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# Media Release

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## Hospitality jobs at risk from wage rise

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

AHA (WA) CEO Bradley Woods said the WA hotel and hospitality industry employs nearly 40,000 people, with some operators already facing challenging economic conditions and tight business margins, today's announcement will force some hospitality operators to consider reductions in working hours.

"While we are not against wage increases we believe they need to be connected to productivity and flexibility improvements for the industry, particularly in areas where it has undergone severe economic hardship.

"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.

"The impact of increased wages on employers cannot be viewed in isolation. WA's hotels and hospitality businesses are also bracing for increases in electricity costs, and further rises in the costs of other products supplied to hotels as a result of the carbon tax and now this wage rise.

"For businesses in the resource and mining regions this increase may be manageable, but for hotels and hospitality operators in the struggling tourism regions it will be a cause for serious concern."

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