

Regional Recruitment & Retention Issues – Daydream Island Resort & Spa

Daydream Island Resort and Spa is a 296 room, 4 ½ star resort within the Whitsunday region. We employ anywhere from 220 – 300 staff dependant on the season.

As an island resort, employment opportunities on Daydream vary from hospitality professionals (such as housekeeping, food & beverage, kitchen and reception staff) to Engineers, Spa Therapists, qualified Watersports Attendants and Nurses.

The current staff turnover for Daydream is 149.70% year to date; much of which is attributed to the use of working traveler labour. For 2005 the staff turnover was 262%.

The average length of stay is currently 115.2 days year to date. For 2005 this average length of stay overall was 106 days.

Daydream Island Resort and Spa faces several issues with the recruitment and retention of our team, and internally focuses on management and continual improvement to ensure that these are best managed. The two major external factors that are contributing to these issues are regional skills shortages and lack of infrastructure to support the population in the local area.

Skills Shortages

We currently experience skills shortages in the following areas which are governed by the Department of Immigration guidelines (Australian Standard Classification of Occupation -ASCO*) for immigration of skilled professionals:

- Chefs/Cooks
- Pastry Cooks/Chefs
- Hairdressers
- Electricians
- Mechanics

Unfortunately we have found the immigration process a timely one, with application to approval times ranging from six to sixteen weeks.

However, the following skills shortages raised by Daydream (and the region) are not currently covered by Department of Immigration guidelines. These are considered an ASCO code nine, and skills shortage immigration can only be completed on codes one to seven, meaning that the following are not covered by these guidelines:

- Room Attendants (Housekeeping positions in general)
- Kitchen Stewards
- Food & Beverage professionals

These positions are considered unskilled, despite the fact that we experience training periods of three to twelve weeks with each position to ensure that the role is completed to standard. With continual turnover of employees within these positions, maintaining the ambience and service required of the resort is a continual issue. Training resources on the island are focused on this.

The other issue with these positions, is that they do not meet the minimum salary level required to immigrate employees, and to maintain a team at the level of salary required by the Department of Immigration (even with regional salary exemptions) cannot be maintained by the business.

The Skills Shortage Issue:

- Due to the full employment and economic growth that Australia is now experiencing skills shortages have resulted across many areas, including the entire Whitsunday Region. (Full employment is defined by the Australian Bureau of Statistics as a 6% unemployment rate, currently Queensland is experiencing an unemployment rate of 4.5%).

- The local population is not hospitality skilled. Furthermore, this demographic is not interested in working in areas such as Housekeeping and Food & Beverage. (We have tried but failed with enticing return to work parents to join our team).
- Due to the fact that we are an “island” and can only offer limited transport, we cannot use the “junior” workforce (such as students) to resolve skills shortages from the local population.
- To deliver and exceed expectations of our guests, we require qualified and professional employees; efforts with traineeships in this respect have most often not met business requirements.

Efforts to date to improve this, and address the skills shortages have included the following:

- Meeting with various local training providers
- Providing extra in-house training/development, and community events to entice employees to stay
- Monthly regional Human Resources meetings to pool resources and work on solutions to the issue.
- Meeting with Deanne Kelly (Parliamentary Secretary and local Federal Member of Parliament) as a region to bring this issue to the forefront.
- It is my understanding that Deanne Kelly had raised these issues to Amanda Vanstone on the region’s behalf.

Issues raised at this meeting include:

1. Delay times between appointing a person from overseas and response from the Department of Immigration, Multicultural and Indigenous Affairs following application for sponsorship and nomination.
 2. The inability of all island resorts to recruit and retain skilled persons (non-trade qualified) in areas such as Housekeeping due to local and national skills shortages in this field.
 3. The issue with use of 3 month working VISA employee’s long term.
- The proposed resolution from these meetings is to create a Skills Shortage Listing similar to the Sydney/Gosford area, in order to address skills shortages through immigration of the right employees. (This has been in progress since November 2005)
 - Deanne Kelly is also going to investigate the possibility of adding the island resort industry to a similar program to the fruit picking industry. This would mean that island resorts would be able to keep working VISA employees for up to 12 months.

To date the only changes to this has been to the Working Holiday Maker Visa to allow persons who apply for a Visa after 1st July 2006 to work for each employer for a period of up to six months (instead of three). However, as these persons are only permitted to travel the country for 12 months (unless they work regionally) they are unlikely to stay with one employer for this period.

The Queensland Government are currently aware of issues related to skills shortages, this is evident through expos being run in May (jointly with Department of Immigration, Multicultural and Indigenous Affairs) and August to try and attract quality personnel to the area.

However, they have been slow to respond, and these responses appear to be band aid solutions which do not resolve the core issue of the lack of available labour.

Other associated issues:

The continual training and recruitment costs to the business, as well as loss of corporate memory making it harder to provide the consistently high level of service we pride ourselves on.

- Recruitment Expenses have exceeded \$60,000 over the last financial year. This figure does not include the time spent trying to source labour.

