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**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON EMPLOYMENT, WORKPLACE
RELATIONS AND WORKFORCE PARTICIPATION

Reference: Workforce challenges facing the Australian tourism sector

THURSDAY, 22 MARCH 2007

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HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON EMPLOYMENT, WORKPLACE RELATIONS AND WORKFORCE

PARTICIPATION

Thursday, 22 March 2007

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

Members in attendance: Mr Hardgrave, Mr Hayes and Mr Henry

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

**DAVIES, Mr Matthew, Assistant Secretary, Skills Branch, Industry Skills Development Group,
Department of Education, Science and Training 1**

**GRIFFITHS, Mr Joseph Edward, Chair, Tourism Industry Council Australian Capital
Territory and Region 8**

**JOHNSTON, Ms Mary, Acting Group Manager, Industry Skills Development Group,
Department of Education, Science and Training 1**

**WALL, Ms Catherine, Assistant Secretary, Australian Technical Colleges Branch, National
Training Directions Group, Department of Education, Science and Training..... 1**

**WALSH, Mr Stuart Peter, Chairman, Tourism and Hospitality Skills Australian Capital
Territory and Region 8**

Subcommittee met at 11.23 am

DAVIES, Mr Matthew, Assistant Secretary, Skills Branch, Industry Skills Development Group, Department of Education, Science and Training

JOHNSTON, Ms Mary, Acting Group Manager, Industry Skills Development Group, Department of Education, Science and Training

WALL, Ms Catherine, Assistant Secretary, Australian Technical Colleges Branch, National Training Directions Group, Department of Education, Science and Training

CHAIR (Mr Hardgrave)—I declare open this public hearing of the House of Representatives Standing Committee on Employment, Workplace Relations and Workplace Participation inquiry into workforce challenges facing the Australian tourism sector. The inquiry arises from a request to the committee by the Minister for Employment and Workplace Relations. To date, 69 submissions have been received. I am very pleased to welcome representatives of the Department of Education, Science and Training. Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament. Consequently they 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. It may be regarded as contempt of parliament. Now that I have told you all of that, I ask for some introductory remarks. I suspect, Ms Johnston, that you are the person leading off.

Ms Johnston—Thank you, Chair. I do not want to spend a long time making an opening statement. The submission we provided to the committee describes very well, I believe, the roles and responsibilities of the Australian government, the department, and the states and territories, as well as the governance arrangements that are now in place for the training sector. We highlighted the application of the training system to the tourism and hospitality sectors, including future work and training options for school students and the increasingly important links with the higher education sector. There are, however, a number of initiatives that underpin the Australian government's workforce skills development focus on which I would like to take the opportunity to give a brief update. These include the Australian technical colleges and Skills for the Future initiatives and recent decisions of the ministerial council.

In relation to Australian technical colleges, this is an initiative which provides a tremendous opportunity to ensure quality industry based trade skills learning for senior secondary students. Five colleges commenced operations in 2006 and a further 16 have opened or will open in 2007. There will be approximately 2,000 students across Australia this year in Australian technical colleges. The majority of those colleges are already offering commercial cookery training, which is the trade of most relevance to this inquiry. My colleague Ms Wall will fill you in and reply to any questions you have on the details of the Australian technical colleges.

The second initiative on which I would like to provide an update is the Skills for the Future package, which represents a significant commitment from the Australian government to addressing skill shortages and helping individuals upgrade their skills. There are five elements of the package. Three of those are of particular interest to this inquiry. The first is the work skills voucher. This commenced on 1 January and provides an opportunity for people without any qualifications either at year 12 or certificate II level to undertake a qualification at that level. Up

until early this month more than 5,000 individuals have received vouchers since it started on 1 January. The approved qualifications include four certificate II courses in tourism and hospitality related areas. To date, more than 560 vouchers for people to take up those qualifications have been issued.

There is also the business skills voucher for apprentices. Again, that was implemented in January. That allows apprentices or those who have recently qualified in trades in skills needs areas with a voucher to undertake additional training in business. The third important initiative in the Skills for the Future is the support for mid-career apprentices, for individuals who are 30 and over to undertake a trade apprenticeship. That will be available from 1 July this year. There has also been a marketing campaign which has focused on, as well as the skills vouchers program, the Australian Apprenticeships, the Australian technical colleges and Career Advice Australia. There has been a very strong response to that marketing campaign: over 71,000 calls to the phone line and more than 600,000 visits to the websites.

