

CORRESPONDENCE FROM ATEC MEMBER – ONE EXAMPLE

Hi Matt,

I have been asked by to email you some of our issues in relation to the labour shortage we are currently experiencing.

At [company name deleted to protect confidentiality] we employ around 2,200 team members, and with the current labour market as it is, we have been sitting at average weekly vacancies of 100+. These vacancies range across the property, however, the areas of particular difficulty in filling have been the trade positions, namely Chefs & Engineering. There seems to be a drastic lack of qualified tradespeople coming through the industry, and a lot of our qualified people are going overseas for better paying jobs.

We also seem to be now struggling with filling the entry level roles like Housekeeping, Stewarding and even Food & Beverage. These are positions that we do not require too much, if any, previous experience to apply, however, the major hick-up we have in this area is the requirement to work rotational rosters.

It appears that we are getting a lot of people migrating to the Gold Coast, however, they generally migrate for lifestyle, hence the idea of working weekends and rotating 24 hour rosters does not appeal, that's where our problem lies. Also, with the market being a candidate one, they have many options out there to choose from, which has also attributed to the increase in turnover.

Overall, it is a constant struggle to try to not only hire the correct staff, and get the people in the doors, but with the labour market in this condition, it is becoming more of a struggle to keep them once you have them.

ARTICLE APPEARING IN THE COURIER MAIL

“Trouble in paradise” by Melissa Maugeri

2 October 2006

IDYLLIC locations aren't enough to attract skilled workers to tourism jobs with three-quarters of business owners worried about chronic staff shortages.

As many businesses try to find workers for the upcoming Christmas season, Queensland Tourism Minister Margaret Keech said the State Government was working with industry groups to try to find long-term solutions to the labour shortages.

Ms Keech said the key was to find ways to make the sector a career of choice rather than a casual job.

One of Queensland's most luxurious resorts, Hayman, has more than three dozen vacancies on its books and is in the process of recruiting for the resort's busy Christmas/New Year period.

Hayman marketing communications director Sally Morgan said the group had sought help from training body, The Hotel School, to identify students to work on Hayman during the break.

Ms Morgan said recruitment drives on the mainland in the Whitsundays and via the Hayman website were also used to find quality staff.

"Our Human Resources Department provides ongoing training and career and self development courses throughout the year," Ms Morgan said.

She said as well as maintaining high service standards the courses helped keep employees happy.

In Port Douglas, trades people and hospitality and cleaning staff are in short supply.

Port Douglas chamber of commerce president Ken Dobbs said high cost of housing in the popular tourist town meant bus loads of cleaning staff came in from Cairns daily to service the industry.

"Another problem is the seasonal nature of work, we need about three times the amount of workers during July to September than at other times of the year," Mr Dobbs said.

According to Australian Tourism Export Council managing director Matthew Hingerty, finding workers is an industry-wide problem.

An online survey by ATEC found only 14 per cent of tourism business were not having difficulties securing permanent employees.

Mr Hingerty said almost half of respondents also said labour issues were holding back business growth while two-thirds said the problem was affecting customer service levels.

But Ms Keech said she had not heard of any Queensland operators forced to close or scale-down operations due to staff shortages.

She said in some areas like Mackay, where many workers left hospitality jobs for the mines, some were already returning to the coast.

"There is no life balance for them (at the mine sites) and some are coming back to tourism jobs for the lifestyle," Ms Keech said.

Mr Hingerty said the tourism industry had been lobbying the Federal Government in support of a range of issues aimed at attracting more workers.

These included extending the existing working holiday scheme for backpackers to allow them to work longer in one place, introducing a working holiday type visa for US citizens, and encouraging foreign worker visas to be made available to the industry.

But Ms Keech did not support the foreign worker visas.

"Lower wages and conditions are not a solution, we need to look at ways of attracting more people into the sector," Ms Keech said.

A TEC also recently supported a proposed Federal Government plan to pay unemployed workers \$5000 to relocate to regional areas for work.