- Loss of business knowledge and corporate memory has resulted in completion of extra service training standards across the resort to ensure delivery of the desired product is maintained. This is aimed at managing turnover within the business.

We have used the following as interim solutions:

- Local and national Labour Hire companies. These companies are costly, and currently using the same working holiday maker VISA labour as Daydream Island Resort and Spa is. This results in wasted time and costs, and the similar issues from above.
- Sponsoring of international interns, we currently have eight working with us, and are looking at increasing this number. Delays with immigration are one of the main associated issues.

Our commitment:

We have committed to the Recruitment, Training & Development, and ensuring an exceptional Staff Community for our team. This is aimed at ensuring that our employees are happy and content in both their home and work lives, and the extension of staff longevity through this.

To this effect, the following have/are taking place to improve our staff environment:

- We have recently approved plans for a \$60,000 upgrade to our staff accommodation facilities. This is primarily aimed at the South Staff Canteen and will include a new BBQ area, television room and bar.
- The recent introduction of more training (both internal and external) to provide skills and qualifications to the standards of the National Framework, and motivate our teams.
- Offering the experience by providing activities and events to employees so that they enjoy their time working for the island.
- Daydream Island Resort and Spa has increased salary levels to significantly above current standards in an attempt to attract experienced, skilled Housekeepers, and this has had limited success. Advertising for this has taken place across Australia.

***Explanation of ASCO**

ASCO is the Australian Standard Classification of Occupations as set by the Australian Bureau of Statistics. The coding system has 9 levels. Under the current guidelines Daydream Island Resort and Spa are able to sponsor for skilled roles that fall under levels 1-7.

Lack of Infrastructure in the local area

As an island resort one kilometre long with to the close proximity to the local township of Airlie Beach, Daydream Island Resort and Spa is one of many island resorts that relies on the local area to support a proportion of our team. Effectively 54.16% of persons employed by the island are in "commute roles" ensuring that they live in the local area, and come to work via ferry each morning, departing in the afternoon.

Due to the size of the island, and facilities provided to guests, it is not practicable for more employees to enjoy a "live on island role".

Positions that commonly commute to work include the following:

- Housekeeping (including Room Attendants, Public Area Cleaners and Laundry Attendants)
- Finance (including Accounts, Payroll, Purchasing and Store persons)
- Engineering (including Mechanics, Electricians, Room Technicians and General Hands)
- Sales & Marketing (including Reservations)
- Beauty and Massage Therapists
- Childcare Attendants

The main issue associated with the lack of infrastructure in the local area is that of the lack of affordable housing. This issue was recently documented through a report produced by Mr. Frank

Hornby of Social Planning Services in November of 2005 presented to the Whitsunday Shire Council. Mr. Hornby in this report has stated that *"It was strikingly clear during my investigation, that the affordability of housing for lower income households has become increasingly difficult (some would say impossible) within the (Whitsunday) Shire. It is a situation that is well recognized by Civic and Industry leaders."*

The Queensland Department of Housing's database on private rental trends in the Whitsunday Shire indicates the increase in rental costs between 1998/99 and 2004/05 as:

- 44% increase in the rental cost of a 2 bedroom unit (advertised costs documented as being between \$185-\$350 per week in November 2005)
- 54% increase in the rental cost of a 3 bedroom house (advertised costs being between \$300 -\$480 per week in November 2005)

Key statistics to note regarding this issue in the local area include the following:

- Since completion of the aforementioned report in November 2005, average rental prices have risen another \$60 per week for a three bedroom house in the Shire. (As documented by the Whitsunday Development Corporation)
- Among the lowest 40% of income earners within the Shire, approximately 65% are paying housing costs in excess of the 30% (of annual earnings) benchmark. This benchmark is set by The Queensland Department of Housing's definition of affordable housing. (As documented by Social Planning Services)
- There is currently an estimated eight year waiting list for Department of Housing accommodation within the Whitsunday Shire. (As documented by the Whitsunday Development Corporation)

Contributing to this issue is the burgeoning success of the region, of which Daydream Island Resort and Spa is part of.

As collated by Tourism Whitsundays, the number of annual visitors to the region has increased from 675,000 in the year 2000 to 715,000 in 2004. This figure is estimated to continue increasing with more Australians choosing domestic travel destinations.

With this increase in visitor numbers, the increase in tourism professionals to maintain standards within the region has placed extra pressure on housing.

Daydream Island Resort and Spa Human Resources have documented cases of the lack of available accommodation contributing to the premature resignations of employees. Such examples include employees living in tents and caravan parks for long periods, and in overcrowded share accommodation arrangements due to the lack of other available solutions.

The following interim solutions have been utilized (and continue to be) by Daydream Island Resort and Spa:

- The organisation of temporary backpacker style accommodation for new employees relocating to the region
- The organisation of caravan park style accommodation for new employees relocating to the region
- Recent efforts have also been put towards the rental of share accommodation by the resort for employees to utilize.

However, it can be seen that with aforementioned efforts to increase the longevity and career development of our team, this issue, and inability to provide a timely long term solution place impact on the resort's ability to develop and maintain a high quality team, which in turn impacts on the delivery of our product.