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Official Committee Hansard

**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON EMPLOYMENT, WORKPLACE
RELATIONS AND WORKFORCE PARTICIPATION

Reference: Workforce challenges facing the Australian tourism sector

THURSDAY, 1 MARCH 2007

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HOUSE OF REPRESENTATIVES

**STANDING COMMITTEE ON EMPLOYMENT, WORKPLACE RELATIONS AND WORKFORCE
PARTICIPATION**

Thursday, 1 March 2007

Members: Mr Hardgrave (*Chair*), Mr Hayes (*Deputy Chair*), Mr Baker, Ms Hall, Mr Henry, Mrs May, Mr Brendan O'Connor, Mr Price, Mr Randall and Mr Vasta

Members in attendance: Mr Baker, Ms Hall, Mr Hardgrave, Mr Hayes, Mr Brendan O'Connor, Mr Vasta

Terms of reference for the inquiry:

To inquire into and report on workforce challenges in the Australian tourism sector, with particular reference to the following:

Current and future employment trends in the industry;

Current and emerging skill shortages and appropriate recruitment, coordinated training and retention strategies;

Labour shortages and strategies to meet seasonal fluctuations in workforce demands;

Strategies to ensure employment in regional and remote areas; and

Innovative workplace measures to support further employment opportunities and business growth in the tourism sector.

WITNESSES

MANTHORPE, Mr Michael, Group Manager, Labour Market Strategies Group, Department of Employment and Workplace Relations..... 1

McSORLEY, Ms Louise, Assistant Secretary, Industry Strategies Branch, Department of Employment and Workplace Relations..... 1

NEVILLE, Mr Ivan, Assistant Secretary, Labour Supply and Skills Branch, Labour Market Strategies Group, Department of Employment and Workplace Relations..... 1

SHELLEY, Ms Colette Mary, Assistant Secretary, Industries Branch, Workplace Relations Industries Group, Department of Employment and Workplace Relations 1

Committee met at 11.13 am

MANTHORPE, Mr Michael, Group Manager, Labour Market Strategies Group, Department of Employment and Workplace Relations

McSORLEY, Ms Louise, Assistant Secretary, Industry Strategies Branch, Department of Employment and Workplace Relations

NEVILLE, Mr Ivan, Assistant Secretary, Labour Supply and Skills Branch, Labour Market Strategies Group, Department of Employment and Workplace Relations

SHELLEY, Ms Colette Mary, Assistant Secretary, Industries Branch, Workplace Relations Industries Group, Department of Employment and Workplace Relations

CHAIR (Mr Hardgrave)—I declare open this public hearing of the House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation inquiry into workforce challenges facing the Australian tourism sector. The inquiry arose from a request made to the committee by the Minister for Employment and Workplace Relations. To date, 67 submissions have been received. I welcome representatives of the Department of Employment and Workplace Relations. Although this committee does not require you to give evidence under oath, I should advise you formally that these proceedings are formal proceedings of the parliament and consequently warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as contempt of the parliament. Does anyone wish to make some introductory remarks?

Mr Manthorpe—I have a few short introductory remarks to provide some context for our submission. I thank the committee for the opportunity to meet with you this morning. The tourism industry is clearly a significant contributor to the Australian economy. As we note in our submission, the industry generated \$32.6 billion or 3.7 per cent of GDP in 2004-05. It is also an important employer of Australian workers, with more than half a million employees and a significant flow-on to employment in other sectors.

From our submission, you will have noted that defining the tourism industry brings with it some difficulties. We note in the submission that tourism is not defined in the Australian and New Zealand standard industrial classification so organisations and individuals can and do adopt different definitions of what the industry is actually is. The DEWR submission uses the United Nations World Tourism Organisation definition, which is also used by the ABS. Other organisations use different definitions so care needs to be taken when comparing data from different sources to ensure that like is being compared with like.

It is worth noting that since we lodged our submission in August last year more data have become available which may be of interest to the committee. Jobs growth across the whole economy has continued to grow strongly. In the year to January, 299,400 jobs were created and the participation rate in the economy has increased by 0.4 of a percentage point over the year to a standard 64.8 per cent. At the same time, the unemployment rate has continued to fall to a rate of 4.5 per cent, which is the lowest for about 30 years.

In our submission, we indicated DEWR's synthetic estimates of employment in the tourism industry showed a fall of 12,600 in the year to May 2006. We have recalculated this number using the latest available data and our estimate is that employment in the industry has fallen by the smaller amount of 5,900 in the year to November 2006. Despite this, DEWR estimates that employment in the accommodation, cafes and restaurants sector, which is a reasonably good proxy for the tourism industry, will increase by about 45,000 jobs over the next five years. Compared with other industries, the tourism industry is characterised by a slightly higher proportion of females, a relatively younger workforce, a lower proportion of workers who hold post-school qualifications, a greater proportion of people working shorter hours and lower incomes. In addition, employment is more unevenly distributed across the states and territories.