CORRESPONDENCE TO PHILIP NOONAN, DITR IN RELATION TO TMAC ACTION

Thursday, 21 September 2006

Mr Philip Noonan
Head of Division
Dept of Industry, Tourism and
Resources
GPO Box 9839
CANBERRA ACT 2601

By fax: 02 6213 7097

Dear Philip,

TMAC action item on labour issues

I write on behalf of the Australian Tourism Export Council (ATEC) in response to the call for action on tourism industry labour force issues as discussed at the recent Tourism Minister's Advisory Council Meeting. I would like to place on record our thanks to the Minister for her support for taking forward what we believe to be the most serious issue facing the industry today.

ATEC has conducted both quantitative and qualitative surveys of our members on this issue. While at this stage the samples are small I believe them to be a reflective cross-section of our membership.

Please note that ATEC is making a submission to the House of Representatives Employment, Workplace Relations and Workforce Participation Committee inquiry into workforce challenges in the tourism sector. A number of our members, including Tourism Whitsunday's, Hamilton Island, Voyages Resorts and Mirrambeena Resort have also made submissions and should be read as an adjunct to this letter.

We believe the surveys findings outlined below will be useful for TMAC's actions going forward. The quantitative surveys underline the depth of concern in the industry over these issues. The qualitative survey highlights a number of operational issues that my not have been illustrated thus far.

QUANTITATIVE SURVEYS

ATEC conducted two discreet surveys of our members. The first, a quick poll on the website of our magazine, **atx** asked:

Is it hard to find permanent staff in the current economic climate?

Strongly agree

26%

Agree	50%
Neither agree nor disagree	9%
Disagree	9%
Strongly Disagree	6%

ATEC is conducting a more detailed survey as part of a membership-wide survey of ATEC services and related issues. Questions and results thus far:

Labour

Q1) It is difficult to find labour

Strongly Disagree	0%
Disagree	13%
Not Sure	13%
Agree	47%
Strongly Agree	27%

Q2) The difficulty in finding labour is holding back the growth of my business

Strongly Disagree	0%
Disagree	20%
Not Sure	30%
Agree	47%
Strongly Agree	3%

Q3) The difficulty in finding labour is affecting the level of service to customers

Strongly Disagree	0%
Disagree	13%
Not Sure	20%
Agree	50%
Strongly Agree	17%

Q4) The changes to the "Working Holiday Maker" visa from 3 to 6 months in any one place will help ease labour shortages

Strongly Disagree	0%
Disagree	13%
Not Sure	50%
Agree	30%
Strongly Agree	7%

Q5) The 3 months qualifier for a two year WHM visa by working in agricultural industries should be extended to hospitality and tourism

Strongly Disagree	7%
Disagree	0%
Not Sure	33%
Agree	50%
Strongly Agree	10%

QUALITATIVE SURVEY

In response to the Minister's call for case-studies to illustrate the impact of these shortages on commercial operators, ATEC asked its members to provide a response via its Member's Update. Below is a selection of those responses. They are presented unedited other than some slight changes to protect the confidentiality of the business in question (although even without references at least one is easily identified). Should the Department or the Minister wish to reproduce these in public it would be appreciated if permission be sought of the business via ATEC.

These vignettes eloquently illustrate the operational difficulties faced by ordinary tourism businesses in the face of acute labour shortages. A number of other verbal representations have been made to ATEC. Amongst those include:

- A number of parliamentarians have simplistically suggested that all that is needed to address the problem is "more training". However, ATEC members have identified a significant drainage of skilled Australian workers overseas, in particular to aggressively emerging destinations such as the Middle East. For example, Australia's casinos are suffering a major skilled labour leakage to Macau.
- The 457 Visa ill-fits the needs of the tourism industry. The minimum salary threshold is too high for a number of semi and unskilled rolls in strong demand.
- There are acute shortages in a number of specific trades. Drivers have been identified below. A number of ATEC members in Northern Australia have identified the shortage of refrigeration mechanics.

