

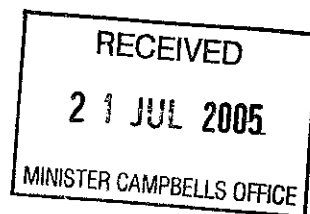
INQUIRY INTO SKILLS SHORTAGES IN RURAL AND REGIONAL NSW

Organisation: Australian Hotels Association NSW (AHA)
Name: Mr John Thorpe
Position: President
Telephone: 02 9281 6922
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Theme:

Forwarded to the Standing Committee on State Development by Hon. David Campbell,
Minister for Regional Development, on 18 October 2005.

Summary



19 July 2005

The Hon David Campbell MP
Minister for Regional Development
Minister for the Illawarra
Minister for Small Business
Level 36, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister,

Inquiry into skills shortages in rural and regional NSW

I refer to the above inquiry recently referred to the Standing Committee on State Development.

The Australian Hotels Association is pleased to see this matter put on the Parliamentary agenda and respectfully submits the following comments that, we believe, may be of assistance to the Committee.

If you require any further information from the Association please do not hesitate to contact Mr David Elliott, Executive Officer, Australian Hotels Association on 02 9218 1816.

Yours sincerely,



John Thorpe, AM
President

Standing Committee on State Development Inquiry into Skills Shortage in Rural and Regional NSW

Demand for Labour

The Australian Hotels Association has identified serious and long-term shortages in the supply of qualified personnel able to gain employment in commercial cookery. If demand continues to grow as expected the situation will be exacerbated and this will have major implications on our abilities to service both domestic and in-bound tourism.

Of particular concern are properties in regional NSW where tourism may emerge as the salvation of smaller communities, only to be inhibited by the lack of qualified staff not willing to work away from major centres for prolonged periods.

Economic and Social impact

Regional business growth and promotion relies heavily on a community's ability to source an educated and motivated work force.

The reasons behind the contemporary levels of leakage from regional labour markets are two fold:

- The lack of opportunities has created a drift towards metropolitan areas, and
- The static nature of businesses and communities prevents local growth.

It is the opinion of the Australian Hotels Association that this pattern may well be reversed by creating an emphasis on tourism and hospitality.

Strategies and programs of local government

Given the varied quality, size, geographic location and financial restrictions on local councils the Australian Hotels Association has limited confidence in their ability to have a significant impact in addressing the matter.

Strategies to address

There are a number of negative influences that have restricted opportunities for small and medium enterprises, namely:

- Fringe Benefits Tax on travel and business meals
- No tax advantage for living outside metropolitan areas, despite limited public infrastructure
- Limited education opportunities that have a multiplier effect on retaining young people.
- Financial incentives lean heavily towards TAFE. The quantum and timing of payments for apprenticeship training are insufficient to permit private training organizations to actively participate in commercial cookery training.
- Capital costs to establish facilities for commercial cookery are extremely inhibitive for private providers.

The Australian Hotels Association has identified an imbalance in the training schedule of professionals in the area of commercial cookery that is having an unnecessary impact on the time it takes to train chefs and cooks.

Currently, a commercial cook undergoes a four (4) year training program to achieve professional status. The program includes a huge practicum and the period of training is also greatly extended by 11 weeks holidays in the TAFE system each year.

The AHA believes the Government should consider shortening the training process by:

- Reducing the amount of TAFE holidays
- Providing realistic access to TAFE facilities for private training organizations that may wish to utilise evening, weekend and holiday periods in order to fast track students.
- Creating a qualification known as a "Cookery Certificate" which would be achievable within two (2) years. This certificate would provide essential cooking knowledge and have the ability to articulate to Commercial Cookery by the addition of modular units.
- Review of the apprentice wage scales to take into account the shorter training period and remove references to First, Second and Third year apprentice wage scales.

Coordination between Local, State and Commonwealth Governments

Refer to previous comment on tax policy, however, the Australian Hotels Association also believes that local councils can assist the process via rate freezes and discounts to emerging businesses. Some Local Government areas have already successfully marketed sub-divisions at competitive prices for business operators willing to move to regional areas.

Impact of the Regional Migration Program

It is clear that international Chefs migrating to Australia prefer to remain in major metropolitan areas where salaries are much more competitive and opportunities to advance their career are more readily available.

The adequacy of current measures used to record and report on the skills shortages

The current practise of recording employment statistics in regional areas is somewhat anecdotal and inconsistent. The recoding of a national unemployment rate is bias towards the larger, and therefore stronger, parts of the economy. It also fails to identify the high levels of seasonal employment unique to sectors such as tourism and hospitality.

The Australian Hotels Association respectfully submits that any number of State Government Departments could assist in the regard by taking 'snapshots' of specific industries in specific regions that would highlight the supply and demand of labour and, potentially, promote the opportunities that exist for a career in hospitality.

Assessing skills needs in rural and regional NSW

The Australian Hotels Association has identified a constant and ongoing appeal from our regional members to supply qualified commercial cooks who are willing and available to work in non-metropolitan areas.