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Joint Standing Committee on Foreign Affairs, Defence and Trade
Trade Subcommittee
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Dear Sir/Madam

INQUIRY INTO AUSTRALIA'S TOURISM AND INTERNATIONAL EDUCATION SECTORS

Tourism Western Australia is pleased to provide the following information on tourism workforce and work accommodation shortages to the Trade Subcommittee's Inquiry into Australia's Tourism and International Education Sectors for consideration.

Tourism Workforce

The national THRIVE 2030 tourism strategy was developed as a result of extensive consultation and industry inputs. It reflects a considered and consolidated direction for the growth of the tourism industry, with particular reference to the challenges associated with the workforce.

Strategies to address both the short-term and long-term workforce demands of the industry are critical and need to be driven from a national level with programs, incentives and strategies implemented across the States and Territories. Currently much of the work is being duplicated by a range of organisations in States and Territories, which could be centrally coordinated and managed.

Short Term measures:

- Visas for Working Holiday Makers and students should be simplified in terms of renewal/extension.
- Review the Pacific Australia Labour Mobility (PALM) program to make it more suitable for SME businesses to access and utilise. SME tourism operators are struggling to use this system due to the following key issues:
 - Requirement for labour market testing prior to applying;
 - Considerable administrative process to complete; and
 - Extensive support services required around the participants is highly labour intensive for a small business.
- Short course training and micro-credentialing is not consistent across the States, making the transfer of skills difficult.

Long Term measures:

- Promotion of tourism and hospitality as a career of choice. Increasing the profile of the industry as a career of choice, its ability to deliver sustainable and social outcomes, the flexibility to work part time or casual, and work locations are all highly desirable. Increasing the local talent pool allows for the industry to grow and reduces reliance on the inbound workforce.

- The variety of training and education systems needs to be broader than the current TAFE and university pathways to allow for changed environments to learning.
- Better understanding and representation of the tourism industry through data. The full extent and impact of the sector on the economy is currently not easily identifiable due to the inability to split out the tourism element in all relevant job types. This impacts the tourism sector's ability to be recognised as a key industry in its own right.

Worker accommodation shortages

Conversion during COVID-19 of long-stay rentals to high yielding short-stay holiday homes, particularly in holiday destinations such as Margaret River and Exmouth, is driving out workers. Some local governments are finding innovative solutions to address this issue. The Shire of Esperance has converted an unused YHA hostel into accommodation for seasonal workers, however, many regional towns continue to struggle to meet this need.

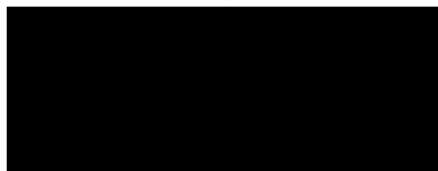
Demand for tourism accommodation in Broome has increased and the number of available beds has decreased. In addition, pandemic-related workforce shortages have led to some Broome accommodation providers reducing their operational capacity. An acute shortage of suitable workforce accommodation has exacerbated the worker shortage. Some Broome accommodation providers have taken advantage of high demand and have substantially increased their prices. Consumer awareness of recent price escalations, limited accommodation availability and reduced level of service due to staff shortage has the potential for reputational damage and to soften forward bookings.

Also placing demand pressure on the current tourism accommodation stock is the growing number of expedition cruise vessels that are scheduling itineraries between Broome-Darwin or Darwin-Broome. Broome is expecting 79 cruise ship visits in 2023. These visits coincide with high visitation periods from the eastern seaboard because of the optimal weather window between May and September.

The lead time for attracting new investors and the construction of new tourist accommodation in Broome is too long to solve the immediate supply shortage. Some hospitality and accommodation suppliers are trying to fix their workforce issues with creative approaches to off-site accommodation, such as the provision of buses for staff transfers to outer suburban accommodation and exploration of sub-leasing rooms from the oil and gas industries which hold vast numbers of rooms across the town for their fly-in-fly-out workers. While these solutions are helping some operators to sustain their accommodation and hospitality services, they are apparently not of a volume that will enable a sufficient number of rooms to become available to substantially improve the situation.

I trust this information is helpful and wish the Committee well with its Inquiry.

Yours sincerely



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Managing Director

 December 2022