

## Here's a Tip





Client Bulletin March 2023

Mike Phipps. **0448 813 090** mike@mikephippsfinance.com.au

Paul Grant. **0448 417 754** paul@mikephippsfinance.com.au

Cameron Wicking. **0477 776 859** cameron@mikephippsfinance.com.au

Head Office 4/31 Mary Street NOOSAVILLE QLD 4566

Office. 07 5470 2194 Fax. 07 5455 6626

www.mikephippsfinance.com.au

As some of you may know I am a late arrival to the pastime of snow sports. It's not that I haven't always had an interest in skiing, mountains and snow. It's just that when you are married with two kids, trying to pay off a mortgage and living pretty much week to week the prospect of mixing it with the snow resort jet set seems one hell of a stretch. Of course, travel brochures are free so who says you can't dream?

Anyway, in my advancing years and with the kids off our hands (are they ever really thus?) the managing director and I, having lucked out and made a few bob, ventured on our first ski trip to Falls Creek. Two discoveries quickly ensued. I was hooked and the MD hated it. Well to be fair, she hated skiing and being cold. The après were a hit so I guess all was not lost.

We subsequently ventured to New Zealand where my addiction took full hold and the MD's dislike for the whole stupid endeavour was fully realised. To her credit she has accompanied me to NZ on subsequent excursions but there is no chance of getting her into those horrible ski boots ever again. The entire point of the exercise is lost on her, and she considers it all just too much trouble for too little fun. Any smart comments comparing this with my personal life will not be well received BTW. I could be cruel and critical but, in the interest of asset protection, the MD controls everything and has the power to hurt me in ways I do not care to imagine. As such I accept her position with my usual good grace.

Anyway, as luck would have it our son, in an act of magnificent personal sacrifice, volunteered to become my ski trip companion, even agreeing to fly business class at my expense, just like mum would have done. What a guy!

We did a test run to Japan a few years back and had great fun. In the interim Nic and his wife Tayla got married and are expecting a new arrival as a sibling for daughter Harper. I judged the impending cessation of solo travel rights for Nic and immediately booked the last hurrah. Canada here we come. This move came with considerable risk. If you have ever tried arguing the merits of taking a husband away from a pregnant mother of one very energetic 2 year old let me tell you.......its a zero sum game. I was left in no doubt that any further transgressions in the travel department would not be well received. People say that women take on a glow when expecting. I now know that said glow is surely real but not necessarily benevolent. Point taken and apologies extended to no avail. I remain on the hit list.

Qantas is the preferred carrier, but Air Canada get the gig. Price savings were just too compelling, so we take the plunge with an airline we've never flown with. They fly direct Brisbane to Vancouver and have been getting decent reviews, turns out with good reason. The service is professional and friendly, food and beverage about industry standard, bed comfortable and most importantly the plane didn't fall out of the sky. I compliment a crew member on the coffee and she replies "that's nice, but where else you gonna go?". At 30,000 feet she had a point and a sense of humour.







The bus ride Vancouver to Whistler is about 2 ½ hours on the Sea to Sky highway. It's mostly spectacular views and the transfer service is super professional and very comfortable. We arrive at 10:30am with our check in at 4pm. There's no early check option which seems strange given the check in / check out timing and no guest lounge as such. I've never really seen the point in converting areas in resorts to cater for early arriving guests, but I sure do get it now. As luck would have it our accommodation turned out to be pretty good in all other respects and the jetlagged nightmare of our first day was soon forgotten.

We ski our second day and discover that despite personal perceptions we are seriously out of condition. The situation demands an urgent remedy, so we repair to a dining establishment for a few beers and a bite. All goes very well and at night's end we are presented with the bill. Looks about right albeit Canada has an interesting price transparency system. GST and other taxes are not noted on most menus or indeed most price tags. The EFTPOS terminal is proffered, and I hit the Accept button. And there it is. In the final throes of the transaction the awful truth is revealed. The dreaded tip. Now, I know it's something you do in Canada but the process has been taken to a new level. The payments terminal defaults to a series of options starting at 17% and escalating from there. The final option is well north of 20%. Hidden from a first glance is a button which allows the punter to nominate a different percentage, but you need to search to find it. Not wanting to offend I took the 17% option. That's 17% on top of meal and booze prices that are expensive by any measure.

