



AUSTRALIAN HOTELS ASSOCIATION

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MEDIA RELEASE

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Hotel jobs at risk from wage rise

Today's announcement of an increase to Award wages by almost double the rate of CPI will have a disproportionate impact on the hospitality sector, including possible job cuts.

AHA National CEO Des Crowe said the majority of hotels are faced with flat or declining trade and an industry employing nearly 300,000 people would be forced to consider reductions in working hours.

"We are alarmed at an increase of almost double the current rate of CPI despite acknowledgement in the decision of the damaging impact of the two-speed economy.

"While resource-rich regions continue to perform strongly, the majority of hotels are not benefiting from the mining boom and are facing flat trading conditions for the coming year.

"Last year's significant increase resulted in a 7.8 per cent reduction in working hours available in our industry and hoteliers will again be forced to assess their rostering to minimise the additional costs on their businesses."

Mr Crowe said the impact of the wage increase on business will be compounded by next month's introduction of the carbon tax.

"The introduction of the carbon tax next month will significantly impact on business profitability and capacity to pay higher wages, and neither this nor the Government's compensation package for individuals has been taken into account.

"The impact of increased wages on employers cannot be viewed in isolation. Our members are also bracing for increases in electricity costs of up to 20 to 30 per cent, and further rises in the costs of other products supplied to hotels as a result of the carbon tax and this wage rise.

"For businesses in the fast lane of the two-speed economy this increase is manageable, but for most hotels it will be a cause for serious concern."

Media enquiries

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