Two Small Industrial Relations Cogs
In The Queensland Tourism Industry

Braham Dabscheck
Senior Fellow, Faculty of Law, University of Melbourne

It is only in the last decade or so that Australian researchers have turned their attention to examine industrial relations in the tourism industry. To the extent that any literature has developed it has focused on the hospitality industry and/or hotels. The tourism industry, however, is more complex than this. It encompasses a wide range of activities beside hospitality and hotels. The Australian Bureau of Statistics lists the following broad products and services as being tourism related: travel agency and tour operator services; taxis; long distance passenger transportation; local area passenger transportation; motor vehicle hire; petrol; repair and maintenance of vehicles; accommodation; food, alcohol and other beverages; shopping, motor vehicles, caravans and boats; recreational, cultural and sporting services; gambling; education and other tourism services.

Queensland is a popular tourist destination for both domestic and international visitors. For the 2008 calendar year, Tourism Queensland estimated that Queensland attracted 28 per cent of domestic and 24 per cent of international overnight visitor expenditure. Visitors to Brisbane, Queensland’s capital may avail themselves of the AirTrain which links both the international and domestic airports with the city, and the City Cat for a sightseeing trip down the Brisbane River.

Wages and employment conditions on both AirTrain and City Cat are governed by collective

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3 Tourism Queensland, Travel Expenditures by Domestic and International Visitors, Year ended December 2008.
agreements. The employer and workforce of AirTrain signed off on an agreement on 29 January 2008, under the Work Choices legislation (Workplace Relations Amendment (Work Choices) Act 2005 (Cwth)) of the Howard Liberal and National Parties Coalition government. The City Cat workforce is covered by an agreement entered into with the Brisbane City Council, concluded on 17 September 2009, under the Industrial Relations Act 1999 (Qld).

The general consensus of researchers who have examined industrial relations in hospitality and hotels is that employers have had the upper hand in their dealings with a workforce which has low rates of unionisation, with the possible exception of the luxury end of the hotel market. This is especially so were the workforce is unskilled, casual, and mainly female and of non English speaking background, especially in combination with legislative changes, of the Howard government, which enhanced managerial prerogatives and/or reduced the influence of unions.

As indicated above, the tourism industry is diverse and nuanced. In situations where competition is not so intense, especially where there is not the threat of international competition, the operation of firms are relatively or highly capital intensive, requiring the employment of relatively more skilled labour, and unions have had an on going and ‘significant’ influence, the workforce will enjoy ‘superior’ wages and employment conditions. The major hypothesis of this paper is that the respective workforces employed on AirTrain and City Cat are such workers and highlights the difficulty of offering generalisations concerning industrial relations in the tourism industry.

This paper will conduct an examination of the Transfield Brisbane Airport Rail Link and the Brisbane City Council collective agreements. It will be organised into four sections. The first will be a brief overview of tourism in Australia. This will be followed by an account of broad industrial relations developments in Australia and Queensland since the beginning of the 1990s. The third section will examine the Transfield and Brisbane City Council agreements in some detail. A conclusion will draw together the major threads of the discussion.

Tourism in Australia: A Brief Overview

The popular perception of the tourist is someone who travels from where they live to another location for an enjoyable experience. While this definition accords with common sense there are prob-

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6 See references in footnote 1.
lems associated with identifying who in fact tourists are and measuring their economic and associated impacts on, or in, the locations to where they travel. Tourists are not the only people who travel. People also travel for business and employment reasons, attend conferences/conventions and for educational purposes. Of the more than 5.5 million people who visited Australia in 2008/2009, 3.9 million (70 per cent) were classic tourists on holiday or visiting friends, 780,000 (14 per cent) did so for business or employment reasons, 167,000 (3 per cent) attended conferences and 338,000 (6.1 per cent) for educational purposes.7

In a recent publication, Universities Australia has described international students as ‘super tourists’ because, besides

  spending large sums of money on food accommodation, transport, tourism, entertainment and services during their stay in Australia—there is also a multiplier effect as they help attract tourists to Australia when family and friends visit them during their stay or post graduation.8

The second measurement problem is that tourists and locals consume similar goods and services, whether it is within nation travel, accommodation, food and drink and entertainment. According to the Australian Bureau of Statistics

  Tourism is not an industry or product in international statistical standards but is commonly considered in industry by tourism researchers and economic analysts. In the Australian Tourism Satellite Account (TSA), the direct contribution of the tourism industry to the Australian economy has been measured using the demand generated by visitors and the supply of tourism products by domestic producers.9

