

Sweet taste of success hit by labour shortage

Hospitality has certainly lifted its game, writes
Rob Broadfield

"People will look back at the years 2010 to 2013 and remember it as a tipping point in WA... a time when world-class restaurants and bars came to town."

These are the words of Australian Hotels Association WA chief executive Bradley Woods.

He said the decade-long resources boom had brought the hospitality sector to an exciting and historical sweet spot, but there had been pain along the way.

"The impact of the boom on employment means there has been an undersupply of labour, which means a lot of businesses taking on staff that they would not normally employ... backpackers, transient

visitors," Mr Woods said. However, he believed the acute labour shortages seemed to be easing slightly, a view shared by Crown Perth chief executive Barry Felstead.

"Four or five years ago, it was tough," he said.

Mr Felstead — whose business employs 5600 staff and spends \$200 million a year on goods and services — said a reputation for being a good employer and the prestige of its new restaurants and bars had made the gaming resort appealing for prospective staff.

"When we advertised for staff for Nobu (Crown's Japanese restaurant) in 2011, we received more than 1000 applications," Mr Felstead said. "That would have been unheard of five years ago."

"The staff shortage issue has been less of an issue for us."

Mr Woods is not so sure. He bristles when asked about the WA Government's role in assisting the sector weather the ups and downs of the boom.

"The WA Department of Training and Workforce Development



has been extremely slow in understanding the importance of the hospitality industry," Mr Woods said.

"It's like pulling teeth to get them interested in this most important sector. All these staff shortages, compounded by a lack of training and leadership from the Government, have had an impact on hospitality in WA."

Premier Colin Barnett said the Government was paying attention.

He cited the release late last year of the Food for Thought report — which has yet to translate into any material policy initiatives — and last month's announcement that the internationally renowned Le Cordon Bleu cooking school and the Central Institute of Technology had forged a partnership to bring internationally recognised hospi-

tality training to WA. "This partnership means two new advanced event and tourism courses will now be offered in WA by teaming up with a world-renowned centre of excellence," Mr Barnett said.

"The announcement is consistent with recommendations in the Food for Thought report."

For all the constraining effects of staff shortages, Federal immigration policies that continue to ignore WA's unique demand for skilled hospitality labour and the zero tolerance alcohol and drug regimes ushered in by the big resource companies (which has killed off the boozy business lunch), the WA hospitality sector has gone through its greatest growth spurt in history.

"It's an extremely exciting time for everybody," Mr Woods said.

"In 2004, we had nine restaurants and bars at (the then) Burswood. We now have 31. When Crown Towers comes on line in a couple of years, we'll have at least 35," Mr Felstead said.

"This is the positive side of the boom."



Food for thought: Andrea Mitchell and restaurateur Scott Taylor.

Restaurant business is survival of the fittest

Scott Taylor is one of the new, young restaurant entrepreneurs who didn't even exist in Perth a decade ago. His restaurant, Trustee, is one of a swath of new big-buck openings in the city last year that have transformed the CBD into a restaurant and small bar destination in its own right.

Ask Taylor what he thinks of the resources boom and he's unequivocal.

"I'm absolutely glowingly positive about the boom," he said.

"Some people are struggling. And there's a good reason."

"In the restaurant game you've got to be all offence, you can't play defence. You've got to give the best you can. You can't pump out \$12/kg fetta on top of a bruschetta because people will know."

"You can't cut your staff back to nothing, because you won't get the upsell. You can't burn your staff out because there'll be less love on the plate."

Taylor says some older restaurants will fail because of "a natural thinning of the herd".

"It's Darwinism for restaurants," he said.

Taylor, who still owns his Highgate boutique cafe and liquor store the Beaufort Street Merchant, acknowledges the leap from that venue to a multimillion-dollar CBD operation was a big one.

