



**MARITIME UNION OF AUSTRALIA (MUA)**

**SUBMISSION TO THE HOUSE OF  
REPRESENTATIVES STANDING COMMITTEE  
ON EMPLOYMENT, WORKPLACE RELATIONS  
AND WORKFORCE PARTICIPATION**

**INQUIRY INTO WORKFORCE CHALLENGES IN  
THE AUSTRALIAN TOURISM SECTOR**

**AUGUST 2006**

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#### **INQUIRY INTO WORKFORCE CHALLENGES IN THE AUSTRALIAN TOURISM SECTOR**

##### **1. Introduction**

1. The Maritime Union of Australia (MUA) represents over 11,000 workers in the shipping, stevedoring, port services, hydrocarbons and diving sectors of the Australian maritime industry.
2. In relation to shipping the MUA not only represents traditional marine crew on cargo vessels, but both marine and non marine crew on passenger and cruise vessels. For example, the MUA has represented crew on the Tasmanian Spirit I, Spirit II and Spirit III vessels (and their predecessors) for many years.
3. This involvement with the passenger and cruise sector of the maritime industry provides a unique vantage point from which to comment on the workforce challenges of the Australian tourism sector, specifically as it relates to the passenger and cruise/dive vessel segment of the tourism industry.
4. Generally we see that there are serious problems in recruitment, employment and training practices in the cruise and dive segments of the tourism industry, and that much more needs to be done if the industry is to provide quality employment and career paths for Australians. Nevertheless we strongly support those initiatives which the industry in North Queensland in particular is taking to establish skill formation strategies and to establish integrated Traineeships.
5. In that context we welcome the opportunity to present a submission to the inquiry.

##### **2. Workforce challenges**

6. The key workforce challenge from our experience is the entrenched culture of casualisation, short termism and informality of process across the human resource spectrum. While such a culture matches the culture of much the tourism industry generally and probably derives from the nature of tourism services, which are often temporary and informal, we do not believe that culture provides a strong foundation for development of sustainable labour relations strategies.
7. From our experience, recruitment, employment and training practices all reflect this casual and informal culture and appear to thrive on the basis that the looser the arrangements, the more successful will be the business.
8. Individual businesses may in fact achieve a measure of financial success within this culture, particularly when there is an abundant supply of labour across all occupational categories, and where regulatory agencies are either

too stretched or ill equipped to properly police compliance with the law. However, we put the view that those businesses wanting to operate under more formal arrangements in compliance with the law, who wish to lift standards and who have a long term commitment to the industry are finding it increasingly difficult because they operate under such strong competitive pressures from those who hide behind the short termism culture.

9. Some of the key characteristics of the industry as it operates under this culture, are as follows:

### **2.1 Employment**

- An extremely high level of casual employment
- High labour turnover
- A high proportion of short term jobs, to meet seasonal and demand fluctuations
- A high level of reliance on foreign workers on sponsorship visas i.e. 457 visas
- A high proportion of very young workers
- Minimal training
- Low level of skills
- Skill shortages are emerging in some occupations eg vessel masters

### **2.2 Industrial relations and safety**

- High level of engagement under informal arrangements – much of it effectively oral common law agreements
- No use of collective agreements
- Very little use of Australian Workplace Agreements
- Awards no longer reflect community standards
- Widespread underpayment based on Award standards eg payment of 8 hours pay even if day trips aboard a vessel regularly takes 10 hours port to port
- Very little in terms of non-salary conditions of employment – in essence conditions of employment are below community standards
- Employees required to meet their own costs in terms of gaining and maintaining qualifications such as first aid, instructor qualifications eg dive instructors – and undertake the training in their own time at no pay
- There does not appear to be a strong commitment to occupational health and safety. In any sector characterised by high levels of turnover and use of young inexperienced workers, the OHS risk profile is higher.

### **2.3 Training**

- Induction training, including on vessels where there are substantial safety risks, is generally of a poor standard
- There is little structured training available
- The training that is provided is of questionable quality in some cases
- There are no well established career paths.

## **3. The implications**

10. These workforce characteristics have implications for the future unless systematically addressed.

11. Firstly, the potential of the tourism sector to prosper and grow, at a time when visitor numbers are declining and when Australia is facing stiffer competition from other tourism destinations, is likely to be inhibited if employment and training standards are not lifted.
12. Second, the capacity of the industry to attract and retain labour as regional skill shortages in parts of Australia continues, will become more difficult. This will be particularly so where skill shortages force up the price of labour, which will then have flow on implications back into the lower wage sectors such as tourism.
13. Third, the industry is not building up a committed and skilled core workforce that provides the stability to not only build across the board quality but to position the industry for growth.
14. Fourth, there is no structured career path for young people who may wish to enter and remain in the industry.
15. Fifth, we are concerned at the apparent high usage of immigrants who have entered the country under the 457 visa program. As this is a skilled migration program, we are concerned as to the actual occupations and jobs which such immigrants are working in. We are also concerned that such immigrants are being exploited because the visa conditions require a degree of compliance by the holder that enables exploitation by unscrupulous employers who want a consistent supply of labour, but at a low price. An immigrant on a 457 visa is not as free to move on as say an immigrant on a holiday visa.
16. Sixth, we believe that as occupational health and safety is being compromised by a combination of less than adequate induction training for new staff and variable OHS policy and practice across the industry, that the conditions for a significant OHS incident are present. We also query whether there is adequate OHS incident reporting, and in the circumstances believe there is a low awareness of workers' compensation entitlements.

#### **4. Some solutions**

17. The MUA believes that there are three key strategies that need to be supported by both the Federal and State Governments, particularly in Queensland, to lift standards in the industry.
18. First, we believe the industry associations and industry employers, with the support of Government, need to commit to a more structured industrial relations strategy that establishes a framework for recruitment, employment and career progression and which discourages exploitative labour relations practices. Such a framework might take the form of an industry code of practice in the first instance, and over time could evolve into other forms of acceptable employment agreements, such as collective agreements under relevant industrial relations legislation.
19. Within such a framework, industry employers could confidently recruit and reward employees knowing that minimum standards exist across the industry

and that there is no need to breach those standards to maintain competitiveness.

20. Second, we believe that recent initiatives under the Skills Formation Strategy which are aimed at establishing a new multi faceted qualification for cruise and dive vessel employment should be given stronger support by Government.
21. Such a training program could equip employees to operate effectively across all the occupations, from deck operations, to catering and hotessing, tour guiding, to dive instructor etc. There should also be a means whereby employees who have sea experience and who wish to take a marine career pathway can be directed into engineer and master training so that there are complete career paths, as well as opportunities for onshore managerial roles for those who favour a non-marine pathway but who nevertheless wish to remain in the industry.
22. The Qld Government's initiative to obtain expert advice on the possible establishment of a marine skill centre in North Qld is a welcome development and if it comes to fruition would provide an ideal institution to train employees who wished to establish a maritime career within the tourism industry.
23. It will be important that the industrial relations standards are improved and standardised in line with improvements in training and career path opportunities. It is important that those who invest in training have a reasonable expectation that the investment will remain either in their company, or at least within the industry. An appropriate industrial relations regime is the key to staff retention.
24. Third, closer attention needs to be given to OHS policy and practice, which, as far as maritime related tourism services are concerned, needs to be closely linked to maritime or vessel safety arrangements. In addition, we believe State agencies need to work with the industry to ensure there is appropriate OHS incident reporting for data analysis purposes and that employees are made aware of their workers' compensation entitlements.