

Submission to the
**Australian Law Reform
Commission**

In response to the
*Inquiry into legal barriers to
mature age participation in the
workforce Issues Paper*

Prepared by:
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OVERVIEW

The Queensland Tourism Industry Council (QTIC) supports policies that improves participation rates of mature age persons in the workforce for the tourism and hospitality industry, and welcomes the opportunity to provide feedback to the Australian Law Reform Commission in its Inquiry into the *legal barriers to mature age persons participating in the workforce*.

The tourism sector is made up of a number of industry participants, including accommodation, hospitality, transport, retail, business and major events, recreation, and educational and cultural services¹ (Appendix 1), employing over 220,000 people, or 9.9% of all people employed in Queensland.² The tourism industry employs substantially more staff than the mining sector (43,800 direct jobs) or even agriculture, forestry and fishing combined (81,900 direct jobs)³. Tourism is a significant economic driver to Queensland regions, and contributes to regional employment, economic, and community growth.

Like the resources sector, the tourism industry is suffering from a significant shortage of general, semi-skilled and skilled labour. Queensland recorded the largest increase in the number of job vacancies, (up by 22.7% or 50,392 job vacancies) than any state or territory in Australia over the year ended June 2011⁴. These figures highlight a situation which is set to deteriorate further in Queensland, driven by rapid expansion and growth in the resources sector.

Leading tourism operators in Australia have expressed the skills and labour shortage as their **'the single biggest issue'**⁵, a sentiment backed by Tourism Research Australia who has reported that labour and skills are the greatest supply-side challenge facing the Australian tourism industry⁶.

QTIC has actively engaged in a number of projects, some supported by Commonwealth or state government agencies, aimed at increasing labour participation in the tourism industry. In current programs we have specifically targeted Indigenous Australians, mature aged Australians and professional development of youth workers entering the workforce.

MATURE AGE EMPLOYMENT PROJECT

Since July 2009 QTIC has been funded by the Department of Employment, Economic Development and Innovation (DEEDI) to manage the Tourism Experience Pays Awareness Strategy (TEPAS), later called the Mature Age Employment Project (MAEP). The initial aim of the project was to raise industry awareness and promote the benefits of older workers (those over 45 years of age). During that period staff in the project held seminars, made face to face contact with QTIC members, placed information in the QTIC newsletter and attended industry trade shows to continue to get the message across to businesses.

An innovative industry pilot was developed as an extension of the program that involved a partnership between QTIC, Kedron Wavell Services Club and Griffith University to identify the reasons why mature age persons are not applying for positions in the hospitality industry. A Summary Report on this pilot was published (on the QTIC website). The project was renamed - Mature Age Employment Project.

Despite these projects, however, the pool of available domestic workers remains insufficient to meet the labour needs of the Queensland tourism industry.

QTIC remains committed to working with government and industry on labour and skills issues through various national and state strategies.

LIST OF SUBMISSIONS

A list of reports and submissions provided by QTIC to government with relevance to the issues of skills, training, employment and migration include:

- *Submission to Skills Queensland, Strategic Priorities Issues Paper, August 2011.*
- *Report provided to Skills Queensland, Tourism and Hospitality Industry Skills Report, March 2011.*
- *Submission to the Australian Government, Migration Program Consultation 2011 – 2012, January 2011.*
- *Submission to the Productivity Commission, Vocational Education and Training Workforce Issues Paper, July 2010.*
- *Submission to the Senate Education, Employment and Workplace Relations Committee's, Inquiry into Industry Skills Councils', August 2010.*
- *Submission to the Standing Committee on Employment and Workplace Relations, Department of House of Representatives, Inquiry into Regional Skills Relocation, April 2010.*

QUEENSLAND TOURISM INDUSTRY COUNCIL

QTIC is the State peak body for tourism in Queensland. As 'the voice of tourism', QTIC represents the interests of the tourism industry, including business operators, Regional Tourism Organisations (RTOs) and sector associations.

A private sector, membership-based tourism industry organization, all of Queensland's 14 RTOs are members of QTIC as are 20 of the industry sector associations and in excess of 3,000 regional members, operating in all sectors of the tourism industry. QTIC works in partnership with government agencies and industry bodies at a local, state and national level, to strengthen the voice of tourism in all relevant policy forums.

Partnerships between industry and government remain at the core of regional economic development and sustainable employment in the tourism industry in Queensland. These partnerships enable a greater level of responsiveness to increasingly diverse industry, skills, training and business development needs of the tourism industry in regions.

QTIC is well placed to work with government and other key stakeholders to coordinate and facilitate industry input into mature age employment. The feedback and recommendations in this submission can be considered a united Queensland tourism industry response.