The final area on which I would like to update the committee since we made our submission is in relation to the Ministerial Council for Vocational and Technical Education. In response to a request from the Council of Australian Governments last year for further reform to areas of the VET system, the training ministers last November acknowledged that the demand for training over the next 10 years requires a focus on maintaining the current level of effort at the core training level—certificates III and IV—but at the same time moving towards a stronger focus on higher level qualifications. It also wished to focus on lifting the workforce participation by offering people without post-school qualifications training opportunities, particularly helping where there is a literacy or numeracy deficit, and acknowledging the need to train the existing workforce in order to meet the future demand for skilled workers. As a result, training ministers then made a number of decisions to shift priorities to a higher certificate level, while maintaining effort at cert III and cert IV. They also decided to streamline regulation, especially the impact on training providers, by establishing a national registration and audit body and to support the take-up of the work skills vouchers for Indigenous Australians in regional and remote communities. They also acknowledged the progress that was made towards meeting COAG's request of February last year in relation to the recognition of skills of trainees and apprentices.

This year we have commenced the implementation of the new quality assurance arrangements for the sector, based on a streamlined outcomes based audit model. That is the update I wish to provide on what has happened since we made that submission last November.

CHAIR—Thank you for your update of the submission. It was an excellent submission, extremely well crafted and a good update. Obviously, I have more than a little passion about all the things you have just said, so I do not want to hog the floor. But I have a couple of things I want to ask with regard to Indigenous training. We heard some evidence regarding some of the cultural impediments, if you like, to the easy access of the training system by Indigenous people. Are you aware of any programs to address that? Have there been discussions about ways of actually accommodating those sorts of cultural impediments—they are not really barriers—or cultural particularities?

Ms Johnston—I would refer to two things. One is the ministerial council's decision to provide some matched funding towards supporting the uptake of the work skills vouchers for Indigenous clients. One of the reasons for the additional funding there is the need to make

training programs culturally relevant to Indigenous people and to support delivery in rural and remote regions. Certainly at the ministerial council level, for states which have a high Indigenous population, that is certainly acknowledged as an additional cost. Also, one of the council's groups, the Client and Student Voice Action Group, includes an Indigenous component working group, which would be the area that would focus on that. At this stage I would be very happy to make some further investigations, unless either of my colleagues have anything additional. It is certainly something that we are aware of, and we would certainly be very supportive of initiatives which focused on increasing the participation of Indigenous people in training, recognising their potential in the workforce, particularly in regional areas.

CHAIR—Your submission refers to a lot of potential training programs. There seems to be countless things: front office, gaming, security, administration, meetings, management, hospitality and tourism training packages—all those different things. From your experience, do you think that the hospitality and tourism industry generally are making themselves available for these packages or are many of them lying a bit dormant? In other words, there is plenty of training on offer, but people are not necessarily taking it. I do not know whether you have any access to that. It may well be that state by state differentials vary. Training is not the absolute answer to labour shortages but, to me, there seem to be a lot of training packages available for people to use.

Ms Johnston—Certainly. I can perhaps illustrate with some figures on the Australian apprentices who are enrolled in all of the tourism and hospitality training packages across all of those training sectors. Between 2000 and 2006 it went from 20,000 enrolled—this is apprentices—to 22,000. It is a rise, but probably not a huge one. In training at the same time there was a slightly larger rise. My colleague is pointing out that, in the September quarter of 2006, 8.2 per cent of commencements in training packages were in hospitality. That is bigger than tourism. Tourism is relatively small number. Hospitality covers a larger group of commencements.

CHAIR—On things like incentives, there is no restriction on, say, employers who qualify for incentives gaining access to those incentives—it is really up to the employers themselves to drive it, isn't it?

Ms Johnston—Exactly. For apprenticeships, of course, the incentives regime encourages people to take on apprentices at certificate III and IV levels rather than at certificate II. But that is a legitimate pathway into this industry, particularly for students who are still at school and undertaking a certificate II.

CHAIR—The reason I am asking that is that it just seems from what we have been able to see to date that, when you start to talk about labour shortages, the career path and the industry itself, this commitment to actually finding and retaining people by training and advancing people may not really be there to the extent that you wished it was in this particular sector, because it is seen as something that you do until something real comes along. That is really unfortunate, because it is a great career, I would have thought. Are you finding any evidence along those lines?

Mr Davies—It would not be surprising if there were some of those approaches, I guess, because of the nature of the workforce and labour market in the industry and because of the high rate of casualisation and so on.

CHAIR—And because it is seasonal.