Given the nature of the work in and the skill requirements of many occupations, the tourism industry is well placed to employ, we think, more people with disabilities, parents, the mature aged and the long-term unemployed who will be moving into the labour market as a result of the government's Welfare to Work reforms. As part of these reforms, a range of assistance is available to encourage employers to consider the benefits of employing people from these groups.

The sector is subject to a range of potential threats, including things like the price of oil, the value of the dollar, geopolitical and economic developments, both domestic and international. The impact of these factors is difficult to predict. In summary, the tourism industry is an important contributor to the Australian economy and the labour force. Despite the possible impact of external factors, the outlook for the industry remains reasonably positive. Those are some initial observations that I wanted to make and we of course welcome questions.

CHAIR—Thank you for that. It feeds in well with talk about people essentially being sucked out of the tourism industry. There has been a decline in jobs in the tourism sector; they have obviously gone off to the mining industry. All the sorts of anecdotal things that people have said to us are essentially true. Is that what you are finding, or don't you gather that sort of data? Where do these people go to?

Mr Manthorpe—I will start with a couple of comments on that. The first is that I do not believe we would have—I do not think anybody would have—data that would tell you definitively where people might move from and to, in an authoritative way. We hear those anecdotal reports. I would also make the point, though, that, whilst there has been a slight reduction in the size of the industry in the recent past, the trend has been pretty strong—that is, there has been, over time, employment growth, and we anticipate that that is going to continue.

Mr Neville—I will add something to that. The real source for that sort of information would be the census and once we get results from last year's census we will be in a better position to know whether people who were employed in a particular industry at the time of the 2001 census, say in tourism, are now working in, for example, mining.

CHAIR—Well, let us face it: the census is a pretty useless sort of measuring device because it is taken only every five years.

Mr Neville—Of course, but that is all we have to go on here.

CHAIR—There is no mapping of this being done, so we may as well just accept the anecdotal stuff as probably as good a guide as anything else, I would guess, because I have no science to baffle the anecdotes. And you have nothing either?

Mr Neville—We have no science either.

CHAIR—Fair enough. I know colleagues will be busting to ask you some questions, because DEWR is actually the linchpin of either the problems or the solutions on all of these things, because you are the keepers of the data and you are the keepers of the lists when it comes to migration demand and occupations that can come to Australia. When it comes to the National Skills Shortages Strategy, DEWR is the keeper of all this information. So there will be a lot of questions to be asked of you today.

What work is DEWR doing, in a workforce planning sense, in this sector and in other sectors? It has been put to me that when the ‘So Where the Bloody Hell Are You?’ campaign kicks in, in a couple of years time, we may well find that we have nowhere to accommodate those tourists or not enough staff to look after them. In other words, our tourism industry could be heading for a very real labour shortage, not necessarily today but in about two years time, simply because we are running out of people. So what work are you doing to plan our workforce needs for tomorrow?

Mr Manthorpe—I think I would start coming at that by suggesting that the policies that the government has put in place around welfare reform and increasing workforce participation are directed, fundamentally, at trying to address the issues that you have just identified. We certainly hear, as you obviously have through the course of your proceedings, from tourism operators and tourism representative bodies and what have you, about the difficulty of recruiting. Some of our survey work, particularly at a regional level, gives some credence to the assertion that it is a tight labour market at the moment. There are people out there, but there are not necessarily huge numbers of applicants for positions. So we are certainly getting that sense from our survey work in some regions of Australia.

To us, that says that we need to keep pressing on with the implementation of the reforms that the government has announced around increasing workforce participation. From 1 July this year, for example, new activity requirements come into play, for various cohorts of parenting payment recipients, which will increase the stock of people with an obligation to look for work in the economy. We are very keen to work with all the service provision arms of DEWR—the Job Network and the other providers—to try and make sure that, as much as possible, not just the tourism industry but other industries that need labour are getting that labour from domestic sources.

CHAIR—So essentially you are saying: one answer is flushing more people off welfare and flushing them into the stock of available employees or potential employees. But I am trying to work out whether or not you can actually say how many people we are going to need in two years time. Do you have any evidence to show that, in tourism, say, we are going to need another 20,000 people? Do we know whether they need certain skills? Are we going to be able to find them domestically? Are we able to train those people domestically, or do we have to start thinking about strategies to import them from other places? Do we have any of those sorts of strategies in place?

Mr Manthorpe—There are strategies—

CHAIR—You can say no if you like!

Mr Manthorpe—No, there are. To the extent that some of the occupations in the tourism industry appear on the MODL, which I think you mentioned a few minutes ago, there is a skilled migration route for some occupations. I do not think we have any particular precision at our fingertips around how many jobs and what occupations are going to be available.

CHAIR—You don't know.

Mr Manthorpe—Not with any precision.

CHAIR—Do you do any consulting with industry or major players to get some idea of what they are doing; how they are attracting people to their industries? The tourism industry is competing, we are told, with the resources industry. Everybody around Australia—

Mr VASTA—They are competing with the resources industry.

CHAIR—Mr Vasta is right: everybody is competing with the resources industry. The Roma City Council are saying they want a visa to bring in council workers. They cannot get enough people to pick up rubbish and maintain the streets because they are all going off to work in the mines. Surely, there should be some concern to the department of employment.

