



**Submission to the  
Transport and Industrial Relations Select Committee  
on the  
Employment Relations (Rest Breaks and Meal Breaks)  
Amendment Bill**

**11 June 2010**

## Introduction

1. This submission is from the Tourism Industry Association New Zealand (TIA), located in Wellington. If you wish to contact us regarding this submission, in the first instance, please telephone Simon Wallace, TIA Policy Manager on 04 494 1842 or 0272 489 375 or e-mail him at [simon.wallace@tiaz.org.nz](mailto:simon.wallace@tiaz.org.nz).
2. In accordance with the conditions of lodging a submission to a Parliamentary Select Committee, TIA has no objection to the contents of the submission being made a matter of public record.
3. TIA has consulted with its Members to seek their views on this Bill. The Association has also talked to stakeholders in other industries to understand their position on the Bill and it recommends that this submission be considered alongside one that the Committee will have received from the Hospitality Association of New Zealand (HANZ).

## Comment

4. The Association is in support of an amendment to Employment Relations Act 2000 as proposed in this Bill. The current legislation is overly prescriptive and does not provide the flexibility that is needed in a service industry like tourism that operates around the clock.
5. TIA's position is largely unchanged from the one it set out in May 2008 when it lodged a submission to the Transport and Industrial Relations Select Committee on the Employment Relations (Breaks and Infant Feeding) Amendment Bill. To recap on that position, TIA said it was supportive of flexible approaches to workplace management, but said that in determining what is reasonable and practical with respect to rest and meal breaks, employers should be able to take into account their operational environment and resources. This is especially so in the tourism industry where the nature of every workplace is different.
6. TIA shares the view of other like-minded associations in saying that rest and meal breaks are sufficiently provided for in both individual and collective employment agreements and in the Health and Safety in Employment (HSE) Act. The HSE requires employers to provide facilities for breaks and refreshments. While these regulations stop short of specifying the form and frequency of breaks, they allow employers themselves to determine what is best for them and their workers. New Zealand has never legislated for meal breaks and there are no compelling reasons why it should do so now.
7. The Association believes that regulations in the HSE Act (and other related employment Acts) are more sensible and practical than the mandatory rest and meal breaks that are now set in law in the Employment Relations Act 2000. A rigid system of rest and meal breaks as prescribed by the current Act is not helpful in service based industries like tourism and hospitality where flexible work

practices are needed. For example:

- It would not be practical for a ski, mountain or rafting guide, a horse trekking instructor or a jet boat driver to have legislated break times as to do so could compromise safety;
- It would not be practical for a bus or coach driver to have set break times as their working day is determined by a tour company's itinerary or schedule (this does not preclude breaks which are necessary for reasons of safety and fatigue, but not at set times every day); and
- It would not be practical for a sole charge tourism operator, such as a motel or bed and breakfast owner, to be required to have set break times as they could compromise customer service.

The examples given above are just a few instances of the type of environment in which tourism businesses operate.

8. The Act in its current form imposes prescription and does not recognise the diverse nature of businesses in the tourism industry and the 24/7 environment in which they operate. Neither does the Act acknowledge that most employers are good employers who actually recognise that providing down time for their employees actually improves morale and long term productivity.
9. As with the Hospitality Association of New Zealand (HANZ), TIA is of the opinion that legislative changes to the current Act should provide for greater flexibility in relation to an employer's operational and safety requirements. The Act should also consider alternatives, such as compensatory measures, if rest and meal breaks cannot be regularly provided.

## **Recommendation**

10. TIA supports the Employment Relations (Rest Breaks and Meal Breaks) Amendment Bill. It will provide the flexibility that is needed in employment relationships that will ultimately result in the delivery of quality visitor experiences. As long as minimum protection is provided for in the Bill for employees, then the Association gives full endorsement to the Amendment.