Mr Davies—Yes. But at the same time there is definitely a trend towards the industry associations wanting to take a more holistic approach. The department has recently established an integrated national tourism and hospitality skills workforce development project.

CHAIR—Does that have an acronym?

Mr Davies—I hope not. I will not use it if it does. That is the notion of a more comprehensive skills development approach rather than specific responses to individual problems. This is trying to address in a more comprehensive manner the attraction, recruitment, retention and upskilling needs of employees.

CHAIR—So it is trying to challenge the businesses and the employers to actually attract, retain and train?

Mr Davies—Yes, for their own benefit and also for the individuals. That contract we have just established is with the Hotels Association and the restaurant and caterers. That is just beginning. We are hoping that that will start to impact on some of the cultural attitudes of some of the members as well as show examples of how you can do it well. I might mention that we also just initiated a project with Tourism Training Australia on hospitality skills for Indigenous Australians. That was initiated at the end of last year. That is just starting as well.

CHAIR—I have one final question. Is that front-of-house staff as well as back-of-house staff? Restaurant caterers always say to you that the DEWR system will not recognise that being a maitre d' or waiter or wine waiter or whatever is a skill, so we cannot import those people. Is this project recognising those people as well?

Mr Davies—The workforce skills development project does, yes, because it is about the whole workforce in the industry sector.

Mr HAYES—Firstly, I too would like to compliment you on the submission. It is extremely well written and very informative. I will just move slightly afield of the submission a bit. I was just curious about the many and varied paths that students have to access vocational education in these areas and the courses available. Do you have any information on where the bulk of those students would come from? Is it true that the bulk of students accessing these courses would be school based or are we seeing people taken in on midlife apprenticeships? I am talking about particularly in hospitality and cookery.

Ms Johnston—Certainly there is a strong emphasis on hospitality in the school based apprenticeships and in VET in Schools generally. We will have a look and see if we have any figures on the age. I would have thought that this was an industry that would take people at almost any age. I am certainly aware of anecdotal evidence of people undertaking commercial cookery apprenticeships in their fifties and so on. The mid-career apprenticeship initiative will assist that sort of move at any age to take up apprenticeships.

Mr HAYES—It seems from our perspective, particularly in this inquiry, that one of the possible criticisms of the industry is taking as a whole an approach to ongoing training. A lot of

evidence has come out thus far that one of the reasons adding to their problem about attracting and retaining staff is the perceived lack of training and ongoing training. I agree that it would be very good to have a skills passport whereby people are retained not necessarily by one employer but within an industry. I would have thought that that would be to the overall benefit of the industry itself. We are not seeing that evidence emerging at this stage.

Mr Davies—There are clearly high levels of interest among the young people in the training. If you look at VET in schools participation as an indicator, in New South Wales and Queensland respectively, 39 per cent and 32 per cent of enrolments in VET in schools subjects are in hospitality and tourism. So, there is a high level of interest and participation before leaving school. However, as Mary indicated from the numbers on commencement and participation, as you say, it is not a particularly high participation rate in employment. Many factors influence that. It is also a young workforce. As we know, there is a high degree of churn in jobs. A number of factors influence the rate of training within industry sectors.

Mr HAYES—I take on board the comments you made about the AHA and coming on board in terms of a peak industry body. I think it is pretty good that they have made a presentation to us today. One of the things that has come through, I think from the Victorian industry representatives, is that young people, particularly, are obtaining bar and catering qualifications primarily to gain access to positions overseas. Does that reflect our industry, and does the industry here recognise that or is it simply training people on the job? It is easier to get job in Europe with these qualifications and it seems that a lot of young people are attending these courses with a view to travel.

Ms Johnston—I suppose that says good things about our training system.

Mr HAYES—It says great things about your system.

Ms Johnston—That is recognised overseas. I guess that is in part an issue for industry to deal with as to how they then make the employment here attractive enough to keep people on and to give them career opportunities to come back perhaps after having got that extra experience overseas. The training system itself is there to provide the training; it does not control what people do with the training.

Mr HAYES—The infrastructure as provided is very good. I guess it is then incumbent on this industry to make a series of decisions about it in terms of requiring not only qualifications but also being prepared to participate and help people gain those qualifications. In my opinion, the benefit is retaining people within the industry, not necessarily in one enterprise.

Ms Johnston—Yes. You mentioned a notion of skills passports before in terms of people being able to transfer readily. If they have done their training within the national training system in the training packages and obtained qualifications, and even if they do not have a full qualification, they will have a statement of attainment that is recognised across Australia as a part of the training system.

