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Executive Summary

Restaurant & Catering Australia is the only peak organisation representing the interests of the 40,000 restaurants cafes and caterers in Australia.

The industry turns over some \$15 Billion per annum and is looking down the barrel of 12+% employment growth in the next twelve months. This growth is on top of a sizeable attrition from the industry due to the large number of casual employees engaged.

The restaurant sector is 55% of the hospitality industry and some 45% of employment in the industry. The average employment per business is 8 employees.

The restaurant industry employs 250,000 people in Australia and is 7% under employed. The industry is facing a significant shortage of chefs, cooks, waiters and managers.

The restaurant, café and catering industry is a larger employer, with the strongest projected jobs growth of any industry. The demand for employees in the industry is likely to be in the order of 55,000 people in the next 12 months.

This demand is likely to be filled through immigration and employees sourced from the welfare system. Given the profile of the available jobs (many in customer service roles), immigration may be a better longer-term source of labour.

In improving the capacity of the migration program to meet Australia's skills needs, the R&CA recommends that:

- That the Government continue to resource the Industry Outreach Officers Program
- That the Australian Government introduce a requirement for an unblemished IR record for ALL sponsors of overseas workers and discontinue other irrelevant requirements of sponsors.
- That the Australian Government re-establish Labour Agreements as a means of streamlining the employer nomination / sponsorship arrangement for groups of employers operating under common conditions.
- That greater consistency be established for the classification of occupations with clear 'rules' established for what make a 'skilled' and 'in demand' occupation. In addition, these rule should be consistent with those used in the training system (i.e. established through the Industry Skills Council).
- That Waiters and Restaurant Managers be added to both the MODL and SOL.
- That the Australian Government look to regulate the quality of training provision as a means to 'stamp out' the provision of cookery training as a means to earn 'migration points'.
- That in the review of Awards and the Gazettal of Immigration salary levels the Government consider the interface between the two. Ideally rates and conditions for Australian employees and overseas workers should be consistent.
- That working holiday makers, working in tourism precincts, should also be eligible to extent their visa for an additional year.
- That the maximum working hours per week for an international student on a student visa be extended to 30 hours per week
- That the Australian Government, as a matter of some urgency, pilot approaches to unskilled migration to Australia.

Restaurant & Catering Australia

Restaurant & Catering Australia (R&CA) is the peak national organisation representing the interests of restaurateurs and caterers.

The Association is a federation of State Associations that work together on matters of national importance. The State Associations had a combined membership of over 6,500 in the 2007 calendar year. There is an R&CA member restaurant and catering association in every State and Territory.

The Restaurant Industry

In 2004 the Australian Bureau of Statistics reported 37,699 restaurant, café and catering businesses¹ that are registered for GST. Of these businesses, 89% employ 20 people or less. There are 124 businesses Australia wide that employ in excess of 200 people². In the broader accommodation, cafe and restaurant industry 75% of employing businesses employ less than 20 people (Figure 1 below).

The Business Register records 68,022 businesses in the total accommodation, cafes and restaurant sector (including hotels, pubs and clubs). Restaurants, cafes and catering businesses account for 55.4% of the hospitality industry by numbers of businesses.

Whilst the reporting of numbers of businesses in the restaurant sector alone has not been repurchased from the ABS, the overall numbers of businesses in the accommodation, café and restaurant sector have grown by 2.1%, 1.8% and 1.8% each financial year from 2004/05 to 2006/07³. It is expected conservatively that there were 39,888 restaurants, cafes and caterers in Australia in 2007.

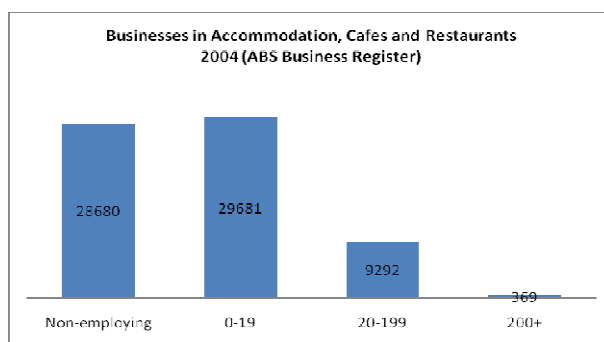


Figure 1 – Hospitality Businesses by Employment Number, 2004

The restaurant, café and catering industry had the best year ever (in turnover terms) in 2007⁴. 2007 ended 16.5% up on 2006 with each of the last six months of the year setting consecutive all time turnover records. Total turnover for the 12 months to November 2007 was \$15.0 Billion.

A report released by the Australian Bureau of Statistics⁵ in July 2005 (the most recent report in a five-yearly series) shows a slowing in restaurant profits (as forecast by the R&CA) with 63.4% of businesses (the businesses employing less than 10 people) generating less than 2% net profit.

