

SUBMISSION 54

INQUIRY INTO THE CURRENT AND FUTURE DIRECTIONS OF AUSTRALIA'S SERVICE EXPORT INDUSTRY SUPPLEMENTARY SUBMISSION FROM WA HOSPITALITY AND TOURISM INDUSTRY TRAINING COUNCIL (INC)

Responses to questions on notice from Mr Ciobo

1. Legislative Issues Referred to in Public Hearing

Liquor Licensing: Changes recently made to the Western Australia liquor licensing laws to modernise them and provide better service to locals and tourists. The changes have freed up the market and provided for a more European dining experience. However while these changes have been made at the state level, local Council by-laws have hindered their full implementation. As an example, restaurants can now serve alcohol without a meal being served. Many restaurants have tables situated on footpaths that are under the control of the local council. Local councils are refusing restaurants permission to serve alcohol to tables located on the local council controlled footpaths. This ludicrous situation hinders the full implementation of the changed liquor licensing laws that were intended to provide greater flexibility for the industry and community.

Retail Trading Hours: These need to be extended from their current hours to late night trading to 9.00 pm, Monday to Friday and all day trading on Saturday and Sunday. These changes are imperative as a means to providing a level of service and opportunity for tourists that they can experience in their own countries and other countries that they visit. Our retail trading hours are archaic and need modernising to provide for tourists. Tourists to Western Australia find our retail trading hours quite unusual and certainly do not add the States economic growth and prosperity. In addition the antiquated retail trading hours do not allow our small businesses to grow. Research has shown that small businesses in Western Australia are unable to take advantage of economic growth and prosperity currently being experienced in this state.

Legislation in Western Australia appears to about restricting activities rather than regulating activities that need regulating. There is a maze of legislation and red tape that make it difficult for businesses to operate and grow with prosperity that is being delivered by the current economic boom to the community of Western Australia. The variety of legislation and red tape is spread between both State and local council jurisdictions. Each jurisdiction had different requirements and by-laws and each local council have different by laws, combine this with the large number of local councils and the difficulties faced by many in this industry become all the more apparent. The planning approval process is another area where there is often friction between the State legislation and local council town planning schemes. In recent years there have been a number of tourism projects that have had a rough start to being developed as opponents of the development have fought to ensure that the projects were either not undertaken due to additional planning requirements being added or the State Government intervened and overruled the decision of the local Council.

2. Perception of the Tourism Industry

Many people have a limited perception of the tourism industry. They see an industry that offers part-time, low paying jobs in hotels or restaurants, jobs that tide people over until they find a “real” career. Certainly, these types of positions exist, and they offer necessary entry-level experience many young people as a first job. But what about the interior designers, controllers, destination marketing agents, event planners, museum curators, guides, chefs and landscapers? They are just some of those in the “hidden” careers within the tourism industry. As for the pay scale, statistics can be deceiving, considering the number of people who take advantage of the flexibility offered by the tourism industry to work on a part-time basis. Statistics also seldom reflect the additional benefits offered to many tourism employees, such as clothing and footwear allowances, dry cleaning services, free meals, gratuities and staff discount rates at properties around the world.

Tourism is a highly mobile industry. The skills learned in most tourism occupations are highly transferable to other sectors in the industry, including accommodation, transportation, food and beverage service, event and conference planning, attractions, tourism services, outdoor adventure and recreation just about anywhere in the world. The industry also provides opportunities for quick advancement, which allows conscientious and dedicated individuals to rapidly ascend the career ladder.

Individuals can enter the tourism industry directly from high school or while in high school in a part-time job. As a global industry, tourism affords numerous opportunities to study in this discipline. The variety of responsibilities, the chance to work with people from around the world, the potential for rapid advancement, training opportunities and perks...these are just some of the many reasons that attract and keep hundreds of thousands of tourism employees interested in this dynamic industry.

Tourism is an industry with a weak internal labour market. There are no set educational requirements for employment in most occupations, and neither pay nor promotion has been linked to certification. The workforce development strategy should therefore focus heavily on recruitment and retention initiatives, not just on training tactics.

