



AUSTRALIAN HOTELS ASSOCIATION

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Submission 45

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The Secretary
Joint Standing Committee on Migration
Parliament House
CANBERRA ACT 2600

Re: Inquiry into skills recognition, upgrading and licensing

Dear Secretary

The Australian Hotels Association (AHA) would like to thank the Joint Standing Committee on Migration for the opportunity to respond the House of Representatives Inquiry into skills recognition, upgrading and licensing.

The AHA represents 8500 members nation wide and takes a proactive role in representing members at both State and Federal government levels.

The following submission to the Inquiry highlights areas of concern for the AHA with regard to the committee's review.

Yours sincerely

Bill Healey
Director, National Affairs

Introduction

The Australian Hotels Association (AHA) represents some 8500 members Nation wide and is considered a peak industry body for the hospitality industry.

Like many industries our members are confronted with a constant battle to find staff with the requisite skills to meet the needs of an increasingly demanding service sector.

Overseas workers have played an important role in assisting our members to meet this challenge and we welcome the Inquiry into skills recognition, upgrading and licensing conducted by the Joint Standing Committee on Migration.

The AHA believes that the Inquiry can play an important role in addressing a range of issues relevant to the labour market challenges that lay ahead by ensuring the systems in place to assess the skills of current and future migrants are reliable, effective and efficient.

The AHA seeks to highlight 2 general points for consideration. These are:

- (i) The definition of the term “skilled” occupation. This needs to include occupations outside the definition of “Traditional Trades” and
- (ii) Recognition that demographic changes will create ongoing labour shortages. This will require workers to fill jobs that have been traditionally seen as unskilled. A mechanism is required to assess the “generic” work capability of people coming to Australia to fill these jobs.

The Skills Labour Index perpetuates the traditional demarcation between traditional trade and non-traditional trade classifications, creating a mentality of “us and them”. It fails to recognise qualified people in non-traditional areas like Food and Beverage and Hotel Front of Office staff. The current system ignores their relevant qualifications and skills and fails to allow them to have thorough assessment or evaluation.

It has also been identified that not only is Australia facing a skills shortage in particular industries at present and in the future, but also with an ageing population and negative workforce participation rates predicted, a generic skills labour shortage is also developing. Motivated migrant labour has the potential to fill these generic labour positions.

The following topics identified by the Joint standing Committee on Migration, have been given due consideration by the AHA in identifying for the Tourism and Hospitality industry areas applicable to the growth and future development of the industry.

As part of the AHA submission the following areas have been highlighted for the Inquiries consideration:

Defining Skilled Occupations

Up until the 1990's the Australian Education and training system only acknowledged a narrow range of traditional trades. Reforms to the training system provided formal recognition systems for a number of industries that had been traditionally seen as "unskilled" Tourism and hospitality fell into this category.

For migrants who have obtained overseas qualifications prior to migrating, the current basis for the evaluation of skills attained is somewhat inflexible when associated with non-traditional assessment of skills. The use of traditional trade assessment does not reflect the broad range of desirable skills for the Tourism and Hospitality industries we represent. The use of traditional trades requires a narrow range of traditional trade classification to define skilled workers.

A broader definition of "skilled migrants" which include non-traditional trade areas such as front of house service, would give many operators access to a talent pool that could assist in filling skills shortage areas. Existing classifications on non-traditional apprenticeships areas already exist in Europe. Recognition of these apprenticeships through the immigration process, would meet not only the need of Australia's demand for skilled labour, but also of European countries faced with rising unemployment.

Current skills assessment fails to take into account the training reforms of the late 1990's, which was to reform the qualification framework to recognise the skills in high growth service sectors. Assessment and acknowledgement of skills through accredited Registered Training Organisations (RTOs) would broaden the scope and function of RTOs and is a model that already exists. Providing the RTOs with a broader role would complement the work conducted through Trades Recognition Australia (TRA) and improve responsiveness of approval process.

Further to this, an expansion of the Migration Occupations in Demand List (MODL) to include a more contemporary range of skill areas such as front of house of which there are skill shortages, would allow for this access of this group. Definition expansion would be achievable through incorporation and use of ASCO and ANZIC coding of industry occupations. Broadening of definitions through existing templates or models will ensure ease of transition for immigration assessment as it is approved and recognised by both industry and government.

Temporary residents and working holidaymaker's skills recognition

The Department of Immigration, Multicultural and Indigenous Affairs (DIMIA) estimate of over 100,000 working holidaymakers coming to Australia in 2004-2005, a large proportion will be looking to the hospitality industry for employment. In light of these figures, and considering a likely high participation rate within the Tourism and Hospitality industry, it is a resource that should be easy to access for many Tourism and Hospitality operators.

The cost of recruitment to operators from point of advertisement to induction and orientation of new staff is costly in both terms of money and service delivery. Ensuring staff retention is of high propriety regardless of industry, though the service industries are susceptible to greater levels of poor retention through its transient nature and casual work structure.

The current system for placement of employees on temporary visas requires review, despite recent changes. It still does not allow employers trained staff to remain in positions long enough to adequately recoup recruitment and induction costs. An extension would allow consistency in service, lower staff turnover and disruption to operations, and foster further growth and profitability. Review of skills developed by DIMIA, through individual application, combined with employer endorsement of application, and departmental review, would allow operators to achieve the objectives outlined.

Improvement to educational outcomes through hotel schools and universities, for international and domestic students through work placement focused delivery, will provide the industry with graduates that meet employer expectations on skill development. The key outcome of such training is to provide the industry with a labour force skilled and suited to available jobs, and a labour force that will meet the needs of the end consumer's expectations of service.