¹ ABS Business Register 2004, Unpublished purchased by R&CA

² *Ib id*

³ 8161.0.55.001 Australian Bureau of Statistics Business Register, Counts of Businesses

⁴ ABS Retail Trade, 8501.0

⁵ Cafes and Restaurants Industry Survey, ABS 8655.0

Businesses reported to the ABS an average net profit of 4%, down 16% on the previous survey period (1998-1999). Labour costs have risen an average of 17% from 29.4% of turnover to 34.3% of turnover, demonstrating the need for workplace reform. In the same period turnover increased by 7% among 7.1% more businesses. The slice of turnover is therefore the same on average as in 1998 / 99 but businesses face significantly higher wage bills. This is in part attributable to increases in non-wage labour costs, specifically superannuation and workers compensation.

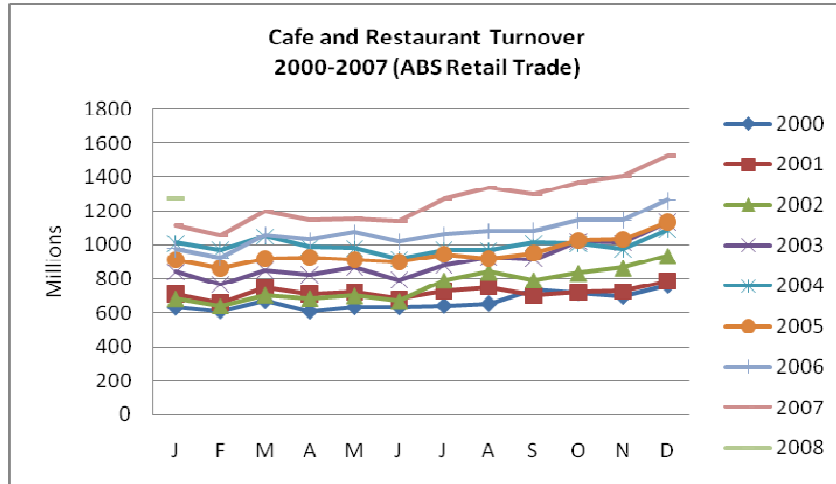


Figure 2 - Restaurant Industry Turnover 2000 - 2007

In the period December Quarter 2006 to 2007 the price of restaurant meals increased by 3.8%⁶. In the same period the price of food inputs to restaurants rose by an estimated 4.2% based on the combination of food inputs to restaurants (Dairy products by 9.1%, Bread and Cereal by 5.4%, Meat & Seafood by 3.2% and Vegetables by 8.6%).

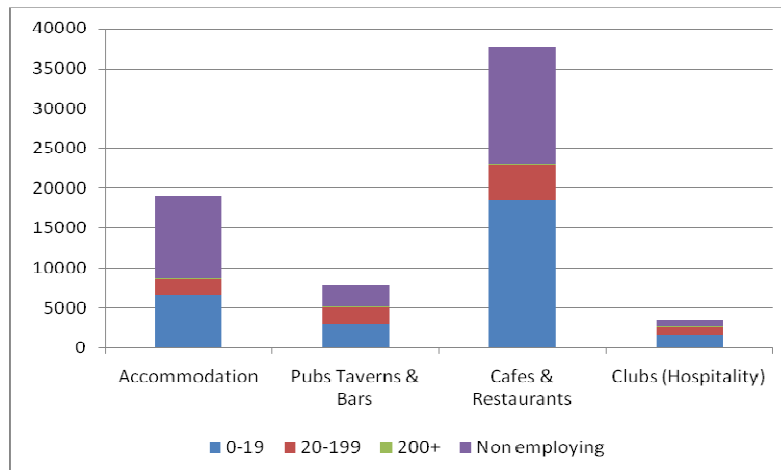


Figure 3 – Proportion of the Hospitality Industry by Sector and number of employees

⁶ ABS, Consumer Price Index, 6401.0, December Quarter 2007

Restaurant Industry Employment

The Australian Bureau of Statistics *Cafes and Restaurants Australia* report (released in July 2005), cited industry employment at 188,102 persons. According to ABS Labour Force data⁷, industry wide employment in May 2004 (for accommodation cafes and restaurants) was 468,400. Data previously purchased from the ABS⁸ (as detailed in the table below) suggested that there was 223,000 persons employed in cafes and restaurants (48.5% of hospitality employment).

In November 2007 there were 493,900 persons working in the hospitality industry. This is significantly down on the 2007 high of May 2007 at 534,000 (over 7% less). It is estimated that the range of restaurant, café and catering employment in 2007 ranged from 239,500 to 259,000.