Mr Neville—We have started doing some work with the Department of Industry, Tourism and Resources and we are running three pilot surveys of employers in three different regions in Australia—Far North Queensland, the goldfields area and around Perth—to get a handle from employers in that industry about their recruitment experiences; whether they are having difficulty attracting staff; the number of applicants they are getting; and the quality of those applicants. My expectation is that information from those three pilot surveys will be available in about two months time.

Ms HALL—Why have those areas been chosen for the pilot surveys?

Mr Neville—They were nominated by the department of industry. They viewed them as being areas where there is an inflow of tourists.

Mr BAKER—Could you repeat those areas?

Mr Neville—It is Far North Queensland around the Cairns area; the goldfields around Bendigo and Ballarat; and Perth.

CHAIR—There have also been questions raised with us about the management of the destination that, say, people on everything from 457s to working holiday visas go to and how we try to coordinate that using those migration mechanisms. Is that likely to be flushed out by this sort of pilot that you are talking about?

Mr Neville—No. The pilot surveys that we are running are around gathering information on the recruitment experiences of employers in the tourism industry and what difficulties they are facing at the moment.

CHAIR—I have got one last question and then I am going to yield completely to colleagues and come back perhaps at the end. The big burning question I would like you to answer is: why won't DEWR recognise that front-of-house staff in restaurants and catering are qualified people and there is a shortage of them in the workforce today? The Crown Casino restaurant last weekend had to shut down two-thirds of its restaurant because they did not have enough front-of-house staff to accommodate the Chinese New Year functions that were inside their building as well as take walk-up patrons. I think this is an example of an enormous problem in the economy where people cannot get service, yet DEWR will not allow restaurants to import people from overseas to be front-of-house staff. Why is that the case? You can take it on notice and come back to me but I think DEWR needs to get its head around the fact that there is an enormous failure in recognising where skills shortages actually lie in this sector. This is based on anecdotal evidence that I have—and I am giving you an example from colleagues who tried to get into that restaurant and were told, 'There is not enough wait staff tonight so for occupational health and safety reasons we can refuse service to two-thirds of our would-be patrons because we have not got enough staff.'

Ms HALL—I can give an example of that: in the Newcastle area on Saturday night, once again they had to turn patrons away because they did not have the staff.

Mr HAYES—What has been very clear so far is that, quite frankly, in this industry there is a dichotomy between a skills shortage and a labour shortage. I take on board the comments you have made about, for instance, welfare to work—and you would not be surprised that a number of people have made submissions to this committee in which they say this is one of the things in their armoury that they will be looking to. But, when they drilled down into it, they thought that in Sydney, for instance, it was not going to be all that difficult for them to attract people from the program—in particular, to source people for inner-city hotels. They thought that it was not going to be that significant for them in terms of public interface positions. Sure, they thought it may assist them in terms of house-cleaning jobs, in terms of the level of training.

By the way, this was reiterated by the travel and tourism industry yesterday when they gave a private briefing to members. They said this is not something the industry itself is putting great stock in, other than simply acknowledging that it is one of the arrows in the quiver that they have access to. They will get access to it, but it is not simply about saying, 'We've got Welfare to Work, so it is all going to happen.' What underpins it is a significant training regime—and they are the first to admit that the disparate nature of this industry does not necessarily make that happen.

Mr Manthorpe—We are working very closely with the Restaurant and Catering Association in a number of locations to try to address the very issues that members of the committee have raised, including waiters, front-of-house staff and what have you. We accept that some employers are struggling to find enough people, but equally there are over two million Australians of working age who are on income support. Some of them have serious disabilities and various other issues—that is fine, but they are a cohort that is not likely to come into the workforce. As we see it there is still a significant pool of labour there and, over time, with the

Welfare to Work changes and so on coming on stream, there are opportunities to keep working with this industry to try and meet some of their labour needs.

The way we are doing that is by trying to link the different parts of the jigsaw together. There is government policy around getting people to participate in the labour force. When they come into that participation, we have a network of services—Job Network and others—to help them get jobs. We look to hook up with the Job Network members and the Restaurant and Catering Association or other bodies or particular employers to try and get the match to work—where necessary, with some prevocational training added in. There are funds available to Job Network members to purchase prevocational and other sorts of training to try to get people up to a point where they can come into the industry. So we are mindful of the issues that you are raising and we are trying to work with the industry to try and address some of those things.

Mr HAYES—How would that work? The strong suggestion that we have to accept—and I think it is right—is that at least half this industry is very much seasonally based. So, if welfare to work were to be significant—if the transfer were to be made—effectively, at the conclusion of the season, the people are going to revert back to Newstart until they can be reabsorbed into the industry 12 months later, six months later or whatever.

Mr Manthorpe—There are some places where it is a seasonal issue, but in others it is less of a consideration. Without knowing the detail of the Crown Casino problem that you have identified, I would have thought there is not a real lot of seasonality around Melbourne. I would imagine that employers—

CHAIR—Four seasons in one day!