The skills passport notion is often talked about. We have not have them in Australia, although I think there have been a few experiments with people looking at it. However, there are a lot of

pros and cons with that approach. With a national training system, people gaining qualifications within that system are nationally recognised.

Mr HENRY—I am interested in the section about user choice arrangements. How many industry based training organisations might there be servicing this sector? How is user choice assisted?

Ms Johnston—I do not think we would have any breakdown at the moment of recognised training organisations that offer this training. I would say that it would be a fairly high proportion. I think I am fairly safe in saying that all the public training providers offer hospitality and tourism related courses and so do many of the private training providers. The access to training dollars within the states is through the user choice policy, as you have mentioned. Certainly, there are reports that training providers do not always get access to the user choice dollars.

Mr HENRY—That was the point I was coming to. There is some concern about access to user choice funding.

Ms Johnston—Yes, and the states will to some extent ration the funding in areas of the highest priority needs—their skills priority needs. We continue to work through our mechanisms at the national level to ensure that the best possible choice is available to clients. Basically that is what user choice is about—that is, the employer and the employee in an apprenticeship relationship have a choice of training providers. The Australian government has not backed away from that at all. It is managed at a state level under the broadly accepted national principles.

Mr HENRY—Moving on to the skilled migration area, general skilled migration to address identified skill needs, are chefs in that category of shortage? In that migration process, is there a requirement for people with those skills designated as being needed to serve any particular type of employment, should they gain Australian residency on the basis of their qualification?

Ms Johnston—The requirements on the migrants would be a matter for the Department of Immigration and Citizenship. Certainly, we work with that department to ensure that employers are at the same time meeting requirements to train Australians. In terms of what the requirements are on the migrants themselves, I am not across that.

Mr HENRY—I had a restaurant proprietor raise a concern with me recently where he had brought somebody in from the UK who had got permanent residency here on the basis of their chef qualifications. They stayed working with him for six weeks and then took on another job in another industry sector. It just does not seem to be working, if this program was to enhance skills available in Australia, if they can change.

Ms Johnston—No, I take your point.

Mr HENRY—I thought I might be able to get an answer from you as to whether there was any requirement.

Ms Johnston—I am not aware. It would be a matter for the department of immigration.

Mr HENRY—How are the trade skills training visas working in servicing the needs of skills shortages in regional and rural Australia?

Ms Johnston—It was introduced, I think, about a year or so ago. There has not been a significant uptake of the trade skills training visa. There have been a number of people approved to do it but again it is fairly heavily tested so that the employer will only take on overseas people in that capacity where they cannot fill vacancies within Australia. I do not think there has been a big take-up at this time.

Mr HENRY—Is that tied to a time frame of employment with that particular sponsoring employer?

Ms Johnston—I would imagine that it would be similar to any other apprenticeship arrangement where there is an employment and training contract, which of course can be terminated by either side. But with the trade skills visa, I would imagine that would affect their visa status, so it would be different to a trainee under any other arrangements.

ACTING CHAIR (Mr Hayes)—Thank you very much for your contribution and your submission in particular. Let me assure you that I think you have a very strong advocate in the chair of this committee. If we have not asked you too many questions, I am sure Gary will fill in the details later on. Thank you once again. It has been very informative but, in particular, I found your submission quite compelling.

[11.50 am]

GRIFFITHS, Mr Joseph Edward, Chair, Tourism Industry Council Australian Capital Territory and Region

WALSH, Mr Stuart Peter, Chairman, Tourism and Hospitality Skills Australian Capital Territory and Region

ACTING CHAIR—Welcome. Although the committee does not require you to give evidence under oath, I advise you that these hearings 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 the giving of false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. We have your submission and we have a number of questions that we would like to put to you as a consequence of that, but before we do so would you like to make some introductory remarks?

Mr Walsh—The submission we presented is a composite of a number of pieces of work that the Tourism and Hospitality Skills ACT and Region Committee has undertaken. That committee was born out of the former Tourism Training ACT and Region as an industry training advisory board. The work is based around reports from the chefs' forums initially dating back to 2004. There were then two pieces of research that were fairly significant in that not a great deal of research had been presented in the past in this particular area. These two pieces of fairly significant research are in the area of skilled shortages and customer service.

The final part of our submission that I think the committee would find of great interest is the action that has arisen from some of those pieces of research in the form of a training solution, if you like, with regard to an accelerated apprenticeship, which has progressed quite significantly since the time of the printing of this particular submission. I would be happy at some stage, if you would like me to, to update you on where that pilot project is currently at.

