



AUSTRALIAN HOTELS ASSOCIATION

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MEDIA RELEASE

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HOTEL INDUSTRY TO WORK WITH UNION TO ADDRESS SKILLS AND LABOUR SHORTAGES

Australia's major accommodation hotels will consult with the Liquor, Hospitality and Miscellaneous Union (LHMU) on ways to address labour and skills shortages in the industry.

The declaration came as the LHMU is poised to launch a major campaign to help find solutions to these problems, titled "Better Jobs, Better Hotels".

"Australian hotels will work collaboratively with the LHMU to identify ways to meet the significant challenge of overcoming labour and skills shortages," said AHA Director National Affairs, Bill Healey.

"Attracting and retaining staff is a challenge for businesses across the board – not just hotels. Hotels have recognised this and as a result, many of them are adapting their recruitment practices, work systems and training schemes to increase productivity and reduce the level of turnover in the industry.

"The LHMU initiative highlights some of the challenges that the industry faces. Increased consultation will help identify potential solutions and make the union aware of the foundations that have been laid to address its concerns."

Mr Healey says the hotel industry isn't unique when it comes to having difficulty recruiting workers and that demographic changes – both here and overseas – will mean that skill and labour shortages will be a business challenge for the next decade. Investment in new hotels remains low, despite recent occupancy and room-rate increases, and projections by Tourism Australia that over 16,000 new hotel rooms will be required to cater for the projected growth in visitors over the next 10 years.

"Investors are not silly," Mr Healey said. "They realise that the returns on Australian hotels are still low compared to overseas destinations and other property classes. Quality service will be a key factor in attracting high-yielding visitors. However, our high global wage-to-operating costs reduce a hotel's ability to address people shortages solely by increasing wages. Consultation with the LHMU should identify better ways of meeting the needs of employees and increasing productivity."

The AHA and the LHMU are currently negotiating a Memorandum of Understanding that will guide the consultation process, as it is imperative – from both an investment and tourism perspective – that confidence in the sector remains high during the LHMU campaign. This means that AHA members will ensure they approach any consultation in a spirit of mutual co-operation and in accordance with their company values and the LHMU will maintain a professional, polite and business-like manner while visiting luxury hotels.

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The Australian Hotels Association (AHA) is the pre-eminent tourism and hospitality industry organisation in Australia. It has around 5000 members operating general and accommodation hotels. It has a National Office and Branches in each State and Territory. It also has a discrete Branch to represent the interests of its Accommodation members that covers four and five-star properties operated by the major chains.