Suggested Solutions

- Increase marketing efforts to the general public by compiling and publishing more information on tourism jobs.
- Expand career awareness activities beyond secondary school students.
- Maintain a strong tourism presence at job recruitment and career expos.
- Invest in teacher education, especially for those delivering career information and guidance.
- Develop a tourism HR gateway web site that will provide job seekers quick and easy access to industry information, company-specific job postings, and pertinent training programs.
- Keep tourism as one of the approved pathways for secondary school students.
- Use “employees first, customers second” business development strategies.
- Volunteer to present at career expos and other school or community events.
- Establishment of a Tourism Careers Promotion Group to prepare a national recruitment plan for the industry
- Establish an industry working group with representatives of the industry to develop, industry-wide, a guidance programme on how to manage the increasing cultural diversity that characterises both the employee and customer base of the tourism industry in Ireland.
- Strategies to upgrade skills in the tourism industry need to demonstrate more holistic solutions based on partnerships and dialogue between training institutions,

the tourism industry, and other major stakeholders, like public authorities, such as the example currently being developed in WA. (Attached paper)

- Strategies need to go beyond training and view “learning”, in a wider sense, by clearly combining teaching and practical experience elements. The direct correlation between learning, employment, and labour environment makes it necessary to take into account economic and social dimensions when upgrading skills.
- Increasing collaboration and communication between the industry and the educational institutions regarding industry needs and human resource planning. Increasing communication, support, and collaboration between the industry, employer training providers, educational institutions, as well as unions.
- Increasing collaboration among the industry and other groups to ensure that employees’ basic needs are being met (e.g., housing).
- Encouraging industry professionals to visit schools and talk to students about the types of jobs and advancement opportunities offered by the industry
- Providing accurate information about the industry career opportunities that are available
- Developing new and supporting existing educational programs for the workforce that are focused on topics such as the natural environment,
- Supporting ongoing education and training opportunities for the industry workforce
- Encouraging the development of certification, award or recognition programs to ensure a certain level of service is provided to visitors.
- Developing communication and outreach programs to increase awareness for the diverse range of career opportunities available within the industry.
- Conducting resident sentiment and workforce sentiment surveys to understand the value, concerns and needs of visitor industry employees
- Supporting internship programs that offer educational and employment opportunities
- Developing programs and activities that motivate the workforce.

Case Study from Portugal: + Algarve

Target group: Individuals facing seasonal unemployment and applicants for unemployment benefits in the low season.

Objectives: To reduce seasonality of tourist employment in the region and raise the quality of the tourist services by having enterprises take on staff on contracts for a minimum period of 2 years.

Activities: Appropriate vocational training.

Organisation: Regional partnership of employers, workers, business associations, trade unions, tourism organisations and public authorities and educational institutions.

Funding: Financial compensation to enterprises for the time devoted to training their employees

Case Study from Italy: The IFTS training pathway

Briefly, the *IFTS* training pathways are:

- Designed and managed in an integrated manner between different organisations such as schools, training centres, universities and enterprises or consortia of enterprises;
- Drawn up with the assistance of the social partners to ensure a link between training contents and world of work;
- Extremely flexible, entirely module-based, open to different user-ships;
- Designed to train specific and clearly identified professional profiles. They may address young students or employed adults to encourage the right to training at every stage of life or, in special versions, non employed or unemployed adults to create new job opportunities.

The general purpose of the *IFTS* projects is to give concrete form to a *new post-secondary-school training pathway* as an addition and integration to the existing pathways of university, school and vocational training.

It should be noted that during my research I was unable to locate any examples of organisations that had developed programs that were successful in breaking down the perception of the industry that most of the research references referred to. Many examples of things that should be undertaken to break down these perceptions were provided, however anecdotally I have now heard of restaurants showing potential staff the awards that the restaurant has won as a means of demonstrating that staff work hard but are rewarded intrinsically for their hard work by being a member of an award winning team. A sense of pride in their job, or job satisfaction. This could be extended to young people and their parents being provided with tours of particular establishments and speak to real people working in the industry.

