





AUSTRALIA'S MOST WANTED

TOURISTS MAY BE FLOCKING TO OUR
PREMIER HOLIDAY DESTINATIONS, BUT THE
SAME CAN'T BE SAID FOR THE WORKERS
NEEDED TO KEEP THE RESORTS RUNNING.

STORY: ANDREW DAWSON

You can't find a chef for love nor money in Australia at present. While restaurants, resorts and other tourism ventures benefit from a growing number of visitors, they are having difficulty attracting even one well-qualified chef to work for them, let alone the actual number they need to serve their customers. The same applies to waiters, receptionists and bar workers.

To borrow from the recent tourism campaign: So where the bloody hell are they?

The unsocial hours, the lack of career advancement and relatively poor pay are all factors conspiring against many young Australians pursuing careers in tourism and forcing many businesses to source staff from overseas.

Already 850,000 people work in the tourism and hospitality industry, with 65,000 more needed over the next five years.

At some of Australia's premier destinations, they are starting to feel the pinch, and there are warnings that, if the situation does not improve, tourism will be affected.

"Many people think it would be great to live and work on an island for 12 months but when confronted with the day to day often don't make it past a couple of months," says Simone Hayes, human resources general manager for Voyages Hotels and Resorts, which employs 1,700 people at 23 locations, including Uluru, Lizard Island and Cradle Mountain.

"The stumbling block is that hospitality is often seen from the onset as being quite a glamorous occupation, but when you actually get in there and find out that you have got to work Friday night and Saturday night until 10 or 11 o'clock and your mate who is doing a brickies apprenticeship is off to the football or the races while you are at work makes it all a bit hard," says Steve Carter, executive chef at the Cable Beach Club Resort in Broome, Western Australia.

Photo: Jupiter Images Continued page 22 ▶

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One consequence of the growing staff shortage is increased costs for tourism operators.

“Our chef is our biggest overhead—we have to go through an agency and pay through the nose,” says Nicholas Bradley, the manager of Home Valley Homestead, an outback tourism venture in Western Australia’s Kimberleys. “The prices on their heads are just phenomenally high—almost prohibitively high, so the government definitely has to do something about it.”

And it’s having an impact on other staff as well.

“We still haven’t got a full complement of chefs and my head chef hasn’t had a day off since we opened,” says Teresa Hall, manager of The Tap on Mitchell, a new bar in Darwin.

Confronted with concerns that Australia may not have the workers to meet increasing tourist numbers, Employment Minister Kevin Andrews has asked the House of Representatives Employment Committee to investigate the workforce challenges facing the billion-dollar tourism sector.

From 2005 to 2014, the average annual growth in international visitor arrivals is expected to be 5.8 per cent, with nearly six million international tourists visiting Australia this year. Tourism contributes 3.9 per cent of total GDP and 5.6 per cent of total employment, and the indirect benefits of tourism are nearly as much again.

Employment Committee Chair Phil Barresi (Member for Deakin, Vic) says, given the economic importance of the sector, especially for employment in regional areas, Australia must ensure it has a ready and able workforce to grow with the sector.

“The tourism industry faces particular challenges with some skill shortages, more isolated work locations and often a transient and seasonal

workforce. This inquiry will examine how best to support continued employment growth in the industry and ensure Australia stays on the tourist map,” Mr Barresi says.

A submission to the inquiry from Restaurant and Catering Australia, which represents 37,700 restaurateurs and caterers employing 188,000 people, confirms there are already significant shortages of chefs, cooks, waiters, kitchen hands and bar attendants.

The submission warns profitability is likely to continue to erode as the cost of labour in particular continues to rise.

“Even with this being the case, the industry will experience the third strongest employment growth of any industry to 2011 and require 65,000 new entrants in the next five years,” it states.

Restaurant and Catering Australia wants better promotion of careers in the tourism industry, improvement in the quality of training offered to apprentices and trainees, more businesses encouraged to take on these apprentices and trainees, and more mature-age workers attracted to join the industry.