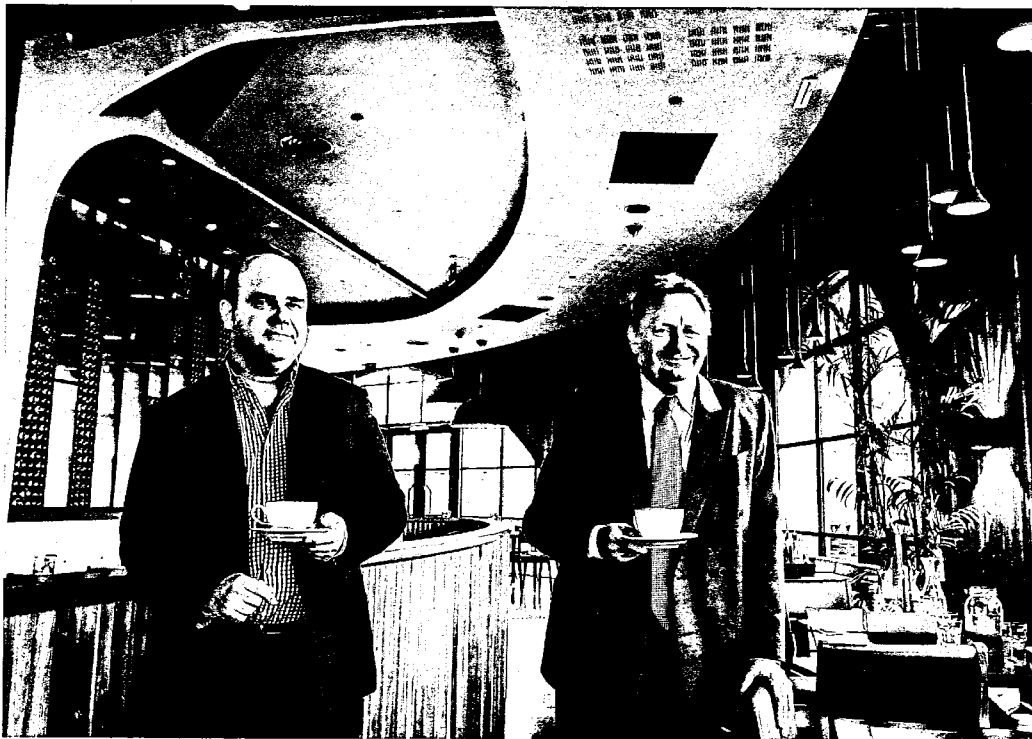
"It was a no brainer, though," he said. "There wasn't a cornerstone food and wine venue in the Perth CBD. At the same time we have a boom measured in decades, not years."

"I couldn't name a city on the planet with so much disposable income and promise and yet with so few good restaurants to serve it. It was a glaring slam dunk for me."

The next 10 years?

"There is now a critical mass of restaurants," he said. "The gaps in the market have been filled. So now we concentrate on what's happening within our four walls. It's about consolidation."

Rob Broadfield



Optimistic Bradley Woods and Barry Felstead say acute labour shortages seem to be easing. Picture: Nic Ellis

Government needs to let industry get on with the job

■ Rob Broadfield
Food Editor
Comment



As a rule of thumb, government best serves us when it seeks to stay out of our lives, our bedrooms and our behaviours.

Minimal government encourages self-reliance and personal responsibility. The dead hand of interventionist government can and does enervate entrepreneurship and kill off the dreams of budding business people.

The example of our small bar laws, which were supposed to cut red tape, streamline compliance and reduce the need for expensive legal representation, are a case in point.

Many young small bar aspirants take one look at the still overly legalistic, complex compliance regime and run a mile.

Where government can make itself useful is where it uses its powers to stimulate and encourage industry participation, reduce red tape and lessen pointless and time-consuming compliance.

The Barnett Government has

before it the Food for Thought report by Liberal backbencher Andrea Mitchell.

And while it amounts to not much more than a wish-list of feelgood aspirations, it is a readable and sensible rallying point for future action.

Mrs Mitchell consulted far and wide within the hospitality sector in seeking a consensus about the key issues the industry faces and which her report identifies as ripe for government intervention.

These aspirations now need to be taken seriously. Policy development is the obvious next step.

The good news is many of the recommendations can be achieved without full-blown, stand-alone policy.

That would require a Ministry for Restaurants and Bars and, as compelling as that notion is, policy can be achieved by tweaking existing programs across the portfolio areas of education and training, tourism and small business.

Culinary tourism, fostering a success culture within the restaurant sector (which will attract more young people and arrest the talent diaspora to the Eastern States) and more focused

and effective industry training are the three most pressing concerns.

The good news is that these three critical areas are, in both a political and policy sense, low hanging fruit.

With funding from the Royalties for Regions program, regional culinary tourism could become a unique selling point for WA.

The success of the Margaret River Escape is an example of government playing a low risk but critical role — it was part-funded by Royalties for Regions money and Eventscorp.

It is a template for future successes.