

Additional information for the Inquiry into workforce challenges in the Australian tourism sector

Prepared for;

Secretary
House Standing Committee on Employment, Workplace Relations and Workforce
Planning
House of Representatives
Parliament House
Canberra ACT 2600

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In response to the submission made for this inquiry by Mr Bill Ludwig on behalf of the Australian Workers' Union of Employees, Queensland, Hayman wishes to provide additional information to the committee.

In June 2006 the Offshore Island Resorts Certified Agreement 2003 (OSIRCA 2003) expired. Due to the new "Workchoices" legislation we were required to propose our own agreement. Considering the amount of union members who were known to us through having union dues deducted, which at the time was approximately eight out of more than four hundred, we made the decision to negotiate directly with our employees.

Information sessions were held with employees covered by OSIRCA 2003. At this time we put forward the proposed agreement which included a 3% salary increase

across all positions and salary sacrificed accommodation costs which resulted in an increase in our employee's disposable income by a minimum amount of \$47 per fortnight. It was made clear to all OSIRCA 2003 employees that the current agreement would continue to run if a majority did not agree to the proposed 2006 agreement.

Initially there was a misunderstanding of procedural issues but they were reviewed in detail with the Office of Workplace Services and quickly rectified to their satisfaction. We kept OWS fully apprised of all steps being taken and complied with their various requests. One of their requests was to visit Hayman and interview the Resort Manager, myself and a number of randomly selected employees. Prior to the visit we provided OWS with a detailed overview of the process we used. This investigation by the OWS took approximately four months. We were recently advised that all aspects of the process met the OWS requirements and the standards as established by the Workplace Relations Act. OWS further advised that they will be taking no further action in relation to this matter.

The AWU (Q) suggests that we acted in an underhanded manner by offering the new OSIRCA while staff were on leave. June and July are our quietest months of the year and for business reasons we encourage Annual Leave to be used during this period. OSIRCA 2003 expired at this time and we started the information sessions whilst some staff were on leave, however the sessions continued well in to the following busy period when most staff had returned from leave. We contacted approximately 12 staff while they were on leave and provided them the opportunity to vote.

The OSIRCA 2006 process was open and transparent for all staff. We went to great lengths to ensure staff were informed and given the opportunity to vote. This process took several weeks to complete. The AWU (Q) attended the island many times during this period, including at least one overnight stay. The Resort Manager and I met with the AWU(Q) representative, who is also an ex-Hayman employee on the one occasion he requested a meeting. We certainly did not ignore the AWU(Q). As outlined earlier with a union membership of 1-2% we chose to deal directly with our staff and allow them to vote on the agreement. Again, the OWS have confirmed that our process met all requirements.

We were aware of the AWU(Q)'s strategy of distributing various pamphlets and press releases with often incorrect and perhaps even misleading information. The AWU(Q) informed me that they had in fact increased their Hayman Union membership during this period although we have no way of establishing how many new members they gained. We currently have eleven employees making payroll deductions to the AWU. This represents 2% of our current employees.

OSIRCA 2006 was implemented in early August after it received the majority vote from our staff. Employee turnover in August 2006 was lower than for the same month the previous year and our Staff Satisfaction Rating as measured by our Exit Interviews was 6% higher. Year to date, our turnover is lower than 2005 by 11% and staff satisfaction has increased 15% to just over 70%. Based on these figures, if

OSIRCA 2006 had any effect at all on our staff, it would appear to have been of a positive nature.

It is not reasonable or even true to suggest that Hayman wages and conditions are poor or that we fail to invest in training or provide incentives for our staff. Our conditions, training and incentives programs are extensive and have been outlined in our initial submission. In 2006 we spent over \$86,000 in training our staff, this figure does not include compliance training for specific roles or the costs associated with on-the-job-training. By the end of 2006 the amount spent on training was double the 2004 and 2005 figures.

In 2006 we used registered training organisations, such as Barrier Reef TAFE to assist in implementing a company wide competency based training program to ensure that we have clearly defined standards of service, training and competency levels for staff in all major departments. OSIRCA 2006 supports this program by increasing a staff member's salary once they are fully certified in their area of specific responsibility. This competency based certification program requires all employees to be qualified within three months of commencement. We are still in the process of evaluating proposals from several other registered training organisations so that we can implement a more formal Traineeship Program in 2007.

In 2006 we spent more than \$34,000 on staff awards, including the incentives outlined in our previous submission. These Awards include the "Hayman Way Awards" and our "Outstanding Achievers" program. By year we had spent close to \$100,000 on Staff Entertainment which we consider an integral component of our retention program. This includes regular staff events, parties, theme nights, bands, birthday and anniversary celebrations and much more.

The AWU(Q)'s has suggested that the 457 visa program is being used because we do not wish to pay wages and conditions that meet community standards in this country. Hayman uses the 457 visa program, and has for a number of years to bring in skilled and qualified people to fill positions we have been unable to fill locally. The wages and conditions of employment are identical to the conditions offered to our locally employed staff. For example there are a number of chefs we have sponsored from around the world. A Sous Chef on a 457 visa receives exactly the same remuneration and benefits as any other Sous Chef employed by Hayman.

The reason for using the 457 visa and asking for further support in relation to international recruitment is in response to the decline in qualified and experienced hospitality professionals seeking jobs in regional areas. It is well known that Australia is experiencing the lowest unemployment in 30 years, which means that Hayman, along with most other regional organisations is experiencing difficulties in filling vacancies. The continued deterioration of standards of quality and service and the potential for a downturn in visitor arrivals into the region will not only adversely impact the Resort sector, but a number of small / medium businesses providing daily support services from the mainland towns like Airlie Beach, Proserpine and Mackay. In the event there were sufficient locally qualified and interested candidates available they will always be given priority. There are however, a number of functions that require qualified employees that are not considered attractive from a career perspective. Very few young Australians aspire to move through the Housekeeping,

Laundry or Stewarding departments as part of their career development. The result is that these departments have a large number of short term employees with barely sufficient service to complete their training. So backpackers are not a viable option. Standards of service and quality are often compromised in such a manner that potentially threatens the credibility of the Whitsundays region and the vitally important tourism industry sector. We rarely have problems recruiting or retaining entry level employees for Front Office, Restaurant or Bar service positions. Hence the reason for the initial inquiry.