	Full Time	Less than Full Time	AWOTE
November Quarter 2002	105,000	116,000	\$697.10
February Quarter 2003	104,000	112,000	\$674.30
May Quarter 2003	98,000	125,000	\$683.10
August Quarter 2003	110,000	113,000	\$676.10

Table 1 – Employed persons in cafes and restaurants, 2003-04



Figure 4 – Employment, Accommodation Cafes and Restaurants, 2007

Cafes and Restaurants Australia also noted that 53.4% of employees were casual with permanent full time employees making up 25.4% of the labour force. The proportion of casual workers is more than double the all industry average of approximately 26%. As a result there are more employees subject to rates greater than the standard hourly rate than in other industries.

The number of casual employees has been steadily growing by an average of 1% per

⁷ ABS, 6202.0 - Labour Force, Australia, Jun 2006

⁸ Data prepared 4 March 2004 for Restaurant and Catering Australia, by ABS from Employed Persons for ANZSIC 573

annum. This casualisation of the industry has been evident over the past ten years. The largest proportion of the restaurant, cafe and catering workforce is part-time females.

The difference in the nature of employment in the hospitality industry is clearly demonstrated by the ABS Forms of Employment data⁹. The hospitality industry has a roughly 40:60 split of full time to part time workers, whereas the all industry average is 70:30.

Other characteristics of the hospitality labour market include a lower than average proportion of working operators (reflecting the high labour intensity of the sector) and a lower than average (6.6%) number of workers on contract. 74% of full time workers in the hospitality industry have leave entitlements compared to 89% across all industries.

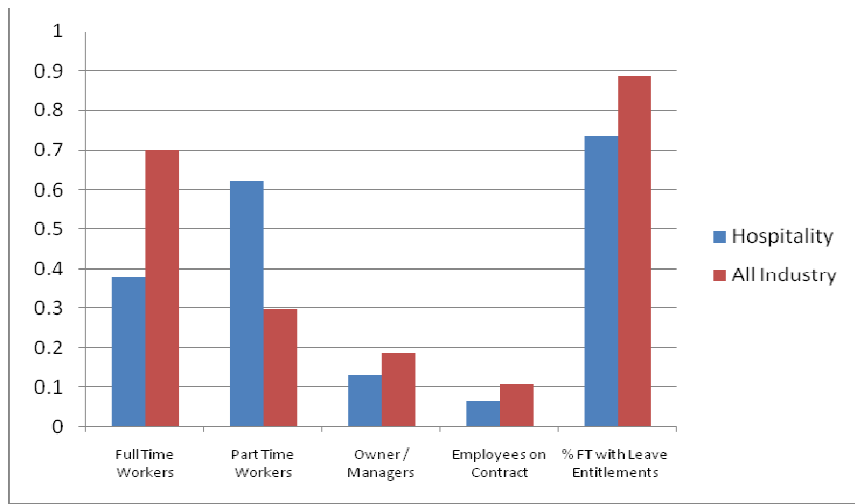


Figure 5 – Forms of Employment, ABS 2006

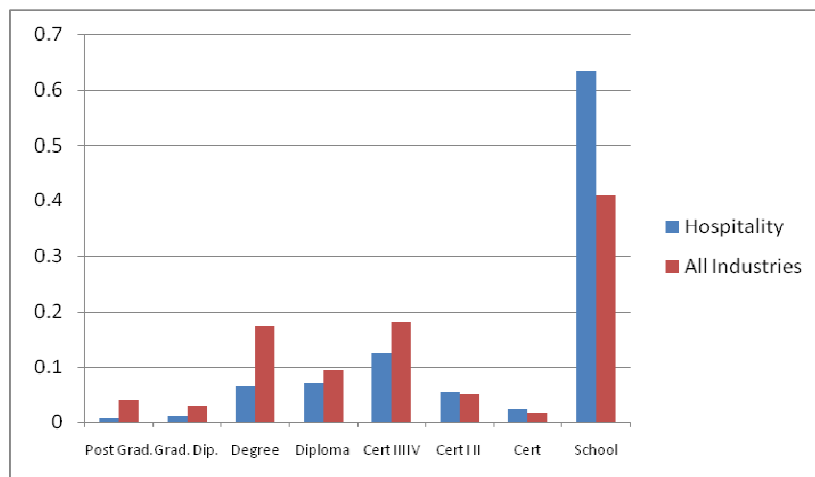


Figure 6 – Educational Attainment, ABS

The hospitality industry has among the lowest level of education attainment of any industry. Approximately 65% of workers have no post school qualifications compared to 40% as an all industry average.

The hospitality industry has the lowest average pay rate of any industry with the

⁹ ABS Forms of Employment, November 2006, ABS 6359.0

average full time rate of pay sitting at \$751 per week and the part time rate of pay at \$232 against an all industry figure of \$388¹⁰.

Restaurant & Catering Australia contends that, in part at least, this level of remuneration is due to the mix of employees in the hospitality industry in entry level positions compared to other industries.