RESPONSES

Australia-wide tour operator

We recently took about 6 weeks to find an accounts receivable clerk in Melbourne. Very few applications and in the end we had to go to an agency and even then it took a few weeks before they could introduce an small short list of people.

In the reservations area until earlier this year we would get an average of 37 applications, now the same advertisement will generate on average 12 applications, and many are unsuitable for the position. We recently advertised for 4 positions with a total response of 13. Same advertisement, same company and uncharacteristically poor result.

In the tour areas we have been struggling all year to find drivers/guides in the Northern Territory and Kimberly. A recent advertisement generated only 3 responses on SEEK so we advertised in 8 country newspapers with an overall response of about 20 and of these only about 3 were possible short list candidates. We have had to use our managers to act as tour guides in Alice Springs.

Tour Operator

As a result of the above factors, (we have) been forced to move to utilising labour hire contractors to fill positions we have been unable to through traditional methods. This has resulted in a far greater dollar cost to the Company due to paying a 'premium price' for labour, a trend which is set to continue for some time to come.

Current skill shortages exist in a number of areas;

- ≈ Trade, in particular those positions in the Engineering fields including Motor Mechanics, Auto Electrician's and Diesel Fitters
- ≈ Administration, in particular those positions which require high end skills and abilities including, Accountancy, Reservations, Operations and Administration Management.

Trends have been observed for emerging skill shortages in the following areas;

- ≈ Drivers, in particular those positions which require Employees to hold Heavy Vehicle Licenses and Drivers' Authorisations with Queensland Transport

Consider implementing/ removing some of the interstate boundaries which exist to moving between jobs of similar skill sets under such arrangements as 'seasonal contracts'.

For example: In the state of Queensland to be licensed to carry commercial passengers on a transport vehicle a driver is required not only to possess the relevant classed license but an additional license known as a Driver's Authorisation. The Authorisation covers both a criminal history check and medical assessment to ensure that drivers are of sound state, mind and body to undertake the responsibility of passengers.

If holding a similar license in the Northern Territory, known as an 'H' Endorsement, it is not recognised in Queensland and new applications are taking up to six (6) weeks to be approved.

The Australian Government needs to facilitate a consistent approach to regulations impacting on the hire of employees in the tourism and hospitality industries, to provide a more streamlined and efficient approach. This will make it easier for employees to move around Australia and transfer their skills and expertise.

Investigation should also be conducted into the development of a national tourism employment database/portal that would assist tourism industry employers to manage their varying requirements for staff throughout the year and to recruit.

Canberra-based, expanding hotel group

In a word....Help!

We as a hotel group with three properties on Canberra and currently employing over 150 front line staff are constantly faced with staffing shortages, or skill shortages.

We recently ran a blanket add in the Canberra Times for a number of positions, in Housekeeping, Maintenance, Front Office, Food and Beverage and Sales and Marketing.

The response to this advertisement was appalling with a small handful of applicants in total; some of the positions advertised received no applications at all. We experienced the exact same response 2 months prior when we undertook a similar recruitment drive. We are now in a situation where we are constantly short staffed in Housekeeping and food and Beverage and there are individuals in middle management or Supervisor roles who have been "fast tracked" as suitable skilled applicants were not attracted. In my opinion, we are in the midst of a Chronic Skills Shortage and this situation is particularly bad in Canberra as we have to compete directly with the Federal Public Service who offers a plethora of opportunities on a weekly basis with much higher salaries and benefits and more ideal working conditions and hours. Since I have been in my role (2 years+) we have experienced considerable loss of employees at all levels to the public service.

We are in the process of building a 5 star 160 all suite hotel and large conference facility in Barton in the parliamentary circle. This will be Canberra's second 5 star hotels and one of the largest and most flexible conference facilities with a hotel environment.

This development will require a large number of suitable trained or qualified individuals across all sectors of the business. Our conference facility alone will allow us to serve a hot sit-down dinner for 440 people. I am greatly concerned as to how we are going to be able to attract and keep enough staff to run this operation at the level it must to maintain market share.

