



AUSTRALIAN HOTELS ASSOCIATION

24 Brisbane Avenue Barton ACT 2600 • PO Box 4286 Manuka ACT 2603 • Australia
email: aha@aha.org.au • Facsimile: (02) 6273 4011 • Telephone: (02) 6273 4007
Web: www.aha.org.au

20 October 2011

Senator the Hon. Chris Evans
Minister for Workplace Relations
C/- Parliament House
CANBERRA ACT 2601
Via Email: senator.evans@aph.gov.au

Dear Minister

QANTAS INDUSTRIAL DISPUTE

I write to urge the Government to use its powers under the *Fair Work Act 2009* to intervene in the ongoing industrial disputes involving Qantas and the three unions representing its long-haul pilots, engineers, baggage handlers and caterers.

The dispute between Qantas has already caused disruptions for the accommodation sector and, if allowed to continue, will have a long-lasting impact on the broader tourism and hospitality industry with flight cancellations and airport delays discouraging travel within Australia.

The dispute shows no signs of ending. I note that one of the unions involved has publicly warned against flying Qantas over the peak summer period, while another has flagged that disruptions could continue for as long as 18 months.

The hotel industry, like many others, has been affected by global economic uncertainty, the high Australian dollar and in some areas by last summer's natural disasters

It is disappointing and concerning that one of the unions involved has already issued a public warning to the public to expect travel delays over the peak summer holiday period, while another has flagged that the disruptions could continue for another 18 months. Of most immediate concern, however, is the potential for major disruptions to upcoming major events such as the Melbourne Cup.

The upcoming Melbourne Cup Carnival is one of the biggest tourism and hospitality events of the year. A boost in business over this period is something our members in Melbourne rely on and factor into their annual budgets and staff rostering.

We are very concerned that the airline unions could seek to use this iconic national event as a stage to gain attention for further strike action. Such action would not simply hurt the bottom line of Qantas, but would impact severely on hotels and on many other sectors of the tourism industry. The AHA's media release of 13 October (attached) reflects our ongoing concerns in this area.

We note that the disruption to our Melbourne members during last weekend's Caulfield Cup Carnival, a smaller but still significant tourism event for the city, resulted in a drop in hotel

occupancy, with some hotels losing as many as 200 room nights. The impact of similar disruptions affecting the larger and more nationally-appealing followed Melbourne Cup Carnival would be far more severe.

The *Fair Work Act 2009* provides the Government with the power to intervene in industrial dispute which impact on third parties in circumstances where significant damage is occurring to the Australian economy, or part of it. As you would be aware these provisions enable the Minister to make application to Fair Work Australia for an order that industrial action be suspended or terminated. The Minister also has the ability to make a declaration terminating industrial action from the date the declaration is made.

We believe it is in the national interest for the Federal Government to intervene. This dispute is causing financial hardship to our members and the general tourism, travel and accommodation sector.

All these businesses have, in good faith, been rostering employees for the usual demands of business. The unpredictable nature of the industrial disputes is causing chaos with rostering requirements for many of our members. With the impact and uncertain timing of these industrial disputes our members may now need to consider standing down staff to mitigate losses. These are circumstances beyond the control of our members and accordingly intervention by the Federal Government is encouraged so as to prevent non-Qantas employees being stood down.

I welcome the comments made at last week's Tourism Directions conference in Canberra by the Minister for Resources, Energy and Tourism that he would personally support Government intervention if this dispute continues for much longer. The AHA believes intervention from the Government is required to ensure uninterrupted staging of the Melbourne Cup Carnival and to restore confidence in the traveling public ahead of the peak summer holiday period. In this case I would offer the full public support of our organisation for efforts to reach a solution.

I would be happy to discuss this issue further at any time.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Des Crowe', written in a cursive style.

Des Crowe
National Chief Executive Officer