



Restaurant  
& Catering

SAVOUR  
AUSTRALIA

12 June 2014

Committee Secretary  
Senate Economics Legislation Committee  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Sir / Madam

**RE: Inquiry into the Trade Support Loans Bill 2014 and the Trade Support Loans (Consequential Amendments) Bill 2014 [Provisions]**

Please find below the views of Restaurant & Catering Australia in submission to the above inquiry:

**ABOUT RESTAURANT AND CATERING**

Restaurant & Catering Australia (R&CA) is the national association representing the interests of 35,000 restaurants, cafes and catering businesses across Australia. R&CA delivers tangible outcomes to small businesses within the hospitality industry by influencing the policy decisions and regulations that impact the sector's operating environment.

R&CA is committed to ensuring the industry is recognised as one of excellence, professionalism, profitability and sustainability. This includes advocating the broader social and economic contribution of the sector to industry and government stakeholders, as well as highlighting the value of the restaurant experience to the public.

**ABOUT THE RESTAURANT & CATERING INDUSTRY**

Restaurants, cafes and hospitality providers are an important part of Australia's \$128 billion visitor economy. There are over 35,000 café, restaurant and catering businesses in Australia, contributing to 666,300 jobs, and delivering \$19.1 billion in earnings to the economy.

As the Asian Century unfolds, and Australia moves towards a more service-based economy, the prevalence of employment in the tourism and hospitality sector will grow. Deloitte highlights that tourism will be one of the major growth drivers from now to 2033, with this sector to grow more than 10% faster than global gross domestic product.

Yet the industry currently suffers from a significant shortage of skilled and unskilled labour, constricting growth and productivity. There is currently a shortfall of 35,800 workers in the sector, with this gap expected to increase to 56,600 jobs by 2017. In addition, employment growth in cafes, restaurants and takeaway food services is projected to grow by more than 42,700 jobs or 8.1% to November 2017. This rate of growth is expected to be higher than any other sector in the Australian economy. The inability to meet future growth projections with an appropriate level of skilled workers will impact the productivity and growth of Australia's largest export services sector, as well as the national economy as a whole.

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**RESTAURANT & CATERING INDUSTRY ASSOCIATION**

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## **TRADE SUPPORT LOANS**

Restaurant & Catering Australia supports the Trade Support Loans program. The program provides an equitable basis on which apprentices can prepare themselves for the vocation in which they will train and work.

In the restaurant and catering sector of industry the apprentices in question are cooks. To commence this vocation there are items of equipment, mostly knives and other cooking utensils, that are required as part of the apprentices 'kit'. In addition, many of the apprentices need a vehicle to get to and from their place of work. This is because of the unusual hours that are worked by all staff in the industry and the consequent lack of public transport options at starting and finishing times.

The Trade Support Loan scheme will provide an apprentice potential access to the resources that they need to attend the on-the-job component of their apprenticeship.

The Association particularly supports the incentive to complete the apprenticeship that is provided but virtue of the completion incentive. A \$4,000 reduction in the value of the loan is an incentive for apprentices to stay with their apprenticeship until the completion point (which will hopefully be determined by competency rather than time-served).

The current arrangement, whereby there is little incentive to complete, gives rise to a number of 3rd and 4th year apprentices leaving early to work in place of a tradesperson. This is possible because of the shortages of trained people and the lack of regard for the actual qualification, as opposed to the skills gained through training.

The Association would support the maintenance of the \$4,000 completion bonus irrespective of the level of draw-down of the loan. This would allow an apprentice to only loan \$4,000 at the outset of their apprenticeship and recoup all of the amount at the end of their apprenticeship, if completed. This would still be an effective incentive and enable the apprentice to start their career as a tradesperson debt free should they chose to do so.

Yours sincerely

John Hart  
Chief Executive Officer