3. Portability of Long Service Leave

There are now a couple of industries that have portable long service leave available to its employees. The most well known is the of building and construction industry where portable long service leave has been in place for a number of years. However, after some research, it was discovered that the Anglican Schools Commission (Queensland) provides a portable long service scheme for its employees, as does the contract cleaning industry in the ACT and Queensland. Similar schemes are found in the stevedoring and coal mining industries. The coal industry scheme at a federal level has been the subject of a thorough review with a report to the federal Minister with recommendations in 1999.

The Anglican Schools Commission Portable Long Service Leave Scheme was established in 2001 to provide a system of portable long service to operate which allows employees to transfer between Queensland Anglican schools in the Group (whether owned by the Diocese or otherwise) without prejudice to their long service leave accruals.

The Contract Cleaning industry in the ACT has portable long service leave with all relevant employers being registered with the scheme and paying the required statutory levy as prescribed by the legislation and its regulations. In the ACT, the portable long service leave scheme is overseen by the ACT Cleaning Industry Long Service Leave Board. The Board does not directly employ staff but cost shares the human resources of the ACT Construction Industry Long Service Board. Employees under this scheme do not qualify for a long service leave benefit less than 5 years other than for health reasons or death.

In reviewing the contract cleaning industry's portable long service leave scheme, the similarities between the SMEs in both industries was apparent. Workers who are highly mobile, constant daily demands for service, seasonal nature of the work, small profit margins for the businesses, large numbers of small businesses. It would seem that the establishment of a statutory model would be the best option for implementing a portable long service scheme for the tourism industry in terms of coverage and compliance outcomes and industry support. Long service leave benefit payments would be expended from the scheme's funds pool rather than by an employer. Effective enforcement measures would ensure employer compliance as the greater the employer compliance the better the scheme's chances are of becoming financially viable within a short time frame and then remaining viable in the long term. Obviously, a lack of

effective enforcement measures would undermine the scheme as well as industry confidence in the scheme. With the establishment of a statutory model, the approach taken should be similar to that of the building and construction industry, however rather than the levy being based on the total value of the contract, it should be calculated as a percentage of ordinary wages paid to workers in the tourism industry. The actual levy percentage should be calculated by an independent actuarial to ensure that the amount of the levy is sufficient to meet the obligations to pay long service leave benefits and to meet the operating costs of the portable long service scheme.

This statutory model will ensure that there is consistency of application across awards and agreements in the industry and should cover all workers, not just those who have a right to long service leave contained in their current industrial agreements. Compliance will have a positive impact, as it will ensure that workers are paid their correct wage entitlements (such as superannuation) rather than the current cash economy that is still operating in some sectors of the tourism industry (restaurants). It may well assist in other areas as well such as workers compensation and the Goods and Service Tax. Further encouragement to employers to comply could be provided by exemption from pay roll tax of contributions made by employers to a portable long service scheme.

This scheme would impose an appreciable cost on part of the community, as employers in the tourism industry will be required to pay a levy calculated as percentage of ordinary wages paid to workers engaged by employers in the industry. (averaging). The scheme will require every employer in the industry employing workers to contribute to a funds pool on behalf of each of their workers throughout the period of employment. At the end of the appropriate qualifying period in the industry, the worker applies to the statutory organisation for payment of accrued long service leave. The scheme will be entirely self funding by the industry and its stakeholders with no funds being provided by government. To minimise the establishment costs, this scheme could be collocated with the Construction Industry Scheme as this is already established.

The Tourism industry will primarily benefit from such a scheme, as the availability of portable long service leave benefits for workers will encourage them to remain in the industry. The community will benefit from the reduction of injury or illness of workers incurred because of overwork and the inability to take long service leave. Inability or unwillingness by workers in the industry to take appropriate breaks for rest and recreation places a significant degree of pressure on families that consequently places pressure on social cohesion. The ability of workers to take paid long service leave contributes to an easing of financial and social environment pressure. Overall, I consider that such scheme would have a positive effect on the industry stakeholders and the community in general.

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