Given these measurement caveats, it is estimated that for the 2007–2008 financial year, the value of the tourism industry (international visitors) was equal to $23.6 billion, which was slightly less than one per cent of Australia’s Gross Domestic Product.10 Universities Australia, maintains that those ‘super tourists’, international students, generated (an additional) $13.7 billion in educational exports in 2007–2008, and $16.6 billion in 2008–2009.11

7 Australian Government, Department of Resources, Energy and Tourism, Tourism Industry: Facts & Figures At A Glance, Canberra, October 2009, p.18. 370,000 (6.7 per cent) provided other or no reasons for their visit.
Australian Industrial Relations: Legislative Changes and Union Decline

An understanding of Australian industrial relations starts and ends with the Australian Constitution. Traditionally, the major power available to the Australian government was section 51, placitum xxxv, of the Constitution. This was the power which enabled the national government to enact laws for interstate industrial disputes to be resolved by the processes of conciliation and arbitration. This was an indirect power, which, as far as the Australian government was concerned, had two major limitations. It had to share industrial relations powers with the states and delegate its ‘national/federal’ power to a tribunal charged with the responsibility for conciliation and/or arbitration. From the early 1990s national governments, whether they have been the Liberal and National Parties Coalition or the Australian Labor Party have based their industrial relations agendas on the corporations power, section 51, placitum xx, of the Constitution. This is a direct power which enables the national government to make laws concerning the operation of corporations and take over the industrial relations powers of the states and to do whatever it likes, which includes controlling the actions of tribunals, if not doing away with them all together.

Traditionally, the operation of Australian industrial relations was based on awards enshrined in decisions of industrial tribunals. Awards were comprehensive documents outlining terms and conditions of employment. While tribunals were the ostensible authors of awards, they resulted from negotiations between the parties. Awards provided such agreements with legal recognition.

Since the beginning of the 1990s, both sides of politics have utilised the corporations power in moving to a system of industrial relations which champions enterprise bargaining. The major differences between the Coalition and Labor is in the items to be included in a safety net of minimum protections, the role of industrial tribunals and legislation in construction of the safety net, scope for individual bargaining, an oxymoron called non-union collective bargaining and restrictions on the ability of unions to become involved in collective bargaining, utilise industrial action and obtain entry to workplaces to represent and recruit members. Generally speaking, the Coalition has provided support for managerial prerogatives, a minimal safety net, a limited role for tribunals and restrictions on union activity. For its part, Labor has favoured a more extensive safety net, an enhanced role for tribunals, supports good faith collective bargaining between the parties, which tautologically recognises a more prominent role for unions.12

12 For more detailed discussion of these issues see Braham Dabscheck, The Struggle for Australian Industrial Relations, Oxford University Press, Melbourne 1995; Braham Dabscheck, ‘Enterprise Bargaining and the Reregulation of Australian Industrial Relations’, The Otemon Bulletin For Australian Studies, Vol.23,
The Coalition’s Work Choices legislation, relying on the corporations power, set in motion a take-over of the state’s industrial relations powers by the national government. This is something which has been continued by the Rudd Labor government in *The Workplace Relations Amendment (Transition To Forward With Fairness Act 2008 (Cwth).*13

The trajectory of legislation in Queensland has been for Coalition governments to follow the lead of their federal counterparts and for Labor to pass legislation in attempting to shield Queensland from the reach of national laws enacted by the Howard government and/or to promote the role of awards and collective bargaining between the parties. In 1997, the Borbidge Coalition government passed the *Workplace Relations Act 1997 (Qld)*, which mirrored the Howard government’s *Workplace Relations Act 1996 (Cwth).*14 Following the election of the Beattie Labor government in 1998, legislative amendments were introduced which reoriented industrial relations away from individualism back to the tenets of collectivism.15

With the passage of the Howard government’s Work Choices legislation, Queensland passed the *Industrial Relations and Other Acts Amendment Act 2005 (Qld)*, which protected minimum entitlements and provided other means to enhance employee rights which had been removed by Work Choices. In 2008, Queensland enacted the *Local Government and Industrial Relations Amendment Act 2008 (Qld)* which removed local government employees from the scope of national legislation based on the corporations power.16 The Queensland government, in June 2009, gave its in-principle

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15 *Workplace Relations Amendment Act 1998 (Qld)* and *Industrial Relations Act 1999 (Qld).*

support for joining a national workplace industrial relations system for the private sector, subject to resolving a number of key issues.\(^{17}\)

