2 per cent on average each year between 2001-2010.<sup>9</sup>
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.

## **ELIGIBLE BUSINESSES**

*(How should employers be identified as belonging to the industry in order to be allowed to access the template agreement? The Department would expect that either this is done by only having occupations very specific to the industry available under the template or by having a very clear definition of "tourism and hospitality" that employers must meet. What would be the best approach?)*

It is the Association's view that businesses that undertake activities that fall within the definitions provided under the Australian Bureau of Statistics Tourism Satellite Accounts should be considered as part of the tourism and hospitality industries for the purposes of the Template Labour Agreement.

The definitions used by the Australian Bureau of Statistics correspond with the relevant international standard, *Tourism Satellite Account*. Industries included within the TSA are:

- Accommodation
- Cafes, restaurant and takeaway food services
- Clubs, pubs, taverns and bars
- Rail transport
- Road transport and transport equipment rental
- Air, water and other transport
- Travel agency and tour operator services
- Cultural services
- Casinos and other gambling services
- Other sports and recreation services
- Retail trade
- Education and training

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<sup>7</sup> Ibid, Page 55

<sup>8</sup> Tourism Industry Facts & Figures (at a glance), Department of Resources, Energy and Tourism/Tourism Research Australia, May 2011, Page 26

<sup>9</sup> Ibid, Page 26

Further, the Association supports the proposal of Restaurants and Catering Australia, that employers should be a member of their relevant peak industry body to be eligible to access the Template Labour Agreement.

This requirement will assist in ensuring compliance with visa requirements by strengthening a meaningful communication channel, in addition to direct communications between the employer and DIAC. Industry associations already act as important sources of information in relation to workplace relations and migration issues for their members.

It is also the Association's view that the Template Labour Agreement be available for tourism and hospitality employers in both regional and metropolitan areas.

According to the Australian Tourism Labour Force Report, 53% of forecast accumulated labour demand by 2015 will be in Sydney or Melbourne. There are strong links between the labour markets of State capitals and regional areas of each State. This is particularly true in states such as South Australia and Western Australia.

## OCCUPATIONS

*(Should occupations that are available under the standard program be made available under a template labour agreement? What benefit would there be to such an arrangement?)*

*What sources of information are available about labour market conditions in areas where there are shortages of skilled workers in the tourism and hospitality industry?*

*Should only industry-specific occupations (i.e. excluding trades) be available under a template agreement?)*

<b>Occupations</b>	<b>ANZSCO code</b>	<b>Skill level</b>	<b>Eligible for standard 457?</b>	<b>Indicative market salary from <a href="http://www.joboutlook.gov.au">www.joboutlook.gov.au</a></b>
Accommodation and Hospitality Managers	141999	2	y	\$46 800
Hotel and Motel Managers (includes Resort Manager)	141311	2	Y	\$49 400
Chef	351311	3	Y	\$45,550
Bakers	351111	3	Y	\$45,500
Hotel Service Manager	431411	3	N	\$43,160
Bar Attendant	431111	2	N	\$4,0930.50
Food and Beverage Attendant (including Waiter)	431511	4	N	\$39,416.00
Handy person		3		\$42,334.50
Cook	351411	3	y	\$45,550

## **SALARY**

*(What are the market salary rates for Australian workers in these positions in different regions in Australia? What other terms and conditions of employment, including salary packaging are provided to workers in these occupations? Is there room for employers to improve the provision of salary and other terms and conditions to better attract workers?)*

Australian workers in the accommodation sector, whose duties and responsibilities are specified under the relevant industry award, are paid in accordance with the rates prescribed by the award, *Hospitality Industry (General) Award 2010*.

The employees whose duties are not listed in the industry award, are paid a negotiated salary which is equal to or above the national minimum wage.

## **SKILL LEVELS**

*(What skill and experience requirements and assessment processes should be set to ensure overseas workers have the right skill set to effectively perform these positions in Australia?)*

The Association is of the opinion that there is a shortage of skills within the industry. Many of our members, particularly in the regional areas are experiencing difficulty sourcing and sustaining employment of unskilled labour, particularly jobs such as housekeeping attendant, cleaner and kitchen hand.

For the purposes of a labour agreement, we recommend that that the Minister approves unskilled overseas workers entry to Australia under the skilled migration program.

Our members who participate in this program will provide appropriate training as required to these workers to enable to satisfactorily perform their duties.

## **ENGLISH LANGUAGE REQUIREMENTS**

*(Is the proposed policy setting appropriate? If stakeholders consider that lower levels of English are justifiable, what measures should employers be required to put in place to ensure that workers are aware of their rights and responsibilities in the Australian workplace, can interact successfully with customers and co-workers, and can participate actively in the community in which they live and work?)*

1. A level of English language competency under the template must be set at an International English Language Test System (IELTS) level of an overall score of 3.
2. All overseas workers upon starting employment must be issued a Fair Work information statement. Employer must ensure that the statement must also be translated if possible in the language spoken by the vast majority of such overseas employees.
3. Overseas staff must also be advised upon starting work that Fair Work Australia has translating and interpreter Service in place. This must be specified in the employment contract.
4. In case of large employers have employed more than 15 staff and if half of these employees have been hired using the template labour agreement, then the employer must also employ an Australian worker who oversees these employees and ensures that they are aware of their rights and responsibilities. Such an Australian worker may also be the manager or supervisor at the property.

## **LOCATION OF EMPLOYERS**

*(Should the template labour agreement be available only to regional employers or to all employers in the tourism and hospitality industry?)*

1. There will undoubtedly be significant variations in conditions between different regional labour markets. Competition for labour, the price of labour, and local semi-skilled unemployment and underemployment rates will differ between markets.
2. If this is the case, however, metropolitan employers in the industry may indeed need access to the agreement to remain competitive for labour when they do not have access to RMAs (Regional Migration Agreements).

## **TRAINING REQUIREMENTS**

*(Are the proposed training requirements sufficient to ensure employers are investing in the up-skilling of their Australian workforce?)*

1. The employer must demonstrate evidence of paying the equivalent of at least one per cent of total payroll expenditure towards an industry training fund on training their workers.

## **VISAS**

*(Are there merits in the inclusion of a permanent visa pathway under a template labour agreement?)*

1. The Association supports that the notion that the visa holder will remain with the sponsoring employer as a condition of their visa.

## **CONCLUSION**

2. The Accommodation Association looks forward to further engagement with the Federal Government on the development of a new template labour agreement for tourism and hospitality employers.

Date: 16<sup>th</sup> March 2012