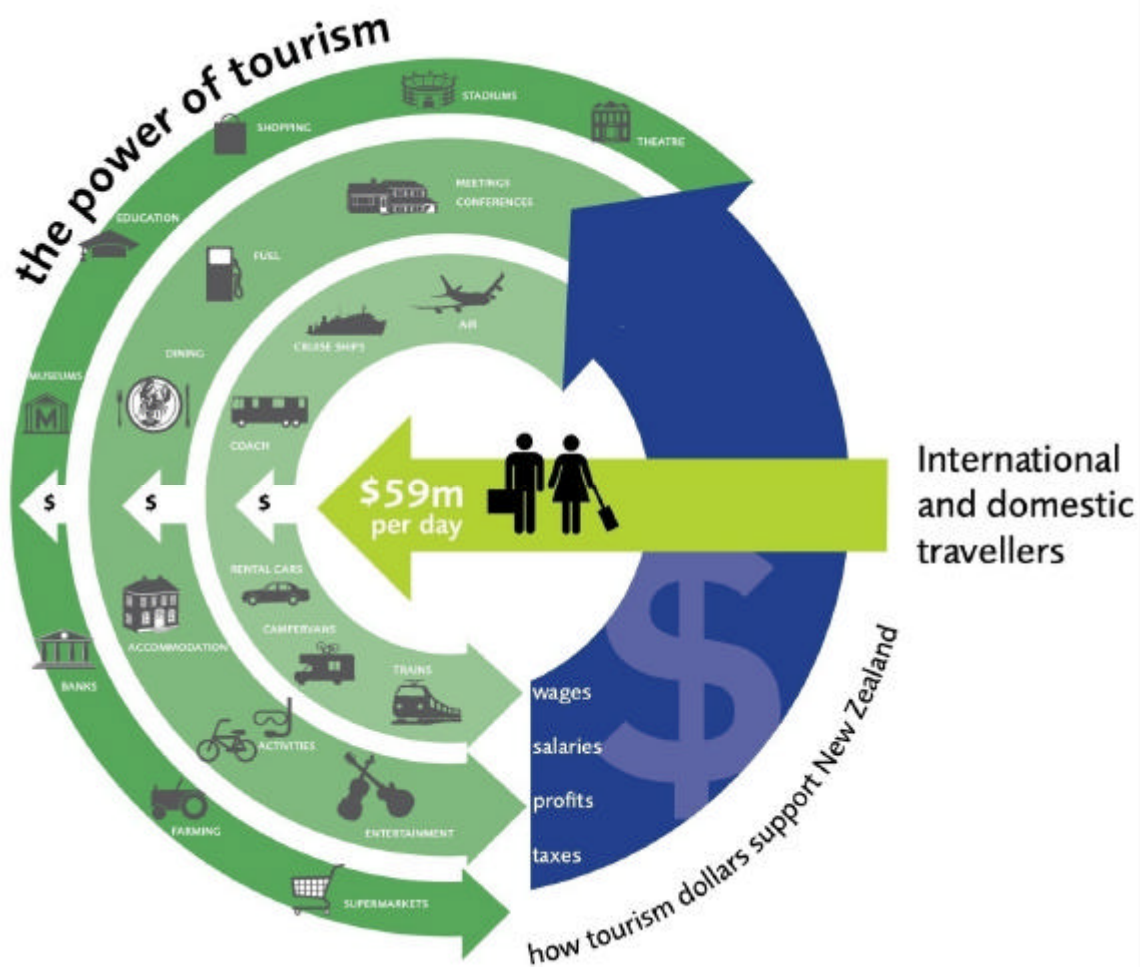
## **Background**

### **A bed-rock of New Zealand's economy**

11. Tourism is a major contributor to the New Zealand economy that will always be here – and won't easily go offshore. Tourism takes the lead in promoting New Zealand to the world. Thanks to our 100% pure positioning, New Zealand is recognised as one of the most beautiful, unspoiled and scenic places on earth. 100% Pure signifies pride in our country, pride in our people and culture, and pride in the unique environment and experiences that New Zealand offers.
12. The brand positioning built by a vibrant tourism industry has become an important source of national confidence and identity and a front window for "Brand New Zealand". Indeed, the clean, green, pure offer that is synonymous with New Zealand tourism has been widely adopted and used to promote New Zealand exports in a range of other industries as well.
13. If New Zealand Inc. is to continue to prosper, to attract investment and to raise its position in OECD rankings, then it is vital that the tourism industry, and the positive image it projects, remain strong.

### **Delivering Value**

14. Below is a snapshot of the economic value provided by tourism to the New Zealand economy.
  - Tourism contributes more than 9.1% of gross domestic product (GDP) for New Zealand as well as directly and indirectly employing one in ten New Zealanders.
  - Tourism in New Zealand is a \$59 million per day industry. The New Zealand tourism industry delivers \$25 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$34 million in economic activity every day.
  - Tourism expenditure reached \$21.7 billion for the year ended March 2009. International visitor expenditure accounted for \$9.3 billion or 16.4% of New Zealand's foreign exchange earnings, with tourism second only to agriculture as the country's largest export industry.
  - Importantly, and despite more challenging times in the past two years, tourism remains one of New Zealand's largest foreign exchange earners and its contribution is felt at national, regional and local levels.



## About TIA

15. TIA has been the lead association that represents the interests of about 1,700 tourism businesses in New Zealand. The Association was first established in 1955 and the businesses TIA represent cover a range of tourism-related activities – hospitality, transport, accommodation, adventure and activities, attractions and retail as well as related tourism services.
16. The primary role of TIA is to be the voice of the tourism industry. This includes working for members on advocacy, policy, communication, events and membership and business services. The TIA team is based in Wellington and led by Chief Executive, Tim Cossar.
17. TIA has been the lead association that represents the interests of about 1700 tourism businesses in NZ since the Association was first established in 1955. The businesses TIA represent cover a range of tourism-related activities – hospitality,

transport, accommodation, adventure and activities, attractions and retail as well as related tourism services.

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## Main Industry Associations in the Tourism Sector