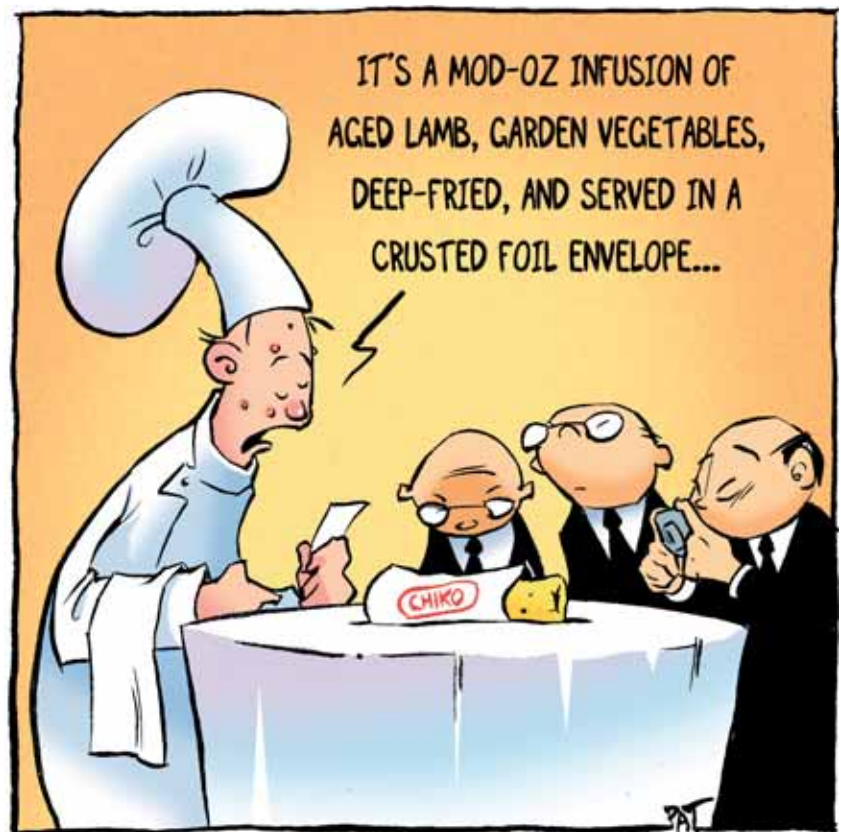
The Cable Beach Resort’s Steve Carter believes more can be done to make tourism traineeships shorter and more appealing, without lowering standards.

“We need to encourage more people to come into the industry and perhaps we need to look at how long these traineeships or apprenticeship schemes are,” he says.

“It’s a pretty long commitment for someone of 18 or 19 or even a mature age apprentice to put in four years. If we can narrow it down a little bit so they can move from that lower wage scale while they are training into qualified pay levels I think we would find a lot more people willing to come into the industry.

“With a shrinking labour market our ability to fill roles is even more diminished. Skills shortages in traditional trades and chefs have led to us looking to overseas recruits to fill roles we have available. We are also competing with other employers such as mining companies and salaries in excess of what is paid in the hospitality industry.”

Voyages’ Simone Haynes believes that because of the skills shortage many tourism employees are finding



Cartoon: Pat Campbell



Steve Carter, executive chef at the Cable Beach Club Resort, Broome. Photo: Andrew Dawson

themselves being promoted to roles ahead of their skill set. And many inexperienced employees are applying for senior roles.

"This is particularly noticeable in the chef ranks," Ms Haynes says. "There are many young people who have only just completed their trade, who apply for senior chef roles such as chef de partie, sous or even executive chef. An executive chef not only needs to know how to cook but they also need to manage a brigade of chefs, control food costs, manage the logistical issues of ensuring they have all the provisions they need as well as reviewing menus. These types of skills are developed over years."

And the news isn't any better away from the kitchens according to a submission by the Southern Cross University's School of Tourism and Hospitality Management. The university says its hotel and tourism management graduates are becoming frustrated by the high turn-over of managers in their industry and a lack of practical training from qualified role models. It also cites the long hours and Australian Workplace Agreements as further disincentives.

"New graduates in the hotel sector commonly report that the elation at receiving a promotion and subsequent conversion to salary is short-lived because it generally involves an increased workload and substantially decreased hourly rate,"

the university says.

"For example, newly promoted graduates on a salary level of approximately \$35,000 to \$38,000 are reporting regular working weeks of 50-60 hours, with some reporting working weeks of up to 90 hours. Split shifts in the hospitality sector and the negative impact they can have on a 'normal' life are also often a contributing factor to graduates seeking employment in other industries or sectors.

"The uncertainty and perceived further reductions of pay rates and conditions (under new Australian Workplace Agreements), particularly in the hospitality sector, are creating discontent among current students preparing to enter the industry."

Southern Cross University believes some skill shortages in hotel or resort management could be alleviated by allowing the overseas students of tourism courses in Australia to gain work permits. They see a need for a smoother transition from a study visa to working visa for thousands of international students.

"Recurrent feedback from industry is that they do not want to invest several months of training into international students when there is little chance that these students will be permitted to stay with them longer term," the university says.

A submission from the assistant secretary of the Liquor, Hospitality

and Miscellaneous Union, Tim Ferrari, says the labour shortages have come about because of a "lack of investment in training and a low-wage culture among employers that makes the jobs they offer very unattractive".

The LHMU wants government to review changes to unfair dismissal laws that threaten the job security for the vast majority of prospective tourism employees. The union also questions the use of backpackers and overseas workers as a stopgap measure.

