

**Inquiry into workforce challenges in the Australian tourism sector**

**SUBMISSION FROM THE CITY OF MANDURAH**

**25 August 2006**

**1. Current and future employment trends in the industry**

Current issues and trends facing the tourism industry include the following:

- The tourism industry is frequently staffed by low-skilled or unskilled labour working for low wages. It does not offer people an attractive career path as it cannot provide enough of the stability, professional development opportunities or competitive wages required to retain good workers.
- The casual and seasonal nature of work in the tourism industry is one of the reasons it suffers from a high turnover of staff. Low retention levels have a knock-on effect of lack of commitment to the industry and the actual jobs it offers. This often leads to poor customer service levels (due to a high level of inexperienced staff, often lacking appropriate levels of product/industry knowledge and appropriate training or staff simply lacking commitment to their jobs) which is naturally damaging to the overall industry itself. In the Mandurah particularly there is very limited backpacker accommodation meaning a heavy reliance on local residents to fill tourism jobs. With tourism one of the area's key industries, locals are left no choice but to take this work unless they are prepared to travel to pursue more permanent positions.
- There is a lack of significant training opportunities in the tourism industry. In Mandurah, the local TAFE currently runs courses for students looking to obtain a qualification such as a Certificate III or a Diploma in tourism-related subjects and it is beginning to forge links with local businesses to improve opportunities for students to gain work experience. However, limited resources coupled with limited available quality work placement opportunities means that many students opt to pursue other career paths (with better wages, opportunities and stability) on completion of their studies. Overall it appears that there is limited support for employees in the industry who wish to pursue further qualifications at a higher or tertiary level and there also appears to be questionable value attributed to these qualifications by such students who frequently decide not to remain in the industry.
- The tourism industry is seen as a place of transitional profits and is not attractive to many people looking to start up a business and who are seeking reasonable (or more reliable) returns on their investment. In Mandurah there is tendency for small tourism businesses to be operated by people who have chosen to live in Mandurah for a lifestyle choice and who are often looking for some extra income to subsidise their retirement. These business owners often have little or no experience or understanding of the tourism industry in which they work, relying on passing traffic for their income. Often they are not interested in looking for ways to improve their standards and are not planning to grow or diversify their businesses.

- There is a need to address business growth issues and raise standards to make the industry attractive to higher calibre business owners and workers.
- The tourism industry is beset with demanding working conditions (including comparatively low pay and 'antisocial' hours) which makes it much less attractive to people looking for work in a competitive employment market and to which the high levels of turnover in the industry may be partially attributed.
- The tourism industry is sensitive to any factors that affect travel by international visitors to Australia (as well as our domestic market) and often these are out of our control (terrorism, global health scares, rising fuel prices etc). This has a knock-on effect on employment levels in affected businesses and gives prospective employees the perception that the tourism industry is a fluctuating and unstable one to work in.

## **2. Current and emerging skill shortages and appropriate recruitment, coordinated training and retention strategies**

There is a need for all regions to identify particular skill shortages within their areas with local partners and stakeholders (such as businesses, local government authorities and educational institutions) collaborating to address them. Strategies to train and retain workers within the tourism industry need to be developed to encourage the roll out of positive initiatives which will encourage local participation and make the industry more attractive to prospective employees. A more structured industry offering more in the way of professional development to its employees will serve to attract and retain quality, committed staff, which will have a positive impact on the industry as a whole.

## **3. Labour shortages and strategies to meet seasonal fluctuations in workforce demands**

The industry needs to make itself more attractive to overcome labour shortages (to encourage more people to work in it and prevent them from leaving). To do this it must address the issues discussed in Part 1 of this submission.

To overcome seasonal fluctuations, it would be prudent for stakeholders to engage in industry development to make tourism destinations attractive all year round. For example, the City of Mandurah recently applied for AusIndustry funding to develop a bird-watching trail which would entice a certain market of visitors all year round, helping to overcome the seasonality issues it currently experiences. Industry development such as this involves identification of gaps in product and marketing activity to target specific visitor markets. Initiatives need to be encouraged and supported by the government through funding and assistance at a local level.

#### **4. Strategies to ensure employment in regional and remote areas**

Targeted industry development needs to take place in regional and remote areas to improve the tourism product in these places and bring about increased visitation thereby ensuring ongoing employment for the locals who will be working to service the needs of the visitors throughout their stay. For example, the City of Mandurah's bird-watching product development project should, if the application for funding is successful, encourage longer stays in the area, bring about repeat visitation and attract new visitors. The City estimated that this project alone would generate 6 new jobs in Mandurah and as bird-watching is an all year round activity, should help to overcome issues with seasonality.

#### **5. Innovative workplace measures to support further employment opportunities and business growth in the tourism sector**

Stronger partnerships are required between stakeholders such as local governments, tourism-driven businesses and educational institutions to identify and address industry skills shortages in their areas, develop appropriate training opportunities (to attract and retain staff) and create professional development opportunities for higher calibre employees looking to map out a career in the industry.

Programs are needed which will ensure there are 'real jobs' at the end of training courses. Challenger TAFE, the City and several local hospitality businesses recently partnered in such an initiative, which successfully ensured the school/training/work experience/full employment transition. In addition, an agreement between the City of Mandurah, Mirvac Fini and Challenger TAFE has recently been negotiated to allocate floor space in a new hotel (The Point), which is currently under construction, to facilitate onsite hospitality training when it opens.

A review of industry workers' terms and conditions would highlight issues with low wages, antisocial hours etc and strategies to address these need to be formulated.

Further industry development to create more stability for employees would also serve to encourage people to remain in the industry, retaining product knowledge and ensuring stronger service levels.

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