ACTING CHAIR—A lot of what is in your submission is born out of necessity, particularly the accelerated chefs program that you have just mentioned. I guess I have a bit of knowledge in this regard. We enjoy the fact that we do have a high density of restaurants in Canberra. As I am told by the secretarial staff, it is the highest per capita in the country—

Mr Walsh—Significantly.

ACTING CHAIR—We have already heard about issues of attraction and retention of people in this industry, but what are the biggest obstacles to attracting and retaining suitable staff in cookery trades in the ACT?

Mr Walsh—I am a chef by trade—in reality, a chef who no longer practises in the kitchen—and there are a number of issues that do hinder the retention of apprentices during their apprenticeship and post trade training. Some of those revolve around conditions of work. One of the key factors is the fact that apprentice chefs work quite long and unsociable hours. The

kitchen environment is physically a difficult one and historically the pay rates are low at the start. A combination of all those factors makes retention difficult.

Retention on an individual business basis becomes difficult because the marketplace becomes overly competitive for the job seeker. There are many options for each apprentice. Obviously they can look through weekly or weekend advertising for employment vacancies. The apprentice has many choices of where they may go, or they may like to complete their training. So it becomes overly competitive within the market, as well as attracting people to the trade. They are some of the things that our chefs' forums did try to look at. There were a couple of initiatives under the accelerated cookery apprenticeship. There is a list of organisations that have representation in tourism and hospitality schools. ACT is unique in that it has the peak employer bodies, it has the training providers and it has the LHMU. So it is a truly collaborative solution.

Some of the things that have come up with that project are being underpinned by a code of best practice of employment of apprentices. There is a code of best practice with the employers who participate in the accelerated apprenticeships assigned to them. It tries to deal with some of those things. It has a higher level of up-front training with which the apprentice then goes into the industry. Therefore, they have greater value to the industry. It has a higher level of support on the job from a mentoring point of view as well as a training support point of view. Those particular attributes that the apprentice will take into the workplace, which have greater value to the workplace, are then rewarded with a higher pay structure earlier on in the apprenticeship. The pilot group has only 15 people at stage 1 and 14 people at stage 2, which is the workplace component. The apprentices enjoy an increased initial wage level and slightly better working conditions. Through the code of best practice we are encouraging the employers not to work the apprentices extensive overtime hours, which means that they can focus more on their training, and the support levels are higher. The higher wage component of the accelerated apprenticeship project, which was underpinned by this code of best practice proposed by the LHMU and agreed to by all parties for this pilot project—

ACTING CHAIR—That has only been going since 2006, hasn't it?

Mr Walsh—That is correct. It started Easter last year. Stage 2 of the pilot, the second intake, we are planning for at around about the same time this year. It worked very well in the initial stage of up-front training in an off-the-job sense and we presented the apprentices to the industry around November.

ACTING CHAIR—So how many do you start out with, and are they all there presently?

Mr Walsh—Fifteen and, no, they are not. There has been a little bit of attrition. It probably does not mirror the attrition rates in the mainstream apprenticeship groups. Because it is an accelerated apprenticeship, there is a higher level of demand on the trainees with all the apprentices in the program to achieve obviously the off-the-job training components quicker. We back that up with higher levels of support for underpinning knowledge and those types of things within the training program. A couple of the apprentices have gone into the mainstream apprenticeship program, finding the accelerated program too difficult. Through the mentoring and workplace support that we have provided, those trainees have decided to step back into a normal paced program. The accelerated apprenticeship does not change any of the structures under which apprentices currently can train. It takes advantage of the opportunity of reaching

competency early and having those competencies at the end verified by an industry panel through a Capstone test that then will allow them to be released from their training.

ACTING CHAIR—What is the general profile of a person who would be suitable for the accelerated apprenticeship?

Mr Walsh—The profile of the initial pilot group was very mixed. A couple of early school leavers articulated into the program through lower level hospitality training. There are a couple of mature age students; I think the oldest one is in their mid-forties. There is a range of students who are ex school leavers. Some undertook VET in Schools programs during their college years and others did not. There is genuinely a broad demographic in the first group.

ACTING CHAIR—You have obviously been able to achieve this because you are doing this as an ITAB involving industry generally.

Mr Walsh—That is right. We are driving this as a genuinely industry representative group. I suppose one of issues that the industry has faced in the past is getting through the industrial relations issues and pay scales and things like that. What we have done is put some fairly strict guidelines in place to try to address some of those financial issues that apprentices face throughout their first years. In the first six months of the program, the apprentices are actually self-funded as if they were attending a technical and further education course under their own steam. We looked at maybe as a committee sponsoring that particular phase of the project, but we felt that the participants needed to have some kind of buy-in and investment in their own program. That was accepted fairly well by the participants.