Mr HAYES—I usually try to avoid Melbourne!

Mr Manthorpe—Yes, quite! But large parts of the tourism industry in Melbourne do not in fact encounter the same seasonality as perhaps North Queensland or Tasmania might experience.

Mr HAYES—The only reason I raised that is that the people who emphasised Welfare to Work as possibly being one of the strategies they could employ was the Australian ski industry—trying to get people hired in Jindabyne, Hotham and places like that during a limited season. There are also some areas in Queensland.

Before I hand over, I would like to ask a couple of questions that are appropriate to your department on Work Choices and the flexibility that you indicate is available. I don't know whether it comes as a surprise to you that there was only one submission, other than those from employers operating resort islands in Queensland, that addressed Work Choices. They thought it might be good but were not able to say how it would be good. None of the employers or industries that so far have addressed this in relation to their issues of attracting and retaining employees has actually indicated that Work Choices or its flexibility is what they need. Are industries effectively still being encouraged to think that way? As for my perspective, I have a reasonably jaundiced view on Work Choices anyway. I can be up-front and declare that—

CHAIR—Really? Thank you for putting that on the public record.

Mr HAYES—Having heard the evidence that has been brought to this committee by people who are concerned about their plight in this industry, it seems to me that this has not been an issue that they have alluded to.

Ms Shelley—I think it is fair to say that there is a lot of education and information going on at the moment in relation to Work Choices and getting the message out, to both employers and employees, of what Work Choices involves as to the regulatory point of view but also as to the flexibilities that it can offer through the agreement-making stream. I would say in relation to this industry that the department's employer adviser program has some associations who successfully tendered in that scheme and are providing those sorts of services to employers and employees in the industry to get that message out. That is still very much a work in progress across all industries. For example, in what we can class as the tourism industry you have the Australian Hotels Association, the Restaurant and Catering Association and the Hotel, Motel and Accommodation Association. Those employers are providing that type of information and education on what is available through Work Choices.

Mr HAYES—It does not seem to be sitting central to their argument as to what is necessary to attract and retain labour in this industry at the moment. They are not seeing the issue of flexibility. They are seeing it as how to actually attract and retain labour in an industry that has its own complicated issues.

Ms Shelley—We would see it as getting the message out about what flexibility there is under the framework of Work Choices and about the fact that if you move with that flexibility you can then retain good staff. A recent publication by the department *Serving up flexibility* deals with some of these in a case study format. I think the message is getting through, but it is a slow process.

Ms McSorley—We have done a fair bit of work in trying to promote flexible work practices, not just in relation to Work Choices but generally. There is a real issue in this industry as to split shifts and things like those—they make it less attractive for some people—so we have done some work with the industry to try and promote those. The publication that my colleague has referred to—we will table it and leave it here with you today—is one that is meant to try and promote the fact that the industry can change to meet the challenge. There are some tools that the industry can adopt to go through change to meet the challenge of the labour shortage. I refer to the industry breakfasts schedule that Minister Stone and the former minister, Mr Andrews, embarked on last year. We did a lot of breakfasts, talking to employers about the changing demographics of the labour market and the fact that we will need to look at keeping mature-age workers in the workforce longer by offering more flexible working hours and those sorts of things. There are some case studies, as Ms Shelley said, that showcase some employers who have been doing that quite successfully.

Mr BRENDAN O'CONNOR—I would be really interested to know what brochure, leaflet or any other mechanism that you have devised can encourage people to like the notion of split shifts. You mentioned 'flexibility'. We accept that service industries will often have employees working when others are not. That is the nature of that field, and tourism is the classic example. When we are on holiday, tourism employees are not on holiday. I think people must go into that field knowing that to a large extent.

You mentioned split shifts in the hospitality area and that you were trying to work out how the industry could attract and maintain people. Leaving aside working on what other people might find very difficult times of the day, week or year—that in itself is a difficult thing—I would think the split shift scenario, the custom of having someone work early in the day, leave, and then spend four hours waiting to go back, is a really difficult thing for anyone to work their life around. You talk about flexibility. I find that when someone says ‘flexibility’ to me they usually mean that employees have no say. When someone says, ‘We have flexibility here,’ they usually mean that they have total control over what their employees do—not that the employees will do it.

Therefore, if we are looking at retaining staff—and this is something that we have to confront—how do you maintain staff in an environment where they are having to work, say, a shift that is four hours in the morning and four hours in the evening? And how does the department assist in encouraging anybody to want to live their life that way?

Ms McSorley—I cannot tell you how you do it because I am not in the industry, although I do have a small-business background. We are trying to showcase and promote to the industry some of the examples provided to us so that they can learn from their colleagues. In one example, they previously had the commercial cooks come in and do the prep over the lunchtime trade and now they have a kitchenhand to do the prep.

The example given to me in conversation by the Restaurant and Catering Association of New South Wales was that one of the parents from one of our training programs went in and did the prep over the lunchtime, which was in school hours and which suited her. This person was a much cheaper cost for the employer, who had previously had to pay the cook to do that. The cook then came in a little earlier for the evening shift and did not have the split shift anymore. They were able to deal with the issue of the change in wage without any problems.