The major occupations in the wider hospitality industry include waiters, kitchenhands and bar attendants. These occupations are all regarded as having good to very good career prospects or are in other words still undergoing significant growth and are in shortage.

Occupation	% in Accommodation, Cafes and Restaurants	Number Employed
Waiters	89.90%	102,400
Kitchenhands	40.70%	95,200
Bar Attendants	88.60%	55,800
Chefs	82%	55,400
Restaurant & Catering Managers	70.20%	50,800
Cooks	63%	33,800
Hotel and Motel Managers	97%	22,900

Table 2 – Occupation Distribution, Key Occupations, Accommodation Cafes and Restaurants¹¹

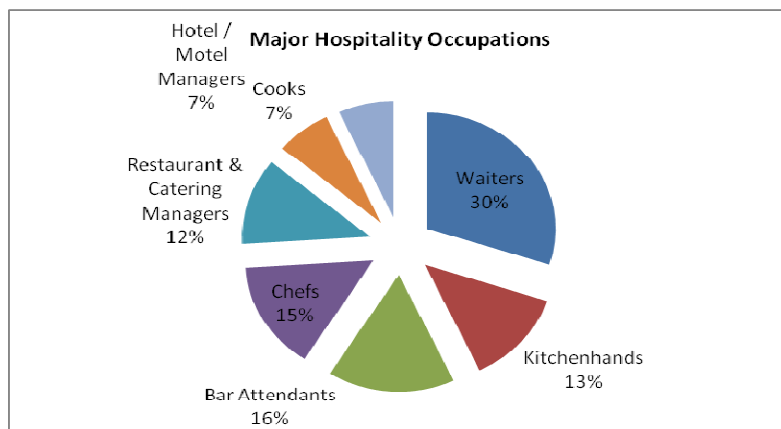


Figure 7 – Proportion of Employment in Major Hospitality Occupations

¹⁰ Employee Earnings, Benefits and Trade Union Membership, ABS 6310, August 2006

¹¹ DEWR Job Outlook On-Line, August 2006

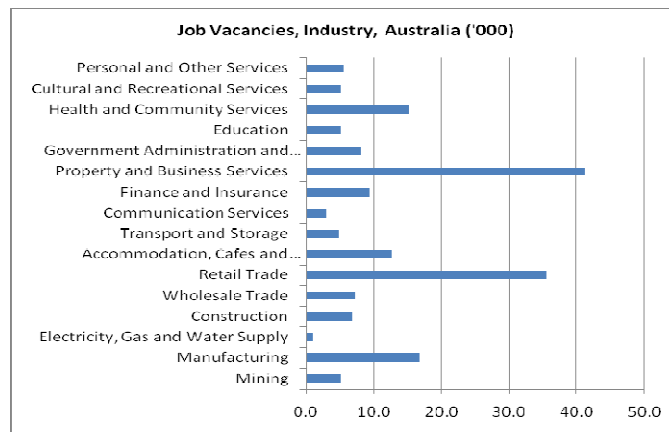


Figure 8 - Job Vacancies, November 2007

In 2007 the hospitality industry had the 5th highest number of job vacancies of any industry with 12,700 vacancies reported¹². As a proportion of its workforce, the hospitality industry ranks third behind mining and property/business services. There is no doubt that the restaurant, cafe and catering industry is suffering badly in the wake of the skills and labour shortage.

Employment Projections

One of the key drivers of the restaurant, cafe and catering industry demand for skills is employment growth. The DEWR Job Outlook (June 2004) identified the hospitality industry as the third strongest industry for projected employment growth to 2011-12 at 2.2% per annum. Projections conclude that food, hospitality and tourism will provide 8% of new jobs to 2011-12.

As a result it is anticipated that around 65,000 new jobs will be created over the next five years¹³. The DEWR Job Outlook (June 2004) indicates good prospects exist for hospitality occupations across the skill spectrum, including receptionists, chefs, and cooks (including fast food cooks), restaurant and catering managers, bakers and pastry cooks, waiters and bar attendants.

Despite strong job growth projections, the hospitality industry also has the highest rate of job turnover per annum at approximately 24%. High staff turnover produces many 'costs', including those associated with recruitment, any firm-specific training and the need for new employees to familiarize themselves with their new occupation and/or workplace. These costs are particularly hard hitting for small to medium tourism/hospitality enterprises, which account for the majority of businesses in the hospitality industry.

While low skilled jobs traditionally have had the highest rates of staff turnover, reflecting individuals moving along the career path from lower skilled to higher skilled jobs, in the hospitality industry the change in occupation is often unrelated to the area of work. The industry is often used to provide a casual income for students, who then go on to other careers on completion of their study.