The way in which the apprentices have then gone into industry under that new pay scale that the code of best practice and project actually put forward means that the apprentices start on a second year wage for the first six months of the 18 months in industry. Then they go on to a third-year apprentice wage. So, six months into the industry, if they are progressing along with their accelerated program, they actually have the benefit of going into the industry. They are then on a third-year apprentice wage. I have had feedback—and it is not anecdotal; it is certainly cast-iron—from the parents of some of the apprentices. They come in to seek support in a mentoring type of way. If they have issues, they come and see the mentors of the program. They are indicating that in actual fact they are finding some real financial stability for their children in that they are on a higher pay scale at an earlier age.

ACTING CHAIR—What is the acceptance rate for the various enterprises that make up the industry? I know that we are talking about 15 people in the 2006 intake and then you go further. As I understand it, one of the issues that has been raised by many of the restaurants is that of finding suitably qualified tradespeople to work as chefs. But we have not found an abundance of organisations that are willing to commit to training people up to that level and to giving people apprenticeships. I can see significant value for the industry in the ACT, but is it well and truly supported by the various enterprises that make up the industry here?

Mr Walsh—There has been a mixed response. We have no lack of employers wanting to participate in the program. I think that is a result of the fact that it is very difficult to find appropriate people to work in this particular sector of the hospitality industry. We will probably have more difficulty finding participants for the program than we will have finding employers

that are willing to be part of it. I suppose it is fairly well documented that not a lot of restaurants are overly profitable. From a lot of the work that the restaurants, the caterers and the AHA have done, they would be able to present figures that would definitely support that.

This particular pilot program does create slightly more of a financial burden on the organisation which is employing the apprentices, because they spend twice as much time off the job in training as a normal apprentice would—two days a week instead of the traditional one day. We have found that it is a particularly devoted employer that will support this program. There are certain employers that have come to the table to get information about our pilot program and have just said, 'I'm not paying for that.' Obviously the accelerated program is not for them, and we have obviously avoided including people who have that sort of approach towards the private pilot program. But certainly there is acceptance from the broader industry.

The committee certainly has viewed this as an opportunity for those in the industry who have the financial and physical capabilities to support an accelerated apprenticeship to do something in general for the industry and not just look after themselves. There has been a high enough level of acceptance from industry for this notion of an accelerated apprenticeship. It is more demanding and they need to spend more time and put more structural things in place in the workplace to support the apprentice throughout their initial training phase. They need to put more financial support into the apprentice to get them through the accelerated program.

ACTING CHAIR—Is the way it is structured at the moment that the person participating in this will be assigned to a particular employer? They will become the employer of that apprentice?

Mr Walsh—That is correct. They sign up and we utilise exactly the same registration and employment processes. Tourism and Hospitality Skills ACT work in conjunction with the employers to try to match the candidates on the program to the most suitable workplaces. We have a really broad spectrum of employers involved. Locally, the caterer at Old Parliament House is a very keen supporter of the program. In fact, he has taken on two apprentices out of the initial program because the first one went so well. We have caterers at Defence, we have some clubs involved and we have some smaller restaurants involved. There are also hotels, accommodation and conference centres, so there is a really broad acceptance across the industry. Through Tourism and Hospitality Skills it is so well represented. Restaurateurs and caterers sit on our committee, as does the Australian Hotels Association. It is through those membership networks that we have accessed the employers for the pilot program.

Mr HENRY—You report that 70 per cent of students are employed in the hospitality industry. Just how much training do they get from employers in that capacity? It suggests that there are a pool of workers there who are students at ANU or from training organisations and that they are constantly being churned through.

Mr Walsh—Students currently studying in vocational programs in hospitality and tourism enjoy amongst the highest levels of employment in the industry. There are very few students in the second year of a hospitality or tourism program who are not employed. If they are not employed they probably choose not to be, considering the number of vacancies in the industry currently. The majority of those students are employed on a part-time basis. There is not a great deal of structured training on the job in the industry. Pockets of it that do exist in some of the

larger clubs and some of the larger hotel and catering groups are significantly good. There are a number of organisations out there that hold their own RTO status; either that or they partner with vocational education and training providers in the sector and do work based programs. There is a lot of in-house and on-the-job training that is customised specifically to particular organisations. Everyone does that—some in more structured ways, others in a more one-to-one mentoring way. One of the things about this industry is that it is significantly micro and small business. In the food and beverage sector, restaurant and cafes that are owned and operated by families or single operators make up a majority of the establishments. Obviously, the majority of the employment in that sector is in the larger and more structured environments of conference centres, hotels and larger organisations. They are the ones that have more significant on-the-job training or combined training.