CHAIR—I have spoken to people in restaurants about this. Is it not also the case that in years past there was a requirement for an employer to meet the travel costs of people in between these shifts and maintain all of these additional costs without any productive outcome? From the employer’s point of view, that was a burden for them. These are the sorts of stories I have been told. The flexibility you are talking about means that someone who has obligations to, perhaps, drop the kids off to school and pick them up can go into a restaurant, perform the lunchtime tasks—not that anybody since the 1985 FBT is going to restaurants in the middle of the day anymore—leave and attend to their afternoon duties then come back and complete the rest of the day.

I do not disagree with what the member for Gorton was saying insofar as it is not a great way to live your life, but there are people whom that might suit. If employers and employees are of a mind to offer a job and take a job along those lines and they are able to do that, without perhaps the penalties and so forth that have been attached to that in the past, it is a win for everybody. That is what you are really trying to say, is it not?

Ms McSorley—That is what we are trying to promote.

Ms HALL—Perhaps I could add to this section. As somebody who has worked in the hospitality industry and worked in places where there are split shifts, I can say that (a) people

were not paid travel money to go in and out, and (b) there was an enormous turnover in staff because of the stress it placed on them. There were associated stress related illnesses that people developed, such as alcohol dependencies et cetera, because of the long hours and poor conditions and simply because people had only a limited time to maintain that type of employment. I am making a comment, which I do not usually like to do, but I also have a couple of questions to ask.

CHAIR—Let us see if we can steer it very much towards what DEWR are trying to do to grow the pool of people for the tourism industry.

Ms HALL—I want to talk to your submission. First of all, I know you are using the UN definition of tourism, but I would like to add a word of caution. In my area, a lot of people daytrip in and out and, by using this sort of definition, you are missing out on the daytrippers. On page 10 of your submission you talk about the age profile. You have said that, given the younger age profile, the ageing population will not create a problem. Part of the problem with the ageing population is the declining birth rate. In actual fact, we are getting fewer younger people. Would you like to comment on that and how that is factored into that statement made at the bottom of page 10?

Mr Manthorpe—The point we are trying to make is that industries that have an older profile of their workforce are going to be more acutely impacted by the ageing phenomena than industries that have a higher proportion of young people in their workforce.

Ms HALL—But there are fewer young people too. That is the point I am putting to you.

Mr Neville—These young people may remain in the industry. Obviously that is an assumption that you may or may not agree with but, from the chart on that page, we can see that we have a quarter of total employment in that industry aged under 25, whereas in other industries we have a far higher proportion of employment in the older age groups. They are the ones who are moving into retirement, whereas for tourism we have a far younger cohort. If they stay in the industry—and that is an assumption that we have to make—

Ms HALL—Do you think that further down the track this could be a problem for us as well?

Mr Neville—If the ageing phenomenon continues—

Ms HALL—It is an industry that will be hit hard by it.

Mr Neville—Yes, ultimately. It is not as advanced as other industries in terms of the ageing phenomenon.

Mr Manthorpe—The point that you are making highlights the need for employers—and we are happy to work with employers on this—to start thinking: ‘Do I want to just rely on a young workforce? Do I want to think about strategies for engaging and retaining older workers as part of my holistic response to these sorts of issues?’ We certainly encourage employers to think along those lines.

Ms HALL—I notice on page 37 of your submission under ‘Employer demands and workplace flexibility’ you talk about age management training courses. Maybe you might like to share with the committee what these age management training courses entail and how they will benefit—

Mr Manthorpe—I might take that one on notice.

Ms McSorley—No, I will take that one. We ordered a contract through the Australian Institute of Management to run some ‘Train the trainer’ courses in age management. It involves training for employers about how to manage an ageing workforce and some training for workers on the sorts of issues they might face as they age if they want to stay in the workforce, and that is code for encouraging them to stay in the workforce. The training has only just started, so it is early days yet, but we have two training packages that we are delivering to the training industry. We hope they will then go out and, if you like, promulgate.

Age management training is just one aspect of what we are doing on ageing. We are doing a whole lot of work with employers. We run some Wise Workforce groups around Australia. We are into the third year of that now. We contract organisations to provide advice to employers with tips, hints and tricks about how they might manage their ageing workforce. We also run some self help groups for job seekers and older workers about getting into the labour market and, if they want to change career, what they may want to do.

Ms HALL—There seems to be a little bit of disparity between the two points I have raised—

CHAIR—Could I just jump in there, Jill. Let us cut to the chase: what you are really saying is that the decision makers and the managers perhaps tend to be younger than the people in the workforce, so we need these impossibly important, impossibly worldly-wise people of 22 to understand that someone of 42, 52 or 62 might actually know something and they have to be trained to listen to these people. You are telling me that essentially your view is that we need to have training courses to allow people to recognise experience in their workforce and not to cheese them off and lose them. Is that what you are telling me?