¹² ABS 6354.0, Job Vacancies, Industry, Australia, November 2007

¹³ Fact Sheet Accommodation, cafe and Restaurants Industry – Australian Government, Department of Employment and Workplace Relations

It is evident that the predictions of future growth as well as the economic potential of the industry could be jeopardized by the current national skills shortage. In the past the shortage has been most evident for chefs, cooks and pastry cooks but, this has now been surpassed (in sheer numbers) by the shortage in front of house occupations. One of the immediate challenges for the industry is addressing the need for skilled staff in order to realise the full economic potential of the industry.

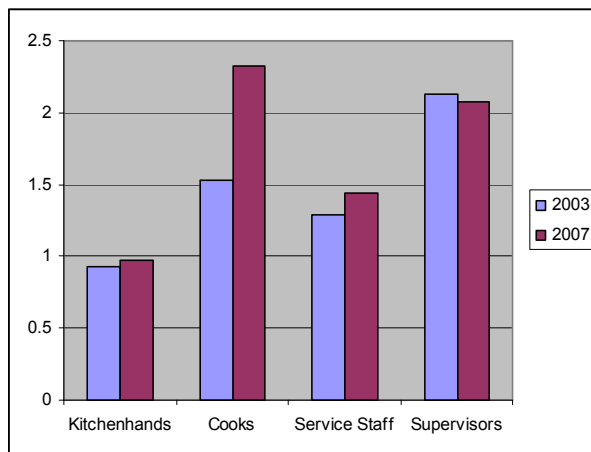


Figure 11 – Occupations in Skills Shortage in the Restaurant Industry, 2007 v 2003

It is unlikely that this situation will improve. In an occasional paper for The Academy of the Social Sciences¹⁴, published in January 2008, Peter McDonald and Glenn Withers suggest 'In the next 20 years, the only potential sources of increases in the labour supply are increased labour force participation rates and immigration.'

This paper goes on to suggest that net migration would have to rise by 277,000 by 2021 to maintain labour force growth at 1%. As detailed in the figure below the projected growth in the labour force is made up of very high levels of growth in the hospitality industry, modest growth in some sectors and even contraction in other industry areas.

The observation is made in the report that, whilst both increased workforce participation and migration have a role in meeting the needs of labour force growth, those 'who might be induced into the labour force <through increased participation> will not necessarily provide a good match to the required skills'. In the restaurant and catering sector this is likely to be the case. Disaffected job seekers may not necessarily have the attitudinal profile for customer service roles, leaving immigration as the most appropriate source of employees.

It is clear that in the future very extensive migration will be required to feed substantial growth in the service sectors (including the restaurant and catering industry). In part this is brought about by 'Average Australian living standards rising in line with productivity growth, creating increased demand for service workers in various labour-intensive sectors to which higher incomes are devoted¹⁵'.

¹⁴ Population and Australia's Future Labour Force, ASSA, McDonald and Withers, 1/2008

¹⁵ Population and Australia's Future Labour Force, ASSA, McDonald and Withers, 1/2008, p 1

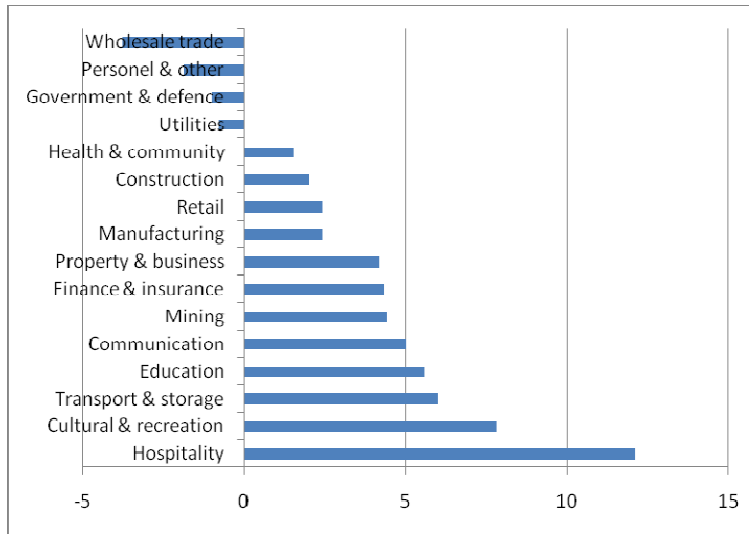


Figure 12 – Where the Jobs are (12 month employment Growth %¹⁶)

According to the Australian Financial Review¹⁷, the short-term jobs growth outlet is all hospitality with the jobs growth at 12.1% (double its next closest rival). All of the top 5 growth sectors are service sectors with mining coming in a number 6.