Mr HENRY—Other witnesses have given significant evidence about retention issues and so on. Do you have any evidence that training is assisting the retention of trainees and employees?

Mr Walsh—I certainly do. One of the more significant industry based training initiatives at the moment is currently the partnership between the Canberra Institute of Technology and the Hellenic Club at a local level. The Hellenic Club have engaged every one of their employees in an on-the-job training partnership with CIT and that has significantly reduced their staff turnover in the last 12 months. I could not give you a figure on that, but the anecdotal evidence that has come from the Hellenic Club to the Canberra Institute of Technology has shown a significant decrease in the need to recruit new staff.

I suppose the only thing that they can attribute that reduction in staff turnover to is that the people coming in are being signed onto a certificate II program. They include all their compliance issues around responsible service of alcohol, responsible service of gaming, hygiene and those sorts of things as part of their introduction to a new employer. There is a significantly lower need for recruitment. So there is some genuine evidence out there. There is also a lot of evidence of that coming from TAFE Tasmania. TAFE Tasmania has significantly pushed government funded training hours back into the industry, and that has significantly decreased the recruitment of new staff in the hospitality industry in Tasmania.

Mr HENRY—So is that encouraging smaller restaurant owners et cetera to participate in training?

Mr Walsh—To be quite honest with you, I am not sure. The benefits of that are yet to be fully understood and maybe recognised by the industry in general.

Mr HENRY—That is fair enough. To what extent do Canberra restaurants source overseas chefs or use overseas students on working holiday visas?

Mr Walsh—I do not have specific numbers. The AHA and the restaurants and caterers would probably have more significant numbers. I do know, for instance, that some of the major employers in the hospitality industry in Canberra, such as the Hyatt Group, the Novotel group, through the Accor Group, regularly import chefs to fill positions that they just cannot fill. Some of the notional ideas of the actual skills shortage in the cookery area in Australia range incredibly. I have heard figures of up to 13,000 current vacancies for cooking positions in Australia across the last 12 months. Having said that, the majority of employers whom we speak

to and have contact with have given up advertising. Those shortage numbers are only advertised vacancies. I think one of the really good things is that, every time you walk through a restaurant door, you will see there is always a casual either cooking or waiting on or a floor manager or bar person. There is always a notice on the door, or somewhere, saying that they are short of staff. There are significant shortages in those areas, and a lot more employers on a local basis are starting to utilise skills migration and bring people in from overseas to fill those positions.

ACTING CHAIR—I understand the ACT has had a decline in tourist numbers over the last couple of years. Other than there possibly being too many politicians down here in Canberra, what sorts of factors come into that? What is contributing to the decline in tourism numbers, as distinct from what is occurring in other states and territories?

Mr Walsh—I cannot comment on that. I am not aware of the inbound tourism numbers for the ACT. I am not across that.

Mr Griffiths—Are you talking inbound, as in overseas tourists, or local Australian tourists into the ACT?

ACTING CHAIR—In this case, local, with regard to attracting people.

Mr Griffiths—A number of different surveys have been undertaken and a number of different reports produced on visitation numbers into the ACT. Some reports suggest that international visitors into the ACT have increased over the last two years. Some reports suggest that the number of Australian visitors to the ACT has decreased. Competition is pretty tough. If we look at the campaigns and the dollars that other state tourism offices have to spend—for example, Queensland, which is currently doing a fairly impressive advertising campaign on television; Western Australia and Tasmania—you will see that these are all competitors of the ACT in a tourism sense. Unfortunately, we do not have the funds available to compete at such a high level. So there is bound to be a downturn in visitation figures.

ACTING CHAIR—As I understand it, the Tourism Industry Council convened a meeting with the major industry groups, looking at the critical factors of success up to 2013. What has been planned to date to grow tourism to that extent and, effectively, to look for employment in ACT based tourism industries?

Mr Griffiths—I have only briefly been given the information from that paper. Unfortunately, I have not been in the chair for as long as the work going back. I think it is probably fair to say that many of the forecasts, the predictions and the wish list that were put into that document that you are referring to have been placed on hold, as you are aware, due to the fairly significant budget cuts in the ACT. We can only do what we as a tourism body and as the Australian capital tourism office as such can do with the funds they have. So it is a work in progress.