Throughout most of the Twentieth Century, Australia has had relatively high rates of unionisation, with more than 50 per cent of the workforce being union members.\(^{18}\) In 1982, the year before the election of the Hawke Labor government, the rate of unionisation was 49 per cent.\(^{19}\) Since then unionisation rates have been in free fall. In 1996, when the Keating Labor government was replaced by the Howard Coalition the rate of unionisation had declined to 31.1 per cent (in Queensland it was 31.4 per cent). In 2000 it had declined to 24.7 per cent (Queensland 24.7 per cent); in 2006, the year in which the Rudd Labor government was elected it was 20.3 per cent (Queensland 20.7 per cent); and in 2008, the last year for which data is available, it had fallen to 18.9 per cent (Queensland\(^{20}\) 17.2 per cent).\(^{21}\)

Their inability to hold onto and attract new members has been a continuing source of concern for unions. The decline has been linked to hostile legislation, a more aggressive stance by employers in taking on unions and to union ineptitude.\(^{22}\) These global figures, however, mask major differences between the fortunes of unions between different sectors and industries. It was hypothesised above that unions would be more successful in situations where competition was not intense, the operation of firms was relatively or highly capital intensive, and employers required the employment of skilled labour. This hypothesis would seem to be supported by the following data.

In 1996, 55.4 per cent of public sector workers were members of unions compared to 24.0 per cent in the private sector. By 2008 these figures had fallen to 41.9 and 13.6 per cent respectively. In 1996, 15.4 per cent of workers in the accommodation, cafes and restaurant industry, that industry which was the original source of interest by industrial relations scholars (see above); compared to...
48 per cent in the transport and storage industry, where the two collective agreements which are the focus of this paper are located. In 2008, only 5.5 per cent of workers in the accommodation and food service industry were union members, compared to 35 per cent in the transport, postal and warehousing industry.23

The Two Agreements

The Transfield AirTrain and Brisbane City Council enterprise agreements were entered into on 29 January 2008 and 17 September 2009, respectively. In examining them, it might be useful, as an initial step, to benchmark them against minimum wages in Queensland and average total earnings for all employees and full time adult ordinary time earnings. The Queensland Industrial Relations Commission, in recent years, has handed its rulings in increasing wages, including the Queensland minimum wage, in the month of August. In 2007 it increased the minimum wage to $528.40 per week, to $552.00 in 2008 and $568.20 in 2009.24

The Australian Bureau of Statistics reported, for February 2008, that average weekly earnings for all employees was $886.70, and that average full time adult ordinary time earnings equalled $1,119.90. By November 2008, the most recent data which is available, these amounts had increased to $909.50 and $1,165.30, respectively.25

The Transfield AirTrain Agreement was negotiated between Transfield Services (Australia) Pty Limited and the Australian Rail, Tram and Bus Industry Union (Queensland Branch). The agreement is ‘to be read and interpreted wholly in conjunction with’ the Queensland Rail Award-State.26 Like the Brisbane City Council Agreement, it is based on the operation of a 38 hour week, which is the Australian standard.

The Transfield Agreement came into operation on 29 January 2008 and will not end before 28 January 2011. It incorporates annual wage increases of four per cent for staff. The range of weekly payments for maintenance staff in January 2008 was set at $674 to $1,026; increasing to $758 to $1,154 on 30 January 2010. The weekly payments for rail operational staff in 2008, ranged from

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23 See Footnote 21.
26 Queensland Rail Award – State, Queensland Industrial Relations Commission, No. AR 140 of 2002.
$604 to $744; increasing to $680 to $837 on 30 January 2010. In addition, there is provision for the payment of allowances for staff holding appropriate electronic contractors licences, ranging from $53 to $57 per week over the life of the Agreement; and leading hands of $25 to $48 per week in 2008, increasing to $27 to $52 per week in 2010.

The Brisbane City Council Agreement covers a variety of workers who perform a wide range of services that the Council provides for the people of Brisbane. The City Cat is one such service. The Agreement was signed off by the Brisbane City Council and thirteen unions and is moored to eight different awards. This Agreement has a short term – its title includes the word ‘Transitional.’ It came into operation on 17 September 2009 and expires on 16 April 2010. Three categories of employees are relevant for staff associated with the City Cat. They are salaried staff, passenger service and trade service employees. The ranges of the respective weekly payments are $779 to $1,903, $743 to $827, and $778 to $1,114. A trade allowance of $19.86 and a tool allowance of $23.30 per week are paid to trade service employees. Allowances are also paid to leading hands and for special responsibilities as provided by the relevant awards.