¹⁶ Australian Financial Review, December 8-9, 2007

¹⁷ Ib id

Restaurant & Catering Australia acknowledges that the External Reference Group is charged with providing advice to the Government on the following:

- ways to ensure the temporary work visa system (subclass 457) operates as effectively as possible in contributing to the supply of skilled labour;
- the current skilled labour supply situation for each of the identified sectors;
- current and anticipated future employment trends; and
- need for overseas recruitment, including specific occupations in the identified sectors.

The 457 Visa – An Industry View

The purpose of temporary skilled migration to Australia is 'for lawfully operating Australian and overseas employers to employ approved skilled workers for temporary vacancies in particular occupations required in Australia. Temporary visas can offer a pathway to a permanent visa¹⁸.'

The 457 specifically is a 'program for employers to sponsor approved skilled workers to work in Australia on a temporary visa. Employers can nominate a number of positions for different occupations under the same sponsorship application¹⁹'.

Restaurant & Catering Australia has in recent years been involved in promoting and facilitating the use of migration programs as a solution to the skills and labour shortage the industry faces. Prior to the last two years the Association was reticent to provide advice to its members for fear of breaching Section 280 of the Migration Act 1958 [Cth] which requires that 'a person who is not a registered migration agent must not give immigration assistance'.

Through discussions with the then Department of Immigration and Multicultural and Indigenous Affairs (DIMIA), whilst the Association did not fall into not the exempt categories from s 280, it was made clear that the provision of advice to businesses did not constitute a breach of the Act.

To assist its members (State Restaurant & Catering Associations) in providing advice to individual restaurateurs and caterers, R&CA has now:

- (a) signed a Labour Agreement with DEST and then DIMA to import 300 Cooks and Chefs into Australia;
- (b) undertaken an extensive promotion of this opportunity and other immigration options;
- (c) hosted an officer from the Department of Immigration and Citizenship to support business migration programs;
- (d) conducted a number (50) information sessions on immigration compliance;
- (e) participated in the Immigration Expo series in Australia, and;
- (f) engaged in the immigration policy debate with Government and Industry.

Restaurant & Catering Australia recognises that migration programs have the capacity to significantly reduce skills shortage in the hospitality industry. As noted above, the industry has used a range of migration programs and has experienced a number of frustrations with the systems that negatively impact on the supply of appropriately skilled staff for hospitality businesses.

¹⁸ DIAC Website, www.immi.gov.au, 29 January 2007

¹⁹ *Ib Id*

Industry Outreach Officer Program (IOO)

The R&CA was not part of the original number of organisations announced as being involved in the IOO program. Subsequent to the announcement the Association made representations and was successful in securing an IOO, on a half-time basis, at the end of October 2005.

The R&CA is most grateful for this resource and commends the Government for this commitment to building the level of knowledge and understanding, within the business community, of immigration programs. In particular, this program has helped small operators, in the restaurant and catering sector, better understand the business migration program (457 and other Visa classes) and utilise the program in ways that benefit their business.

The Association contends that this program is a meaningful way to gather intelligence from the business community to improve administrative procedures, monitoring and enforcement of temporary business migration arrangements.

Recommendation

That the Government continue to resource the Industry Outreach Officers Program

The Employer Nomination Scheme - 457 Visas

The restaurant and catering industry (and other sectors of the hospitality industry) are strong users of temporary business migration (in particular the 457 Visa). In the 12 months to December 2006, 2058 cooks and chefs came to Australia as temporary residents (some 75% of which are likely to be working in hospitality).

Of these R&CA contends that the majority are employed by large businesses, whereas the industry is made up predominantly of very small businesses (averaging 8 staff). This is due predominantly to either a lack of understanding of engaging overseas workers as a recruitment option or the difficulty in becoming a nominating employer.

In meeting the challenge of understanding migration as an workforce management option, R&CA has worked hard to raise awareness through the Association magazine, email newsletters, employer seminars and the work of the Association IOO. As stated the Association believes that the continuation of these initiatives is vital for the continued effective and balanced operation of the temporary business migration program in the restaurant and catering industry.

In addressing the processes of becoming a sponsoring employer, it is important to reference the philosophy behind temporary skilled migration (as noted above) that is for '*lawfully operating Australian and overseas employers to employ approved skilled worker*'. In contrast to the basic premise of establishing whether a potential employer is acting '*lawfully*', the sponsorship agreement proposes three basic tests that are applied to vet nominating employers. These are tests of financial viability, industrial relations record and commitment to training.

R&CA contends that the latter of these three tests does little to determine '*lawful*'. Despite laudable objective behind this commitment (which may be achieved more effectively in other ways), the application of this requirement does little other than to apply significant additional process requirements to the vetting of employers. In addition, the vetting process does little to actually determine a commitment to training as this is almost impossible to assess through any demonstrable criteria.

Restaurant & Catering Australia believes that the commitment to training, in an industry such as hospitality, should be measured on an industry wide basis as the application of such a test to individual small employers imposes significant additional administrative load and does not contribute to the objectives of the migration program.