I represent the AHA on the ACT Hospitality Skills Shortage Committee...We have recently launched the Accelerated Chefs Apprenticeship Scheme, allowing an individual to fast track to qualified Chefs rather than 4. This initiative was extremely well received by the industry and the applications for participation were high. This is only one of the issues we deal with on the committee to deal with the ever growing problem of the Skills Shortage.

Matt, I hope this give you a bit of an insight into what we, as a major employer in the ACT are dealing with on a daily basis.

Northern Australian eco-tourism operation

I just want to confirm that we also find it hard to source skilled service and kitchen staff for our new fine dine restaurant which caters largely to upmarket tourists. We had to

employ a French head chef and Chef de Partie from overseas. The sponsoring process works but it is far too slow. It took 3 months to finalise everything. Some requirements are outdated, e.g. a test for tuberculosis for a European is just ridiculous. We had to delay the opening of our restaurant. I am very worried in case we lose our head chef suddenly to replace him. It is almost impossible to find well qualified chefs in Australia. If our head chef would decide to leave with short notice for whatever reason we would be in a serious situation. It is no problem to bring in skilled labour but the process is far too long and complicated.

We need more long term training programs and a relaxation of immigration processes for skilled labour in the tourism and hospitality industry.

Northern Australia resorts

Thanks for the opportunity in your latest ATEC newsletter to share our labour shortages issues with you. I sincerely appreciate ATEC taking up this matter with government.

As a 5 star resort in North Queensland, labour is by far our biggest issue in providing a consistent quality service experience for our guests.

The industry is having such an explosion of accommodation product and restaurants that we seem to be in a situation where the population base is not of a sufficient size to provide the employee base to draw from. Critical areas in order of difficulty are as follows:

- Chef de Partie (section Chefs)
- Room Attendants
- F&B service staff

Our situation in north Queensland is also exacerbated by the fact that with demand outstripping supply, even room attendants prefer to work through an agency where they are paid higher hourly rates. This produces a double whammy for the industry as not only are we in affect paying more per hour for each of these agency staff, but we pay agency fees on top of the higher hourly rates these agency staff are receiving. This makes this an extremely costly labour arrangement. Constant rotation of staff provided by agencies, mean providing a consistent product from food preparation, and consistent service levels, are affecting our ability to deliver a quality resort experience.

As an example, why would a room attendant want to travel from Cairns 25 mins to the northern beaches for employment when there are a multitude of accommodation houses in Cairns paying the same labour rates? In our unique situation, Cairns hotels in the main offers air-conditioned high rise properties with easy housekeeping access via a central elevator/s. Here in a more resort style property, room attendants walk up and down un-air-conditioned stairwells accessing large apartment rooms carrying their own vacuum cleaners, linen and supplies from the ground floor.

The government's relaxation of backpackers being able to work 6 months in any one business has been of some help, but there is still a long way to go.

The seasonality of the local tourism industry is also a big enough challenge, often resulting in some great staff being "let go" at the end of the season, just when we have trained them to a quality standard. Such seasonality also contributes to the long term loss of employees from the industry as they seek more consistent income sources from less seasonal occupations such as health and welfare.

I would certainly like to see more incentive for the tourism industry to take on apprentices, but also apprentices need more incentives. On my last enquiry to Cairns Regional Group Training, there were 15 opportunities for apprentice chef in the region, but no candidates for employers to draw from.

I hope that our small picture of this issue, combined with input from other industry colleagues, will present a pattern that may give ATEC and government the opportunity to develop some long lasting solutions for our industry.

Dive Operator

(We) operate snorkel and dive vessels to the Outer Barrier Reef and, like other business in our area, we have a lot of trouble finding Dive Instructors and Dive Masters. A lot of overseas travellers like to work at Port Douglas but because of the rules and regulations of working visas can only work for 12 weeks so by the time you get someone trained up it is nearly time for them to go. Makes it very expensive for the employee.

Coach Operator

A crisis in the Coach industry looms as we can not attract young people to drive coaches, they don't want the responsibility of 48 lives & they don't want to be away from home driving tours.

Ends