BARRIERS TO EMPLOYMENT IN TOURISM INDUSTRY

Employment within the accommodation and food services sector is typically viewed as one of a transitory nature and employs the largest percentage of young people (aged 15 – 24) compared with all other industries at 45.7 per cent of the tourism and hospitality industry workforce.⁷

The tourism and hospitality industry is therefore populated, to a large degree, with casual staff who views their work as nothing more than something to do until a *real* job comes along. However, jobs in the tourism industry are more than 'just casual jobs'; the skills gained in dealing with people can be applied in many industries across many different roles and ages, and offer real opportunities for career progression and role diversity.

RECOMMENDATIONS

In the context of the Framing principles set out in the Issues Paper, and Australia's ageing population, the Government's overarching objective "to keep people in work, and paying taxes, longer-rather than being in receipt of old age pensions-and to support people into self-funded retirement" requires a policy framework that supports a balanced approach to participation and incentive mechanisms for mature aged persons to continue employment or re-enter the workforce.

1. AGE PENSION

Although the Age Pension is designed to provide income support to older Australians who need it, while encouraging Age Pensioners to maximize their overall incomes. The reality and failure of the system is that the operation of the income test can mean that it is more financially beneficial to remain on income support and receive the various concessions and supplements attached to them than to seek work. Research has found that one in five pensioners who wanted to work declined part-time employment opportunities because it would cause a reduction in Pension entitlements.

RECOMMENDATIONS

1.1 The impact of income earned through employment, on the age pension, has been raised as a primary barrier to mature age participation in the tourism and hospitality industry.

1.2. QTIC supports a proposal to adjust the income or asset test for all income support payments for mature age persons.

1.3 QTIC recommends the qualifying age for the age pension be lifted from 45 to 50, in line with the recent federal review and Australia's future tax system review recommendation that the preservation age be raised to 67 years. Without lifting the qualifying age, the Age Pension bracket is widening.

2. INCOME TAX

Q8. Tax offsets encourage mature age participation in the workforce, in what ways, if any; might these offsets be improved to encourage participation?

Tax offsets can encourage mature age participation in the workforce; an opportunity to explore industry specific income tax offsets for mature age workers could improve and encourage participation and assist industry sectors suffering from labour and skills shortages. For example, fuel tax offsets for mature age workers in regional areas, working in tourism and hospitality jobs, would attract and encourage mature age workers to this sector.

RECOMMENDATIONS

2.1 The complexity of the tax-transfer system remains a significant barrier to work for mature age persons.

2.2 QTIC sees an opportunity for government to explore industry specific income tax concessions that could be made available to mature age persons. This would attract

mature age workers to industry sectors suffering from skills and labour shortages (this would need to be developed in consultation with industry).

3. SUPERANNUATION

RECOMMENDATIONS

3.1 The complexity of the superannuation system and the tax system are barriers to workforce participation for mature age persons.

3.2 Greater incentives around superannuation are required to encourage mature age persons to remain or re-enter the workforce.

3.3 Mature age women are recognised as the demographic with the greatest disparity in superannuation available and would benefit from superannuation incentives.

4. SOCIAL SECURITY

The reality and failure of the social security system is that the operation of the income test can mean that it is more financially beneficial to remain on income support and receive the various concessions and supplements than to seek work.

RECOMMENDATIONS

4.1 The complexity of the social security payments and linked entitlements continue to affect mature age persons participation in the workforce.⁸

4.2 There is potential for mature age persons in the workforce to have access to concessions cards without impact on income earning ability (refer to Age Pension recommendations 1.0).

5. EMPLOYMENT

Q 34. In what ways, if any, can the practices of private recruitment agencies be regulated to remove barriers to mature age employees entering or re-entering the workforce?

A pilot study was undertaken in 2011, developed in partnership between QTIC, Kedron Wavell Services Club and Griffith University to identify the reasons why mature age persons are not applying for positions in the hospitality industry.

The two main factors that emerged as barriers to mature age employment were **perception and awareness**. It was identified that age-friendly recruitment practices need to be adopted and promoted in the recruitment process.

Education around where to source workers, the wording of job adverts, the interview process and the composition of the interview panel was also critical. With the demographics changing, recruitment business will need to be more aware of ways to achieve better outcomes from recruiting.

Q 35. Should s 65 of the Fair Work Act 2009 (Cth) be amended to include age as a basis upon which an employee may request flexible working arrangements?

The failure of the Fair Work Act 2009 remains central to workforce flexibility issues for the tourism and hospitality industry⁹; flexibility is required for employers to encourage job sharing opportunities and develop flexible job role descriptions focused on productivity. Any proposed change must be applicable to all persons covered under the Fair Work Act.

Q 37. In practice, how effective are the general protections provisions under the Fair Work Act 2009 (Cth) where a mature age employee, or prospective employee, has been discriminated against on the basis of age?

There has been a great deal written about good practice in recruiting, training and retaining the mature age workforce, however there is still a considerable level of discrimination and misunderstanding about how to develop and implement age-friendly policies and work practices. Both State and Federal Governments can assist with this and develop programs and resources to break down perception and awareness barriers.

Q 45. What are the most effective ways of raising awareness and providing education and training to remove the barriers to mature age participation in the workforce or other productive work?