The Association also believes that the financial viability test does not achieve any good purpose. To begin with, the test is not really a test of viability. It is understood that meeting a threshold time period of having been established and having provided a set of accounts is sufficient to meet the requirement. This does not assess viability nor is the information presented sufficient to make any assessment of such sustainability. Further, R&CA would question the qualifications of DIAC or DEEWR officers to make an assessment of a businesses viability.

The satisfactory Industrial Relations record should be the only requirement for acceptance as a nominating employer / sponsor. Each employer should be vetted as to their IR record. There should be a 'zero tolerance' approach to this issue and any employer that has been breached for any reason should be disallowed from employing overseas workers for a period of time.

Recommendation

That the Australian Government introduce a requirement for an unblemished IR record for ALL sponsors of overseas workers and discontinue other irrelevant requirements of sponsors.

R&CA Labour Agreement

In the twelve months of 2006 12 457 visas were granted through the restaurant and catering labour agreement (noting above over 2000 were granted for Cooks/Chefs). Restaurant & Catering Australia has this labour agreement in place to bring in cooks and chefs for restaurant and catering businesses. Nominating employers can apply for either applicants for a temporary entry or for permanent residency.

The process of establishing and management the Labour Agreement has been farcical.

A sort history of the agreement is as follows:

- The agreement was established in July 2005 between R&CA, DIAC and DEEWR (then DIMA and DEWR) – for a period of three years with annual reviews;
- At the first review (instigated by the Association in July 2006 followed by a Review Meeting in October 2006) there were concerns raised in relation to the Attachment B to the Labour Agreement (the details a new employer added as a nominating employer was required to supply);
- The concerns were raised as a result of applications for over 600 additions to the nominating employers list being rejected by the then Department of Employment and Workplace Relations (DEWR);
- These issues were resolved in May 2007;
- The next Monitoring Report was due in July 2007, whilst no notification has been received by DEEWR to this effect, it is understood that they have suspended the agreement due to the non-lodgement of this report;
- In October 2007 R&CA started questioning the status of the labour agreement – no response has yet been received, and;
- The agreement is due to terminate in July 2008.

Restaurant & Catering Australia entered into the Labour Agreement to provide 'streamlined' access for restaurateurs and caterers to overseas workers. This facilitative aspect of labour agreements have now long since passed. In general it is easier for businesses to use standard sponsorship arrangements than the labour agreement (albeit they have to pay the sponsor application fee).

Recommendation

That the Australian Government re-establish Labour Agreements as a means of streamlining the employer nomination / sponsorship arrangement for groups of employers operating under common conditions.

Occupational Classifications and the Migration Program

The process of classifying occupations (predominantly as skilled or semi-skilled), for migration purposes is inconsistent and confusing. It is understood that the ANZCO (Australia New Zealand Classification of Occupations) is used as the basis for the classification. There are, however, a number of exceptions to this rule of ANZCO and other discretionary aspects to the classification process.

In the case of restaurants and catering businesses the definition of cooks and chefs is, in the industry's interest, as both 'skilled' and 'in demand' (included on the Migration Occupations in Demand List (MODL)). In contrast qualified waiters (traditionally also a trade) and covered by a qualification in the Tourism and Hospitality Training package as a trade level qualification, is not deemed 'skilled' (and as such would not be investigated as to whether it is in 'demand'²⁰).

Restaurant Managers too are an anomaly. Whilst there seems to be no question as to the skill level of restaurant managers, they not appear on the Skilled Occupation List (SOL). Whilst this does not affect temporary entry (457 Visas), it does impact on permanent migration for this occupation. It has been explained that inclusion of occupations on SOL is discretionary and Restaurant Managers are 'not the type of occupations we like to have on the list'.

Recommendation

That greater consistency be established for the classification of occupations with clear 'rules' established for what make a 'skilled' and 'in demand' occupation. In addition, these rule should be consistent with those used in the training system (i.e. established through the Industry Skills Council).

That Waiters and Restaurant Managers be added to both the MODL and SOL.

Quality Training in Australia

The General Skilled migration program allows cooks to gain entry to Australia without any intention of working in the industry. Whilst this is appreciated, as a response to the skills shortage, it sets up some arbitrage where overseas students study cookery in Australia, and then apply for entry on this basis of these skills (again without the intention of working as a cook/chef).

²⁰ It is understood that, despite the lack of 'skilled' classification, DEEWR have done labour market testing of the occupation of waiter. R&CA has been advised that the results of this testing may or may not be released but in any case the occupation would not be added to the MODL and the occupation is not 'skilled'.

Data from DIAC²¹ suggests that less than one-third of overseas students work in their nominated occupation upon re-entering Australia. R&CA contends that this proportion would be even lower for cooks/chefs.