Here's the thing. I get the tipping culture. Wages in many places are terrible and tips help staff make a decent living. I also think that service is generally better when a tip is involved. In Australia a request for a recommendation on a good dry white often involves the server advising that he/she doesn't like white wine. The implication being that the staff's alcohol preferences inform their knowledge of the wine list. Compare this with the reaction in Canada where great service drives ultimate income. Knowledge of the wine list and menu is extensive and you are never left waiting for someone to fill your glass or take your order.

But......there's always a but. I struggle to reconcile the high prices being charged with the low wages being paid and the expectation that I will not only pay those prices but also subsidise labour costs. There seems to me to be a disconnect between the low cost of labour and prices that suggest businesses are not passing on lower operating costs resulting from that labour cost. It's a kinda have a cake and eat it scenario that I'm not sure sits well with me. What I do know is that the tipping culture most certainly drives superior service, so I guess that's a positive. While dining one evening we got chatting with a local business owner who made a good point. Great service providers, particularly in hospitality, make good money, mostly from tips. This opportunity brings people to these jobs on a long term career basis rather than a part time, stop gap gig. We debated the pros and cons well into the night and, according to my son, she paid for the last round of drinks and I agreed that, in the final analysis, tipping was a fabulous idea. For the record Your Honour, I do not recall.



Industry finance specialists with over 80 years combined experience.





One might wonder if a similar culture would work in Australia. Lord knows service standards could improve. We'd have to lower the minimum wage of course or the service / income incentives would evaporate. Good luck with that.

In any event we had a great time on the last hurrah albeit not without some injuries. My son seems to think it's funny to go down difficult and dangerous black runs as my reconnaissance man and then shout out that it's not as hard as it looks. He then finds great amusement in witnessing the ensuing carnage as the old man crashes his way to the bottom. At times I wonder if, at 62, I'm just too old for this sh\*t and my most serious injuries may be the proof. Entering the grocery store after an afternoon on the slopes I was confronted by a large sign some idiot had placed in the middle of the check in isles. Still wearing snow covered ski boots and helmet I attempted to step around the obstacle only to perform a perfect three-point landing. That is, bum, shoulder and head hit the deck simultaneously. As I lay there stunned and in a fair amount of pain many customers surrounded me with offers of assistance. One asked me if I had seen the sign? My focus cleared and the sign I had partially landed on came into view. Beware Of Entering This Shop in Ski Boots. Floor Will Be Very Slippery and Injury May Result.

As luck would have it, I broke nothing and the helmet saved me from concussion, or worse.

Anyway, I've decided, in spite of my advancing years, that I'm not too old for this sh\*t but I'll never go grocery shopping without a helmet, that's for sure. The folks at the IGA in Noosa should be most amused.

**Footnote #1:** You may wonder how hospitality businesses manage tipping in an equitable fashion. They do it with some pretty sophisticated iPad based tracking that links your table to your server. Tips are shared (not sure on what % basis) so the server gets rewarded but so do the kitchen staff and other non-customer facing employees.

Footnote #2: You may wonder what happens if you dine at a splendid Whistler restaurant, rack up a pretty substantial bill, pay it but leave no tip. As an experiment we did just that. I got out alive, but my son was confronted by staff who interrogated him as to why no tip was paid. He confessed that he had a weird dad who was a bit of an anarchist and paid a small gratuity. I popped in the next day and left a cash tip with the staff. The idea of a customer returning to pay a tip seemed completely foreign to them and some got quite emotional......in a good way. Made my day and made me wonder. Maybe all this electronic predetermined tipping as a matter of course has taken the respect and personal satisfaction out of both sides of the transaction. Wouldn't be the first time that technology has diminished the human experience.

Mike Phipps F Fin Director | Phippsfin Pty Ltd





Mike Phipps. **0448 813 090** mike@mikephippsfinance.com.au

Paul Grant. **0448 417 754** paul@mikephippsfinance.com.au

Cameron Wicking. **0477 776 859** cameron@mikephippsfinance.com.au

Head Office 4/31 Mary Street NOOSAVILLE QLD 4566

Office. 07 5470 2194
Fax. 07 5455 6626
www.mikephippsfinance.com.au