Mr BRENDAN O’CONNOR—To respect their elders.

CHAIR—To respect their elders—what a great name for the course! It is something I have seen. One of my first jobs when I was a kid, apart from packing groceries at Woolies at Garden City, was working at McDonald’s flipping hamburgers. In fact, Bob Mansfield was the Queensland manager of McDonald’s at that time. There were only three stores in Queensland. That was 30-odd years ago. One of the things that I have noticed in a lot of McDonald’s stores is that they have some older people in the place; it is not just for 15- and 16-year-olds. And there is this wonderful wedding of mums and dads—and maybe even of an older age, from the kids’ point of view—working with these kids. So you are saying that it is quite an issue for this industry to get that kind of marvellous marriage of experience and youth in the workforce?

Ms McSorley—It is based on research that indicates there are some issues, as you indicated. I do not know that I would cast it in terms of young upstarts, if you like—of younger people not having an understanding of older workers—

CHAIR—That is just a chip I have got on my shoulder, I suspect, now that I am 47.

Ms McSorley—but it is certainly—

Ms HALL—Does it also incorporate how you can give a 60-year-old a 20-year-old's back to do the heavy work?

CHAIR—That is a fair point.

Ms McSorley—The training encompasses issues around appropriateness of work and those sorts of things.

CHAIR—And saying to a 20-year-old, 'You cannot expect a 60-year-old to do the grunt work, but you necessarily can'—who knows that? None of us can typecast anybody of any age.

Ms HALL—Exactly.

CHAIR—And none of us should. But at the end of it there needs to be a horses for courses kind of approach and we should not disassociate ourselves from someone with a bit of grey hair entering the workforce. I think that experience should count.

Mr Manthorpe—Absolutely. We strongly agree with that. So I suppose what we are saying is that the evidence suggests that there has been and probably still is an element in the management ranks of the employment community that has stereotypical and sometimes not very positive views on mature age workers. We think we have a small part—and it is a small part; this is not a massively expensive undertaking—to play in trying to promote ideas around employing older people.

Ms HALL—I agree that you should address stereotypes, but you probably need to do a little bit more than just addressing stereotypes. Moving on to your Welfare to Work changes, I suppose that also links into that flexibility a bit. What schemes do you see that are in place to make it possible for single parents with children who are, say, six years old, to work in an industry such as this?

Mr Manthorpe—The main avenue of assistance that we provide for that cohort coming into the labour force is the Job Network. There are other employment services of a more specialised kind that are available to people—for example, those with a disability—but the main avenue for the general parent payment population being assisted to find work from our portfolio is the Job Network. We have invested additional moneys through the Welfare to Work initiatives in a service called Employment Preparation, which is particularly targeted at parents and the mature aged. The way I would describe it is that Job Network members have a pool of funds available to spend on interventions to help those people get ready for a return to the workforce.

When these groups are brought into the activity tested part of the income support population, they enter into an activity agreement with Centrelink initially and then with their Job Network provider that sets out the amount of job searching they have to do or the other things that they agree to do to find a job. But it is important to note that the requirements that are placed upon parents are intended to be consistent with their capacity. So there might be a requirement to look

for part-time work for up to, say, 15 hours a week—essentially, during school hours—to balance their capacity with what is realistic. So there is Job Network assistance there.

Even before the Welfare to Work changes took effect—and there is a significant element taking effect on 1 July around increasing participation requirements for the parenting payment group—we had many thousands, and I could take the number on notice if you were interested, of parenting payment recipients voluntarily moving across into the Job Network space. We ourselves and Centrelink have worked to engage with parents and make sure they are aware of the services that are available, and indeed many have got work.

Mr BRENDAN O’CONNOR—What was the motive behind them transferring? Have you got any idea of the reasons why people did that? You said many thousands moved across. It is very interesting.

Mr Manthorpe—Yes, indeed. I think a shift in mind-set has been happening—it might be a bit presumptuous of me to say ‘in the community’; I am not really qualified to say that. But we have been working with Centrelink to encourage parenting payment recipients look for a job and get referred to a Job Network member to help them look for a job, and—

Ms HALL—What choice do they have, though?

Mr Manthorpe—Well, they have every choice, because until the Welfare to Work changes came in there was no requirement for any of them to do that. Some of them actually do go out and get a job without any assistance at all. From memory, about half of the people on parenting payment have some form of employment—not enough perhaps to get them off income support but enough to supplement their income. So a lot of parents voluntarily seek work. With Centrelink, we have been encouraging parenting payment recipients over the last two or three years to look at the option of moving into the Job Network—

CHAIR—And are you getting them into tourism, retail, hospitality, restaurant and catering and that sort of thing?

Mr Manthorpe—Those are the sorts of industries where many of those people are getting work, so, for example—

Ms HALL—Could you give us some figures to demonstrate the percentage of people who are finding work in that industry? Also, if you could give us some figures on mature-age people who are finding employment in this area. I am sure that when you go back to your office you will be able to provide us with that information.

Mr Manthorpe—Yes, we will take that on notice.

Ms HALL—That would be fine.