Mr HENRY—It seems that business tourism is growing everywhere. Canberra, being the nation's capital, would seem to attract its share of business people here, lobbying government et cetera. Do you have any data on the revenue generated by business tourism in Canberra?

Mr Griffiths—I do. Unfortunately, I do not have it with me. But, yes, certainly business tourism or corporate travel into Canberra is extremely strong. I would be happy to send that information through to you.

Mr HENRY—Do you have an ongoing strategy to promote and develop particularly Canberra, as the national capital, in that regard?

Mr Griffiths—There has been some mention of it. There is a draft plan—again, as part of the document we were talking about earlier—to not only retain our corporate travel or corporate business into the Australian Capital Territory but also grow it. There are a number of companies that have their corporate headquarters in Canberra that are not necessarily government. It is the lobbying seat, so that is why a lot of people come into the Australian Capital Territory. But private enterprise is growing in the Australian Capital Territory.

Mr HENRY—Finally, in respect of events tourism and its impact, is that a positive thing here? That is, different events like Floriade and also sporting teams like the Brumbies, the Raiders and others. Do they have a positive impact on visitations?

Mr Griffiths—They do, absolutely. As to Floriade figures, I cannot quote the numbers through the gate, but the numbers were up again this year on the previous year. We have attracted an international cross-country bicycle convention, for want of a better word, in the coming 24 months. That is expected to bring thousands of international visitors in. Events certainly do help.

Mr Walsh—There are also a number of initiatives through the Canberra Convention Bureau, one of those being a group of educational and research organisations getting together and looking to attract major conventions and educational forums to the nation's capital. There are also a number of initiatives around the National Tourism Awards, which will be hosted in the Australian Capital Territory in 2008, bringing together some of the educational and developmental forums around cultural tourism, with the national capital attractions being one of the foremost strengths of the nation's capital.

CHAIR—I have a couple of quick questions. Do you see that we have enough people to do all the tasks? Do we have enough people to make beds, clean the toilets, set the tables and serve the food?

Mr Griffiths—I made comments previously about the overcompetitiveness of the job market. From the employer's point of view, there is certainly a grab for numbers. We need to attract more people to our industry to fill those current vacancies and needs within the industry. I think that is going to be challenge for everyone. The demographic of school leavers is getting smaller every year, and if you look at the number of people who are in the retirement demographic, especially in Canberra, you will find that there are significant numbers of people who will be leaving the industry. One of the things that is significant in the hospitality industry, especially in Canberra, is that we are strong in an educational sense. There are major universities and TAFE colleges and things like that here that attract large numbers of students. A good number of the people in the hospitality industry use that pool of casual or transient workers very heavily to support their operations.

CHAIR—Do you have any idea of whether you are short on people? We had the situation a few weeks ago in Melbourne where Crown Casino apparently had to shut down two-thirds of one of its restaurants—they cordoned it off—during Chinese New Year because they did not have enough staff. Do you have situations like that occurring in Canberra on occasions?

Mr Griffiths—I do not know whether it is as dramatic as having to close an outlet down, but I certainly know of a number of hotel operators who are, for example, still returning rooms to a clean status at seven o'clock at night because there is a shortage of room attendants. I am aware of many restaurants in which the food is piling up on the pass because there are not enough waiters to get it off the pass and on to the table. So there is a shortage of skilled workers in that area.

CHAIR—Thank you for your commentary. Do these budget cuts you are talking about make it harder for you? Are the budget cuts more about the promotion of tourism?

Mr Griffiths—The budget cuts are more about the promotion of tourism.

CHAIR—In some ways you rather go silent in a situation where you have not got enough people to pass the food around, don't you?

Mr Griffiths—We have a fear of losing market share versus growing it. At the very least we need to retain it and we need funds to do that.

CHAIR—I stay here 18 nights a year so I am one of the regulars.

Mr Griffiths—You are an expert guest.

CHAIR—Thanks for looking after all of us so well. I think we keep the cab industry going, but I suppose I could fill the *Hansard* with complaints about Canberra Cabs.

Mr Griffiths—That is another story.

CHAIR—It is another story, and if only Timmy's Kitchen opened on Mondays we would all be happier. As there are no further questions from colleagues, thank you very much for coming to talk to us today. Your evidence about the labour shortages in this employment sector is very important because it does add to the picture we are finding in large and small markets, in both very remote and urban areas.

Resolved (on motion by **Mr Henry**):

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

Subcommittee adjourned at 12.21 pm