

Submission

To

**House of Representatives: Standing Committee on Employment,
Workplace Relations and Workforce Participation**

Inquiry into workforce challenges in the Australian tourism sector

by

South Australian Tourism Commission

Background

The South Australian Tourism Commission (SATC) has taken considerable steps in addressing the issues raised in the *Terms of Reference of the Standing Committee on Employment, Workplace Relations and Workforce Participation's* inquiry into workforce challenges in the Australian tourism sector.

The ongoing issue of a tourism labour shortage was raised as a matter of concern recently at the South Australian Minister for Tourism's Round Table and subsequently the Minister, the Hon Jane Lomax-Smith MP, established a working party to investigate the issue, and make recommendations to her on how the issue could be addressed in South Australia.

As part of the process the working party commissioned a number of research projects.

Research conducted by the SATC

Demand for Tourism Labour

A tourism labour demand research survey¹ was sent out to approximately 1500 South Australian tourism operators to ascertain the nature of future employment requirements for the industry and the attributes and skills that employers will be looking for in future staff. 303 tourism operators responded.

¹ South Australian Tourism Commission Tourism, *Workforce Development Project: The Demand for Tourism Labour*, South Australian Tourism Commission Tourism, (2006).

The results indicated four major trends:

- There is an expectation that the demand for tourism labour and skills will increase in the next five years, and this increase will be higher in the regional areas of South Australia.
- The increase will mainly occur in non-managerial type roles and in newer tourism experiences, ie Adventure tourism.
- There was a strong preference by tourism operators for 'on the job' training regimes.
- Overall, attitudes towards the importance of retaining staff differed significantly across South Australia's regions with the remoter regions indicating their main concern in regards to workforce planning, is staff retention.

Supply of Tourism Labour

The second area of research conducted concerned the supply of labour.² 474 Students from Schools, TAFE, Private RTOs and Universities responded to the survey. This research identified that to maximise resource usage at secondary and university level, strategies to encourage employment outcomes need to be implemented. Key findings of the research recommended:

- The development of a Tourism Industry employment and career development website to allow improved monitoring of graduates and provide improved links between training organisations and industry.
- On-time delivery (entry level skills training followed by industry placement/employment; supervisory and management skills delivered on-the-job at the appropriate time in an employees career).
- Emphasis on skill and knowledge development rather than just acquiring qualifications, while recognising community recognition of qualifications.
- Further development and application of flexible and mix mode delivery, particularly to meet regional training needs to deliver entry level and industry update training.

² South Australian Tourism Commission Tourism, *Workforce Development Project: The Supply of Tourism Labour*, South Australian Tourism Commission Tourism, (2006).

- Giving support to the on-the-job, case management and mentoring system for those studying cookery, to address the low retention rate in the hospitality sector.
- There was considerable satisfaction with the content of tourism courses across the State by the participating students, suggesting little requirement for any modifications for course content changes.

Qualitative Research

Further to this research the SATC contracted *Vincent Burke Consulting Services* to conduct qualitative research through a series of industry participant interviews. The key findings³ from this research were that:

- Regional tourism and hospitality enterprises are experiencing great difficulty in attracting suitable staff.
- They are not that concerned if applicants have not been trained or have obtained qualifications, so long as they are job ready, and have generic skills, along with the ability and willingness to become multi-skilled.
- In some areas, at all levels of the industry, some specialist skills and training are needed.
- More than anything, employers are looking for people with previous suitable experience.
- There is strong interest in the suggestion that mature people, capable of returning to the workforce, would be suitable employees, provided they have obtained basic generic skills. Similarly, employers are open to the idea of employing skilled migrants on special visas.
- More broadly, whilst the talk is about providing "on the job" training, this appears to be very ad hoc with no structured approach.
- Due to workload constraints, formal training (on or off the job) is not a high priority for many of the owner-managers of small enterprises.
- Some see the need for "train the trainer" sessions for themselves as employers.
- Regional business owners/managers believe that training providers should come to them, rather than having to go to training institutions like TAFE. Several would use (some have already used) the services of other RTOs for this.

³ Burke, Vincent. *Tourism Workforce Development Research: Final Report*, South Australian Tourism Commission Tourism, (2006).