Mr Manthorpe—We will certainly provide what we can.

Ms HALL—Yes. We would be interested in that.

Mr Manthorpe—We have comprehensive data on the numbers of people on parenting payment who have employment—

Ms HALL—But you would have the industry too?

Mr Manthorpe—I am not sure we would. I will have to test that.

CHAIR—See what you can do.

Mr Manthorpe—Yes, we will see what we can do.

CHAIR—Mr Vasta, you had some questions.

Ms HALL—I have two more questions.

CHAIR—Two more quick ones? I am just mindful of our advertised finish time, and these are public officials who have things to do.

Ms HALL—Yes. You mentioned the Australian technical colleges on page 31 of your submission. How many of those courses provide training for employment in the hospitality and tourism industry?

Mr BRENDAN O'CONNOR—We are not asking the chair!

CHAIR—The chair could give a good answer too!

Mr Manthorpe—I think we would have to take that on notice. We would have to consult our colleagues in DEST about that.

Ms HALL—Okay. That is fine. I suspect the chair probably does not know those answers.

CHAIR—The chair could probably give you that answer. Just about every one of the Australian technical colleges that are operating this year are offering commercial cookery courses, and that means direct employment in the hospitality sector or, at the very least, on the basis of the coursework they are doing, supporting themselves as part-time employees.

Ms HALL—Well, I would like you to get that information.

CHAIR—You need to get it from the public officials, though.

Mr Manthorpe—Yes.

Ms HALL—I would like you to take that on notice and send it back to the committee, please.

Mr Manthorpe—We can certainly take it on notice. We will have to get it out of the education portfolio.

CHAIR—I have just been assured that I will get the chance to grill DEST in a few weeks time, so I am looking forward to that!

Mr Manthorpe—I am sure.

CHAIR—Mr Vasta.

Mr VASTA—You were telling us that you were going to inform, say, restaurant owners of the changes in the Work Choices legislation so they have more flexibility. Is that a proactive approach from the department?

Mr Manthorpe—On the Work Choices aspect of that, I will ask Ms Shelley to answer.

Ms Shelley—Yes, it is. As I mentioned before, there is an employer adviser program where there are 34 employer associations, consultants and industry associations who have gone through a tender process and provide education and assistance on Work Choices—for example, the Restaurant and Catering Industry Association and the AHA. They are out there across Australia doing seminars and also providing one-on-one assistance explaining the range of Work Choices, the framework itself, and also talking about the flexibilities that might be available.

Mr VASTA—I think that is excellent. I used to own three restaurants and, if I had had this kind of liaison officer, I would have been able to employ a lot more people. So I think that is an excellent initiative. I was also looking at the data, and you were talking about education and saying that this industry does not seem to attract people with a bachelor degree or higher. Is there any reason you have seen for this? Is it not a typically, if I have to use the expression, ‘sexy’ industry for someone with a management or bachelor degree to work in, unlike, say, manufacturing or some of the other industries?

Mr Neville—It is the sort of industry that does attract a lot of people on a part-time basis. Particularly when people are young, they tend to go into that industry while they are studying. You are right. I guess we do not have any specific information as to why the proportion of people with a bachelor degree or higher is lower in that industry relative to some other industries.

Mr VASTA—Is there a hierarchy they can move through if they get a bachelor degree in management and they start off in a hotel chain at a local management level and then aspire to own the hotel or a chain of them? Is that road or that ladder not as well formed for them mentally? Do they think that there is a great progression, or have you not found anything?

Mr Neville—That is information we really do not have as to what career prospects there are in the industry.

CHAIR—Do you think the industry adequately engages on these sorts of issues? Are they addressing the sorts of challenges that we are trying to talk about in this inquiry as far as recruitment and retention of staff is concerned? Is the idea of a career path that Mr Vasta is talking about being communicated enough through the industry or are they simply relying on the casuals and the next crop of university students to fill in between lectures? There are about five questions there.

Mr Manthorpe—It would be fair to say that our experience in dealing with the industry is that some employers do not necessarily take a long-term view. I say ‘some’ because—

CHAIR—You cannot stereotype them either.

Mr Manthorpe—I do not want to stereotype everyone in that way. But I think that some employers take a relatively short-term view and perhaps do not think enough about their responsibilities around training, career planning and all the rest of that.

CHAIR—To plan and develop their workforce.

Mr VASTA—It is not an Australian problem. If you go to England, you see foreigners rather than English people looking after you in this industry. You might get served by a Czech person or someone from Pakistan or somewhere like that. So I do not think it is an Australian—

Mr HAYES—It is a more professional industry over there. In the evidence we have received so far about what has occurred in the European states, for instance, the concierge is a very much sought after and regarded professional position whereas out here, unfortunately, it is someone to carry your bags occasionally.

CHAIR—That is why I asked that question before about front-of-house staff. I really do want you to do a bit of work on that and come back to us because we are being told that DEWR refuses to recognise these front-of-house people.