Existing access to overseas students studying within Australia is restrictive and does not reflect the working arrangements found in the Tourism and Hospitality industry. Labour shortages can be reduced by increasing the availability of overseas students to work during their studies and after graduation in Australia. This will extend access for operators to a skilled and knowledgeable workforce capable of meeting skills shortage areas identified.

Having a labour pool that is skilled to deliver on the needs and wants of the industry will become more difficult to access and retain with changing dynamics and structure of the Australian workplace, and skilled migration has the ability to meet that change.

Early identification and response to persons needing skills upgrading (e.g. bridging courses)

The ability to issue Temporary visas to address labour shortages in unskilled occupation needs to be considered. The Employability Skills Framework developed by the Australian Chamber of Commerce and Industry (ACCI) and the Business Council of Australia (BCA) has identified key skill development areas for employment they may provide an effective basis for assessment. The framework identifies generic skill areas for employees and employers to assess the capabilities of applicants. The Framework includes skills such as communication, teamwork, problem solving, self-management, planning and organising, technology, learning, and initiative and enterprise.

The use of the Employability Skills Framework would assist in evaluating the capacity of applicants required for jobs that are outside the skilled category.

This identification of skills would establish gaps in certain areas and ensure the correct education and learning experience was undertaken, thus eliminating wastage of inappropriate training and cost incurred to employers both in monetary terms and in time.

The Department of Employment and Workplace Relations (DEWR), is currently developing an Employability Skills Profiler to better match and identify skills areas requiring development and recognition. Use of such a screening tool is critical in meeting the early identification of workers who would be capable of serving the labour need of particular industries and assist in eliminating unsuitable candidates or identifying those who would be suitable.

Difficulties for operators in assessing overseas qualifications that are Non-trade related for suitability for positions are a burden to the recruitment process. A simplified system of skills recognition with EU and Non-EU member countries, Sub-continental countries such as India, Pakistan and Sri Lanka, North America, Asia, and Africa, would allow for enhanced access opportunities to a suitable labour force.

Australian citizens returning after significant time overseas, with overseas qualifications

Narrowly defining skills to a trade definition, fails to recognise the non-trade related or professional development capabilities many Australians attain while overseas.

Formal recognition should be seamless in order for Australians to return to the workforce and receive credit for accomplishments outside Australia, formal or informal as those qualifications may be.

The result of a globalised workforce has impacted far beyond the rate at which many small business operators can understand or cope. As the majority of AHA members are small to medium enterprises, the gap between those wanting to access those skills and an understanding or relevancy to the Australian workplace has widened.

Communication of processes to users and efficiency of processes and elimination of barriers

The AHA has in place an agreement to operate both a Chefs labour agreement and Hotel Schools Graduate Labour Agreement. In 2004, the AHA was involved in attaining 30 chefs labour agreement visas, and 1 graduate labour agreement visa. To date, the AHA has processed 28 Chefs labour agreement and 2 graduates agreements in 2005.

With this number increasing as a reflection of current skills shortages, communication and processing difficulties have been experienced by the AHA. Staffing levels within DIMIA, have caused many of the applications to be unnecessarily delayed up to eight weeks from point of submission.

As many of the applications are time sensitive in relation to work schedules, contractual obligations, and travel arrangements of applicants, a processing review is in apparent need to identify bottlenecks in the application process.

The proposed out-posting of DIMIA executive level staff to assist industry with immigration related projects such as labour agreements is a positive step in relationship building with industry. Projects such as the out-postings should be further encouraged and would be welcomed by industry to expand their knowledge and understanding of the migration system in relation to addressing skilled labour shortages.

Achieving greater consistency in recognition of qualifications for occupational licensing by state and territory regulators

Differing state regulatory bodies requirements surrounding regulatory compliance are a burden to AHA members such as licensing and gaming. Under current Responsible Service of Alcohol (RSA) compliance, cross-border issues surrounding training of operators and employees in licensed venues differ from state to state. There is little or no consistency in application of teaching RSA between states leading to operators and employees of licensed hospitality venues unable to attain a portable certification for the industry.

Similarly, variations in Occupational, Health and Safety, present issues of portability of skills developed through education and practice. In addressing this issue, uniformity of compliance to reflect the nature of the hospitality industry, that being, one of a transient workforce in need of uniformity of skills recognition,

is desperately needed. Ensuring such a model will minimise confusion for employees and AHA members when confronted with compliance requirements.

The need for a mutual recognition system of certification and regulatory obligation is critical for the long-term prosperity and reduction of red tape for operators. Achievement of such a system will assist in meeting the goals set by industry and government of making service sectors, such as Tourism and Hospitality, sustainable, profitable, and meeting consumer expectations.

Conclusion

To conclude, the AHA has identified several areas requiring action to address labour shortages in a range of trade and non-trade occupations through the use of the following recommendations:

- Broaden the criteria of skilled occupation beyond the traditional trades to include jobs in the service sector such as front of house operators.
- Provide access to unskilled migrant groups who demonstrate generic skills and abilities commensurate with the demands of lower level jobs in the Tourism and Hospitality industry
- Expansion of the MODL list to include non-traditional trade areas such as front of house through the use of ASCO and ANZIC codes
- The use of Employability Skills Framework in assessment of bridging or preparatory courses and use of pre-screening tool developed by DEWR
- International uniformity of skills recognition through an accessible model
- Review and improvement of visa processing procedures with particular attention paid to labour agreements
- Continued access to DIMIA staff through out-postings
- Achievement of greater consistency between state and territory compliance regulators through a mutual recognition system

Achievement of the recommendations above will assist in ensuring the Australian Tourism and Hospitality industry has access to quality employees that are able to grow the industry to the expectations of domestic and international consumers alike.