Some training providers are offering institutional only cookery courses to satisfy the demand from overseas students – the industry has no involvement in the audit / approval of these providers and therefore is unable to impact on their proliferation. R&CA believes that far greater rigour should be applied to the inclusion of trade training courses in a Registered Training Organisation's scope.

Recommendation

That the Australian Government look to regulate the quality of training provision as a means to 'stamp out' the provision of cookery training as a means to earn 'migration points'.

Minimum Salary Level

Restaurant & Catering Australia originally had a negotiated salary level in the industry labour agreement which was equivalent to the Gazetted regional rate even in non-regional areas. During the first review of the Labour Agreement the Association was required to revise the minimum salary level in the agreement up to new gazetted rate on the same regional / non-regional basis.

The 'interpretation' dated January 2006 stated that 'for the purposes of this Agreement, the prevailing market rate of remuneration and base salary for a nomination lodged for a position as a trade-qualified chef or cook, has been determined at May 2005 to be \$35 000 per annum'.

The first review brought the minimum salary level into line with the Gazetted statement of the 15th June 2006 at \$41,850. In addition to the increase in the minimum salary level, this Gazetted notice moved the minimum to a 38 hour week.

Whilst the labour agreement is now effectively stalled, employers bringing in overseas workers through the agreement now are required to do so in accordance with the next Gazetted (effective 10 September 2007) which now, not only determines the Minimum Salary Level but determines the rate at which overtime will be paid.

The Minimum Salary Level and the conditions surrounding the overtime rate (and other conditions for overseas workers) are totally inconsistent with those in industrial instruments under which employees are engaged. Australian employees, and overseas workers for that matter, are engaged under awards and agreements which have minimum standards enforceable at law. These standards are ignored, overridden or in conflict with those imposed through immigration gazettals leading to mass confusion among employers of overseas workers.

Aside the confusion, employers also risk sanctions and other compliance action as a result of conflicting requirements. Given the construct of the industrial instruments compared to the minimum immigration requirements, businesses risk falling above or below either the award or immigration minimums depending upon what hours an employee works or what days of the week those hours are worked on.

²¹ Analysis of the third longitudinal survey of immigrants to Australia, DIAC, 2007

Restaurant & Catering Australia is not necessarily looking to lower the rate at which individuals are being paid, however, the Association is making a call for simpler, more consistent requirements.

Recommendation

That in the review of Awards and the Gazettal of Immigration salary levels the Government consider the interface between the two. Ideally rates and conditions for Australian employees and overseas workers should be consistent.

Part-time and Casual Work

Students and working holidaymakers are a significant in the part-time and casual workforce in the hospitality industry. Restaurant & Catering Australia is particularly supportive of the announcement of an extension to the amount of time a working holiday maker can spend with one employer. This was an area in which the Association had undertaken some advocacy over a period of time, on the basis that the previous three months maximum only just provided enough time for the worker to understand the businesses procedures.

The additional years working holiday marker visa (following three months work in rural Australia) is appreciated, however, R&CA believes that those working in tourism precincts should also received the additional years visa. The recent extension to mining and manufacturing is appreciated (as the additional year is likely to be spent working in the tourism industry), however, the now singular exemption of the very industry that fits with the definition of the visa type (the tourism industry) if difficult to understand.

Recommendation

That working holiday makers, working in tourism precincts, should also be eligible to extent their visa for an additional year.

Students studying in Australia are also a much used source of labour for restaurateurs and caterers. These businesses find it difficult, however, to work within the 20 hour weekly limit placed on the student by their visa. Restaurant & Catering Australia believes that the maximum working hours per week for an international student on a student visa should be extended to 30 hours per week. Feedback from employers suggests that this extension would also be appreciated by the students themselves.

Recommendation

That the maximum working hours per week for an international student on a student visa be extended to 30 hours per week

Unskilled Migration

Restaurant & Catering Australia has genuine concerns that even in the event that all of the recommendations above were implemented, the underlying shortage of labour would still not be met.

The reality is that with the current rate of unemployment, those seriously looking for work are very limited in number and in many cases they are not looking for work at the level of skill of many hospitality occupations. Increasingly newcomers to the workforce

believe that hospitality work is beneath their aspirations. Whilst some change can be effected (and should be effected) by promoting careers within the industry, there will be unskilled job roles that will go unfilled.

Restaurant & Catering Australia believes that, if the level of service provided by the industry is to continue, a new source of unskilled labour needs to be found. It is suggested that the need for unskilled labour should be regarded as inevitable and some work done to pilot approaches in perhaps a geographically or occupationally bounded way. It appears that there is some opportunity presented by the eagerness of some of the countries in the South Pacific to send labour to Australia.

Recommendation

That the Australian Government, as a matter of some urgency, pilot approaches to unskilled migration to Australia.