Ms HALL—Linking into that and also into what Mr Vasta was saying about bachelor courses and degree courses, there are some very good bachelor courses in tourism and sport and recreation—and I notice from the figures you have provided us in one of your tables that that is a growth area, in fitness instructors et cetera. There are some very good degree courses there, and there is quite a shortage for filling some of those positions. But then I look at the ASCO codes. Whilst in the ASCO codes you recognise accountants, you do not recognise people for those tourism management positions.

Mr Manthorpe—We do not do the ASCO codes.

Ms HALL—No, but it is important that you use those, and they are used very extensively by your department. I think that is feedback and an area that needs to be examined. It is the front end. You look at the degree end, and you look at making the tools that you use to evaluate the industry relevant to the industry.

CHAIR—We should wrap this up, but I guess the economists amongst us would say that a labour shortage—and I would argue that it is not so much about skills; it is actually about a labour shortage that we have—is only measured by the way in which the employer base responds by increasing wages to try and attract people. Is that really the sort of measure that tends to drive the way you make your assessments—if you start to see wage demands go up or wages in certain areas go up? There is the anecdotal stuff about \$120,000 to drive the ore trucks out of the Kalgoorlie super pit and so forth. Why would you work in a hotel down the street for \$60,000 if you are getting \$120,000 to drive a truck? These are the sorts of things. Therefore, there cannot really be a shortage in the tourism industry, say, in Kalgoorlie, because no-one is

offering \$120,000 to get a waitress to do that instead of driving a truck. That would be the economics of it.

Mr HAYES—So people, not in Kalgoorlie but in Karratha, try to get a 457 visa for people to flip hamburgers.

CHAIR—Because they cannot get local people to take the job on—that would be their contention.

Mr HAYES—Because they could work doing something else.

Ms HALL—And I had constituents wanting to apply for the job.

CHAIR—I think it sounds pretty interesting myself! But is that really the kind of measure you take on how labour supply is going in the marketplace?

Mr Manthorpe—We do not assess whether something is in shortage or not on the basis of what people get paid.

Mr HAYES—How do you assess it?

Mr Manthorpe—We assess it on the basis of our surveying of employers.

CHAIR—So it would be fair to say that DEWR's whole logic is geared around a snapshot of what was, not what is going to be. You are always dealing with what the problem was. All your information is always six to 12 to 15 to 18 months—and, if you are waiting for the ABS, five years potentially—or some years out of date. There is no work really being done to forecast with industry what their needs are going to be in the years ahead? You are not demand driven; you are supply driven in the way you operate? Is that right?

Mr Neville—The basis of the work we do around the migration list is a survey of employers who have recently advertised. So, yes, we are I guess looking backwards, or looking currently, but we also make an assessment of training places. We also make an assessment of future employment growth in that occupation. So we are trying to telescope a little bit ahead, not in terms of, 'Australia needs 1,000 waiters in the year 2010,' but, in terms of the migration list, we want to ensure that there are jobs available for migrants who come in under the general skilled migration program.

CHAIR—So you would not know how many waiters we are going to need in 2010?

Mr Neville—We do not have that information.

CHAIR—That is actually one of the hearts of the matter, because all the information we get from DEWR, which builds the basis for the modal and national skills shortages strategies, is always six to nine months out of date. It is a snapshot of what was rather than what is and certainly is never a snapshot of what is going to be.

Ms HALL—Yes, I agree.

CHAIR—Are you going to defend that position and tell me I am wrong?

Mr Manthorpe—The only additional nuance I would want to communicate is that we do work with Monash University to feed into the jobs outlook—I think that is the name of it, Mr Neville?

Mr Neville—Yes.

Mr Manthorpe—The jobs outlook publication tries to project—broadly—about what occupations might be in varying levels of demand. But there is only so much science you can bring to bear on this. No-one knows how many waiters are going to be needed in five years time.

CHAIR—That is an interesting comment.

Ms HALL—That just reminded me of a little thing when you were speaking there: in your submission on page 18 you say the value of domestic travel is projected to increase by five per cent; inbound tourism is expected to surge by 38 per cent. Where do you get those figures from and what impact do you see that having on the workforce and the terms of reference for this inquiry?

Mr Neville—That was page 18?

Ms HALL—The top of page 18—that is according to the Tourism Forecasting Committee; sorry. What impact do you think that will have?

Mr Neville—For instance, Mr Manthorpe talked about the Australian Jobs publication. Our expectation is that in accommodation, cafes and restaurants employment will grow by about 45,000 over the next five years—that is one sector of tourism.

CHAIR—That is terrific, but we do not know where they are coming from—

Ms HALL—That is right: it just means nothing.

CHAIR—and what they are going to get paid because 45,000 are going to have to stop working the mines and we are going to have to import them from somewhere else. That is all part of the discovery of this inquiry. We thank you very much for being here today. These things are always dreadful for public officials. We like to test and grill you but we appreciate what you do. I declare the hearing closed.

Resolved (on motion by **Mr Vasta**, seconded by **Ms Hall**):

That this committee authorises publication of the transcript of the evidence given before it at public hearing this day.

Committee adjourned at 12.11 pm