Continuing the work of engaging mature age workers through the MAEP (Mature Age Employment Program), QTIC had the pleasure of interviewing a range of members on their views and strategies in relation to recruiting, retraining and retaining older workers. This project was aimed at promoting and raising awareness of the benefits mature age workers.

Their enthusiasm, constructive and positive comments are examples that are being used to encourage others to engage mature age staff to the tourism and hospitality industry.

Interviews can be found online by following the links: Alan Smith ([Outback Aussie Tours based in Longreach](#)), Tony Gear ([Cross Country Tours, Sandgate](#)), Sue Unwin ([Bunya Mountains Accommodation Centre](#)) and Kathy Masters and Margaret Klegg ([Sunny Ridge Gardens Teahouse and Fudgery, Kingaroy](#)).

RECOMMENDATIONS

5.1 Education and awareness campaigns aimed at employers, mature age persons and job services agencies (JSAs) is required to break down the 'perception' barriers associated with mature age participation in the workforce.¹⁰

5.2 Enhance the communication avenues of both JSAs and Centrelink in the promotion of employment opportunities to their clients and job seekers outside these establishments.

5.3 Training subsidies for mature age persons to fill skills gaps is required.

5.4 The failure of the Fair Work Act 2009 remains central to workforce flexibility issues for the tourism and hospitality industry¹¹; flexibility is required for employers to encourage job sharing opportunities and develop flexible job role descriptions focused on productivity.

5.5 The replacement of the Fair Work Act 2009 no-disadvantage test, with a better off overall test has resulted in reduced flexibility at the enterprise level¹². The central

issue relating to this also lies in the Modern Award provisions and should also be addressed at this level.

6. WORKERS COMENSATION AND INSURANCE

Mature age workers make up a significant proportion of volunteers in the tourism and hospitality industry, particularly in regional areas.

However, volunteers are now classified as ‘workers’ under the national occupational health and safety (OHS) laws. These changes mean that volunteers may receive the same protection as paid workers.

RECOMMENDATION

6.1 Both state and federal governments can assist volunteer organisations to develop programs and resources that encourage mature age workforce and volunteer participation.

7. MIGRATION

7.1 QTIC supports migration initiatives that provide mature age migration opportunities within the tourism and hospitality industry.

APPENDIX 1: TOURISM INDUSTRY

Industry	Rationale for inclusion
Hospitality (Accommodation & Food Services)	By definition Accommodation Services are provided to tourism ie. They are spending a night away from their usual place of residence. Food Services are provided to both tourism and local residents.
Retail Trade	Tourists go shopping, includes motor vehicle retail eg. Petrol, motor vehicle servicing etc for self-drive market
Transport	Except for self-drive market, tourists use transport (airlines, train, bus, taxi etc)
Cultural & Recreations Services	Tourists visit museums, art galleries, theatre, go to the movies or sports events play golf etc
Personal & Other Services	Tourists have hair-cuts, massages, beauty therapy. Spa tourism market
Manufacturing	Manufacturers selling product and tours to tourists eg; Buderim Ginger, Bundaberg Rum, Wineries, Cheese Factories. Food and Wine tourism market
Education	Tourism doing education/training courses, emerging education tourism market
Wholesale Trade	Distribution channel – the wholesalers sell holidays in Australia to Travel Retailers
Health & Community Services	Tourists requiring ambulance, medical services using child care services. Emerging health tourism market eg; people having elective surgery in a cheaper country
Agriculture, Forestry & Fishing	Farm stay tourism
Property & Business Services	Motor vehicle hiring, property operator eg; time share, tourism renting houses/apartments through real estate agents
Communications	Tourist using phone and internet
Government & Defence	Local government services eg; visitor information centres, beach inspectors parking attendants
Finance & Insurance	Tourists taking out travel insurance and using bank services

ENDNOTES

¹ Service Skills Australia, Tourism, Hospitality and Events Environmental Scan 2011

² Tourism Research Australia, Tourism Key Economic Facts December 2010

³ See 1

⁴ Australian Government, Department of Education, Employment and Workplace Relations, *Internet Vacancy Index*, Vacancy Report July 2011.

⁵ QTIC Submission to Skills Queensland, Strategic Priorities Issues Paper, Appendix 2 - Luxury Lodges of Australia

⁶ Tourism Research Australia, Tourism Industry Potential 2020

⁷ Service Skills Australia, Tourism, Hospitality and Events Environmental Scan 2012

⁸ Mature Age Employment Project, Why Don't Mature Age want to work in the hospitality industry Research Project, QTIC April 2012

⁹ QTIC Submission to the Fair Work Review 2012.

¹⁰ Mature Age Employment Project, Why Don't Mature Age want to work in the hospitality industry Research Project, QTIC April 2012

¹¹ QTIC Submission to the Fair Work Review 2012.

¹² Mature Age Employment Project, Why Don't Mature Age want to work in the hospitality industry, Research Project, QTIC April 2012