- They would also be willing to work with their local schools to help provide "local jobs for local kids".
- Wineries with cellar doors are even less enthusiastic about formal training courses, but would welcome short training sessions in situ.
- The secondary schools fulfil a valuable role by providing both an insight into tourism as an industry and VET courses for those wanting to acquire skills for employment in hospitality.
- Employers argue that their main need is for school leavers to be job ready with generic skills, which they can then adapt and augment with on-the-job training for new staff.
- They would also like schools to provide information to students about employment opportunities in tourism and hospitality, as well as encouraging them to consider this as a possible career, rather than just a short term job opportunity.
- There needs to be greater cohesion between secondary school teachers in tourism (through their association - Council of Australian Secondary Tourism Teachers - CASTT) and the tourism industry. The basis for this has been recently created with better contact between CASTT and the SATC.
- For schools to provide some of the groundwork to attract students into the industry, they also need more support and encouragement from employers in relation to work experience and work placement for their students.
- The schools believe the value of what they do is not fully respected by the industry, and they would like the operation of the registration scheme to be reviewed.
- One of the powerful messages from this research was the need for training organisations to move from a notion of "training for business" to "training within the business".
- It was clear that the two universities were playing more of a niche role in terms of training for the tourism and hospitality industry. Flinders specialises in cultural and eco tourism. University SA's focus is on providing tourism management courses for overseas students.
- The "local" graduates from these courses would be most likely to find employment with organisations like the SATC, regional development boards, local councils and other agencies, rather than at the coal face of tourism.
- The one exception to the above generalisation is that some would be likely to end up in hotel management, although it was said that, even with a degree in tourism, securing a job in hotel management still involved working up the ladder from the lower levels within the hotel structure.

Conversely, many people will still be likely to achieve a senior job in a five-star hotel without having studied for a degree in tourism or hospitality.

- As noted earlier, the main focus in relation to training for tourism and hospitality is on TAFE SA and the RTOs. There was clear evidence that they have begun to respond to the changing needs and expectations of the industry by offering much greater flexibility in their delivery of training courses, with on the job, in-time and in-place modules, which are tailor-made for the needs of individual employers and groups of employers.
- The biggest challenge in this regard is for TAFE SA itself. Whilst Government subsidy is available for accredited courses, it has to charge full rates for the kind of short courses and workshops which the industry is demanding. It is hopeful that the Government will assist by part-subsidising such courses.

The Ministers Round Table has at this stage not finalised the report however it is expected to do so shortly and the final report will contain a number of initiatives to address the issues identified above. At this point of time the likely recommendations that have emerged will be based on the following concepts.

Key Strategies for the South Australian Tourism Industry

- The tourism/hospitality industry must be encouraged to take training more seriously.
- It must do more to make working in the industry more appealing with better pay and conditions of work.
- The industry should promote itself better to young people as an exciting job opportunity. This means working more actively with schools through organisations like CASTT and with the tertiary education sector.
- Mentoring between industry leaders and university students would be a valuable resource for students on tourism courses, similar to that being done at Regency TAFE for young chefs.
- The industry needs to work harder at retaining its current staff with improved career pathways.
- Training needs to be provided more flexibly in short, sharp bursts rather than extended more formal courses, with Government subsidy to ensure the courses are affordable.

The working party is currently in the final steps of presenting a Strategy and Action Plan to specifically address this issue in South Australia and the SATC would be willing to provide a copy of the document to the Parliamentary Committee as soon as it is available.

Key Matters for Consideration by the Committee

Working Holiday Visa (sub class 417).

The SATC has taken steps to promote South Australia as an attractive tourism destination to young visitors in many of its major overseas markets in Europe and Canada. Attached is a copy of a document that will soon be placed on SATC overseas websites. The SATC plans to translate the document into at least French, German and Italian.

The promotion has a dual purpose of promoting South Australia as a destination as well as providing a source of labour in those industries identified as 'seasonal' by the *Working Holiday Visa (sub class 417)*.

The research conducted by the SATC has identified critical skills shortage in South Australia, predominately in the Flinders and Outback, Eyre Peninsula and Kangaroo Island tourism regions of the State. It our strong belief that if tourism employment in these regions were classified as 'seasonal' under the *Working Holiday Visa (sub class 417)* it would assist greatly in addressing the labour shortages that those regions experience. Consideration should therefore be given to expand the *Working Holiday Visa (sub class 417)* to allow a second classification of seasonal work to include tourism employment. This second classification of work would be limited only to regional tourism areas in Australia, naturally including the above identified South Australian tourism regions.

We consider that such amendments would assist in addressing the issues raised by the third and forth points of the terms of reference.

Funding Not To Be Limited Solely To Qualifications

Government funding for training in the past has been traditionally limited to Registered Training Providers to conduct training that is usually only provided for as part of approved courses of training in which participants receive a formal qualification under the Australian Qualifications Framework.

Research conducted by the SATC clearly indicates a preference for shorter bursts of training and in an on-the-job environment. This is not to suggest that the competencies being sought by operators do not form part of an accredited training package, but that a qualification is not necessarily being sought. Nor does it indicate that the individual is not and will not complete other competencies in future to obtain a qualification.

The situation may arise that a regional tourism destination or relatively remote tourism facility obtains a new piece of equipment, such as an espresso coffee machine and the business wishes to obtain training for its employees or future employees. Under the current approach to funding and training it is encouraged

to send them away and can only obtain funded assistance in which the training is part of a more involved course (qualification) over a longer period of time.

Training may then involve competencies either previously obtained or not required. It is our opinion that although we support government funding of training for approved qualifications, funding should equally be made available for all training on merit, provided it is competency based and is part of an approved training package.

Thank you for your consideration of this submission

Signed

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