It is hardly surprising to report that both these Agreements pay incomes in excess of the Queensland minimum wage. The levels of income contained in the two agreements vary in terms of the level of skill and responsibility of functions performed. Rail operational staff with Transfield and passenger service staff with the Brisbane City Council receive incomes lower than average weekly earnings for all Australians. The income of maintenance staff at Transfield and Brisbane City Council trade service employees on average, approximates Australian average weekly earnings; and for more highly qualified staff Australian wide data for full time adult average ordinary time earn-

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27 The Australian Workers Union; Australian Municipal, Administrative, Clerical and Services Union; Queensland Services, Industrial Union of Employees; The Association of Professional Engineers, Scientists and Managers, Australia; Australian Rail, Tram and Bus Industry Union of Employees; Liquor, Hospitality and Miscellaneous Union; Automotive, Metals, Engineering, Printing and Kindred Industries Industrial Union of Employees; The Construction, Forestry, Mining & Energy, Industrial Union of Employees; The Electrical Trades Union of Employees; Plumbers & Gasfitters Employees’ Union; Australian Building Construction Employees and Builders’ Labourers Federation; Federated Engine Drivers’ and Firemens’ Association and Transport Workers Union of Australia

ings. It is with salaried staff that the Brisbane City Council tops the broader Australian average data; as would presumably be the case with Transfield with the remuneration of such staff being determined outside this Agreement.29

Both Agreements are comprehensive and contain provisions deigned to enhance the joint objectives of the two respective organisations consistent with the needs of their workforces. They include provisions concerning enhancing efficiency/best practice or the broader community objectives of the Brisbane City Council, a safe working environment and support for occupational health and safety, supporting workers during periods of illness and balancing work and family life (the Brisbane City Council Agreement), use of part time and casual workers and contractors, shift work, procedures for ongoing discussions and the avoidance of industrial disputes, a grievance procedure, training and upgrading of skills, superannuation payments (at 9 per cent, which is the Australian standard), various leave entitlements (annual, compassionate, long service, parental and jury service), counselling and discipline and redundancy.

The literature concerning hospitality has focused attention on how employers have been able to utilise legislative changes, especially in workplaces with low rates of unionisation/no unions, to erode overtime/penalty rates.30 This has not been the fate of workers covered by these two agreements. The Brisbane City Council Agreement provides a 50 per cent loading for the first three hours worked in excess of the ordinary working week, and 100 per cent for additional hours performed.31 The provisions in the Transfield Agreement are more generous. There is a 15 per cent loading for workers who work between 6 PM and midnight, 20 per cent between midnight and 6 AM, 50 per cent for Saturday shifts, 100 per cent for Sunday and 150 per cent for Public Holidays. Under both Agreements employees are paid for eleven Public Holidays and a meal allowance for working overtime. The Transfield Agreement is more generous; $13.30 to $14.40 over the life of the agreement, versus $9.60 of the Brisbane City Council deal.

**Summary and Conclusion**

Strictly speaking, there is no such thing as a tourism industry in Australia; there is only Australia. Tourists spend income on various bits and pieces of the various industries that constitute the Australian economy, as do other visitors—whether for business/employment or educational reasons—

29 It might not be unreasonable to assume that such staff employed in the private sector receive higher incomes than their ‘counterparts’ in the public sector.
30 See footnote 1.
31 This is per Clause 6.4 of the Brisbane City Council Bus Transport Employees’ Award 2003.
and locals. Early industrial relations researchers into tourism focused their attention on hospitality and hotels. Their major conclusion was that employers took advantage of legislative changes against an unskilled, casually employed, female, non English speaking workforce which had a low level of unionisation to lower wages and working conditions.

This paper hypothesised that this would not be the case of workers where competition is not so intense, the operation of firms is relatively or highly capital intensive, requires the employment of relatively more skilled labour and are represented by unions who have an on going and ‘significant’ influence. This hypothesis was tested and confirmed against the experience of the wages and employment conditions of the workforces employed on AirTrain and City Cat in Brisbane.

While the overall level of unionisation in Australia has collapsed dramatically in recent years, employees of AirTrain and City Cat are in sectors of the economy which have enjoyed substantially higher rates of unionisation than Australia as a whole. They belong to unions which have had a long history of negotiating collective agreements with both private and public sector employers. Transfield declined to take advantage of the anti-union and individualistic norms contained in the Howard government’s Work Choices legislation in negotiating an enterprise agreement; an agreement which had strong links to wages and conditions previously established in Queensland rail. In essence, the Transfield Agreement is similar to the Brisbane City Council deal. Both are comprehensive, do not attack penalty rates, as was the case with workers in hospitality and hotels, and provide incomes which, depending on the levels of skill required and responsibilities, are slightly below or approximate different measures of average earnings in Australia.

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