"There is widespread anecdotal support for the view that many employers in tourism related industries pay cash in hand to itinerant and backpacker staff, partly to avoid on-costs such as occupational superannuation levies, but also to avoid facing the fundamental need to invest in skills training to lock in long-term career-oriented employees,"

Mr Ferrari says.

"For too long the employers in this industry sector have relied on others to pay for the training— anecdotally, the main reason is that they fear other employers will gain the benefit of their expenditure if the trainee moved on."

A submission from the Queensland Tourism Industry Council notes the lowest levels of unemployment in almost 30 years are not helping tourism businesses unearth new staff. One consequence of a national unemployment rate in December 2005 at 5.1 per cent and a Queensland unemployment rate of just 4.9 per cent has been skills shortages in sectors of the tourism industry, which are even more pronounced in regional areas of the state.

Compounding this staff shortage is the limited attractiveness of working in tourism when compared to other industries. Tourism is competing with other major industries for employment in Queensland, in particular a booming mining sector, which is seeking people to fill a range of positions, and willing to provide attractive wages and employment benefits.

"Full-time earnings for the accommodation, cafes and restaurant industry are the lowest of all industries in Australia. The average weekly earnings for this industry in 2005 were \$714," the council states.

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Chefs and bar workers are in high demand. Photos: Andrew Dawson

The longer term solution is to start training more Australians in-house to pursue hospitality careers.

“People such as cooks, chefs, cleaning staff and tradespersons are being lured away by other industries’ attractive offers, leaving skills and staff shortages in these areas of the tourism and hospitality industries.

“Further, it is believed that potential new entrants to the tourism and hospitality industry are choosing these alternative industries for employment. Tourism and hospitality businesses relative to those in other industries such as mining, biotech and manufacturing are generally lower yielding, giving limited opportunity for employers to offer competitive wage packages.”

Among a raft of recommendations to turn things around, the Queensland Tourism Industry Council wants the federal government to change apprenticeship training from time-based to a competency-based system and devise a funding model to support the development of skills sets rather than full qualifications. It also wants a review of the current skilled and unskilled labour visa programs.

Down south, it’s a similar picture to that up north, with rapid tourism growth exhausting the pool of experienced and appropriately skilled labour, according to the Tasmanian Tourism Industry Council’s submission. Among the issues affecting Tasmania are the high degree of casualisation of the workforce, the regional dispersal of

tourism enterprises, and the small size of the average tourism business, which makes access to training programs generally more difficult.

The council says the high percentage of casual labour “mandates a better approach to training and skills development”. It believes there is a need for a coordinated education program for the tourism and hospitality industry on human resource planning.

The current labour shortage is also prompting calls to ease the restrictions on employing more chefs and hospitality workers from overseas, and to tap into the backpacker jobs market.

In Darwin, Teresa Hall has welcomed recent changes to temporary work visas.

“It’s a challenge if you look at the backpacker market particularly,” she says. “With the visa structure at the moment, they can only work three months in the hospitality industry. The government has recently changed that so harvest workers can extend that out to six months.

“So we have a high turn-over of staff. But generally the backpackers are skilled workers, which is fantastic but you do lose them after three months, which adds to the costs of training them.”

Voyages’ Simone Haynes says the shortage of chefs is forcing them to rely more heavily on importing overseas chefs, often at considerable expense.

“Unfortunately the Department of Immigration sets a salary that must be paid as a minimum before you can sponsor an employee,” Ms Haynes says. “The minimum salary level has recently been increased from \$39,000 to \$41,000.”

Voyages currently pays its local commi chefs \$34,788, plus 9 per cent superannuation, for a 40-hour week. Factoring a dispensation for remote locations, the Immigration Department requires Voyages to pay an overseas commi chef \$37,665, plus superannuation, penalties and allowances.

“What this means is that if we go ahead with sponsoring chefs at these levels, they may end up being paid more than our current employees just to comply with the immigration laws,” she says.

Voyages wants more flexible immigration laws to meet the needs of remote locations so businesses can sponsor an employee and know they will have them for a definite period of time. It also wants the company’s latest enterprise agreement to be the minimum salary payable to employees sponsored from overseas.

But Tap on Mitchell chef Mark O’Neill believes the longer term solution is for technical colleges and tourism businesses to start training more Australians in-house to pursue hospitality careers.

“It starts at the grassroots level,” he says. “We have to train our own people here—it’s got to start in Darwin. We can’t keep knocking off professionals from other states because it puts a drain all over.” ■

The inquiry into the workforce challenges in the Australian tourism sector is conducting public hearings throughout Australia. For more information visit www.aph.gov.au/house/committee/ewrwp or email ewrwp.reps@aph.gov.au or phone (02) 6277 4162.