PRODUCTIVITY COMMISSION’S RECOMMENDATIONS ON WORKPLACE REFORM A “VICTORY FOR COMMON SENSE” SAYS HOTEL SECTOR

4 August 2015: Australia’s peak hospitality bodies, the Australian Hotels Association (AHA) and Tourism Accommodation Australia (TAA), have welcomed the Productivity Commission’s draft recommendations for reforming Australia’s workplace relations and creating a more flexible system to benefit both businesses and employment.

The recommendations were contained in the Productivity Commission’s draft report on Australia’s Workplace Relations Framework. On behalf of Tourism Accommodation Australia and the Accommodation Association of Australia, AHA made major recommendations to the Inquiry.

The report recommends more flexible working arrangements for workers in the 24/7 hospitality industry, arguing that Sunday work should attract the same penalty rates as Saturday, reflecting the fact that the industry operates under totally different conditions from when penalty rates were first introduced 50 years ago.

AHA also welcomed the Productivity Commission’s finding that “procedure over substance” sometimes allowed an employee to “behave badly in the workplace, be dismissed, but get compensation because of an employer’s procedural lapses, even if no one disputes the misconduct.”

Stephen Ferguson, CEO of AHA, said “The Productivity Commission has called for sensible discussion and we would call on organisations not to dismiss the draft recommendations out of hand – that helps no one, particularly workers,” said Mr Ferguson.

“What is impressive about the draft report is the consistent call for commonsense to be favoured over procedure, especially in areas such as dismissals, where an employer might be forced to pay compensation due to a procedural lapse despite an employee being found guilty of misconduct.”

Mr Ferguson said that the Commission’s recommendation on unilaterally-declared State public holidays was another victory for commonsense. He said that the AHA was concerned that there is no consistency of the number of State public holidays, and that business bears the cost when excessive numbers of State public holidays are sanctioned, often for relatively minor commemorations.

“Providing a State public holiday for a sporting contest might be politically popular, but when businesses have to carry the cost of such decisions, it’s clearly not fair,” said Mr Ferguson.

“The Federal Government should be commended for calling for this review, and the Productivity Commission has shown leadership in placing the major issues on the table for discussion. It’s now up to all parties to discuss the recommendations rationally and reasonably to ensure that industries such as tourism and hospitality are best placed to grow their business, grow employment and grow service standards.”

Comments from Martin Ferguson, Chair, Tourism Accommodation Australia

Chairman of Tourism Accommodation Australia, Martin Ferguson, said the hotel accommodation industry was being particularly hampered by outdated workplace conditions.

“We need to create the right environment for investors in the tourism and hotel sector, while growing employment opportunities,” he said. “The hotel industry’s profile might have changed since international hotels arrive in Australia 40 years ago, but the operating conditions don’t reflect those changes.”
“The industry is a service industry and will always be reliant on high staffing levels, but the industrial relations environment hasn’t adapted to the demands of the new economy.

“Current awards, under which some permanent staff receive 175 per cent of their normal rates for working Sundays and 250 per cent for working on public holidays, with even higher penalties for some casual workers, are unrealistic and a dampener on employment.

“Tourism and other service sectors need an industrial system suited to the 21st century, not to society as it was 50 years ago, when weekends were sacrosanct and Sunday was a day of rest, when most shops and restaurants were shut. The economy no longer operates that way, especially in tourism, where workers expect to be rostered to provide services seven days a week and in some businesses, 24 hours a day.

“It will be easy for vested interests to dismiss these draft recommendations out of hand, rather than discussing them rationally and sensibly, but that would only be to the detriment of workers.”

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