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The Parliament of the Commonwealth of Australia

# Current vacancies:

## **Workforce challenges facing the Australian tourism sector**

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

June 2007  
Canberra

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Mr Chris Hayes MP, Ms Jill Hall MP, Mr Brendan O'Connor MP, Hon Roger Price MP

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## Foreword

The tourism sector plays an important role in the Australian economy. Australia is a key destination for those tourists from overseas experiencing our natural wonders and relaxed lifestyle, and for Australians exploring more of their own country.

Tourism campaigns have been highly successful – the tourism sector is projected to continue to grow, and with that growth comes a heavy demand for skilled employees. So while we have campaigns to sell Australia to tourists, we need similar support to sell the tourism industry to potential workers. We also need to guard against a lack of suitable staff which would undermine the industry's ability to meet the growth of the sector and the service quality expectations tourism promotions create.

This report comes at an important time. In a time of economy-wide growth, the demand for skills and labour is at a premium. The tourism sector struggles to maintain competitiveness with other sectors which have the capacity to offer high wages and conditions such as the provision of housing.

While in the economy today, most new jobs are created in the services sector, especially in retail, lack of comprehensive data makes it difficult to project employment growth. The Committee has addressed this issue as well as recommending a standardised methodology for longitudinal analysis of industry trends. It is hoped that this will assist with workforce planning.

The sector also faces international competition for skilled employees. The portability of skills gained working in the tourism sector opens up worldwide employment opportunities in countries where these skills are more highly rewarded. The report makes recommendations aimed at supporting workforce and destination management planning.

Australian employers are also competing internationally for skilled employees. The need for changes to immigration arrangements to recognise the extent of skills

existing in the tourism sector is recommended, as well as changes to business, student and working holiday visa programmes.

One of the most significant challenges that the tourism industry faces is employee retention. Employers struggle with the balance of providing jobs on a seasonal basis as opposed to providing career opportunities for those committed to a prosperous tourism sector. The sector itself needs to be better defined to support workforce planning.

The Committee was told that the industry has a 'culture of turnover'. While this culture encourages and supports the free flow of seasonal staff, it limits opportunities for training and career progression within certain parts of the industry.

There also needs to be a change in public attitude towards careers in the tourism industry. The tourism industry can and does offer rewarding careers. This is evident in many European countries where front-of-house staff are highly sought after and well remunerated. In many Asian countries a career in housekeeping can lead to hotel management. Unfortunately, many Australians do not undertake these jobs, and do not see the opportunities they can lead to, both in Australia and internationally.

A change in attitude needs to come from industry itself. The report recommends the establishment of an industry leaders' forum to take responsibility for the promotion of careers and training, within and outside the industry. The establishment of a tourism industry long service leave scheme has been recommended to support the industry to position itself as offering careers, not just 'holiday jobs'.

The industry faces a number of workforce challenges, not least of which is the provision of training. The challenge for the industry as a whole is to support the small owner-operated businesses to provide more opportunities for their staff to gain training and recognition of their skills. The challenge for the Australian, state and territory governments is to provide a training system that delivers against competencies rather than student contact hours.

A true competency-based system, which makes full use of recognition of prior learning and does not rely on the out-dated concept of time served, is the best training mechanism to support an industry that undertakes extensive in-house training and relies on workers returning on a seasonal basis. Indeed, many individuals, such as tour guides, pursue careers only on a seasonal basis and the training system must accommodate this.

The capacity for jurisdictional portability of qualifications is explored. It is the responsibility of governments of all levels to make this a priority for action.



Employees must be supported to develop a career in the tourism industry, regardless of where they are working.

Finally, I would like to thank those individuals and organisations who took the time to contribute to the inquiry through written submissions, appearing before the Committee, or hosting it.

I would like to thank the former Chair, Phil Barresi MP, for his contribution to the inquiry. Without his initial work, the inquiry would not have been as comprehensive as it has been. I would also like to thank the Committee. Members have worked cohesively to produce a report that contributes to the future of the tourism sector. I thank them for their support and contribution to the inquiry. In particular I thank the Deputy Chair, Chris Hayes MP, and former Deputy Chair, Brendan O'Connor MP.

Hon Gary Hardgrave MP  
Chair



## Membership of the Committee

Chair            Hon Gary Hardgrave MP (appointed 6/2/07)

Mr Phillip Barresi MP (discharged 6/2/07)

Deputy Chair   Mr Chris Hayes MP

Members        Mr Mark Baker MP

Ms Jill Hall MP

Mr Stuart Henry MP

Mrs Margaret May MP

Mr Brendan O'Connor MP

Hon Roger Price MP

Mr Don Randall MP

Mr Ross Vasta MP

## Committee Secretariat

Secretary	Dr Anna Dacre
Inquiry Secretary	Ms Siobhán Leyne
Research Officer	Ms Loes Slattery
Administrative Officer	Mr Daniel Miletic



## Terms of reference

On 1 June 2006, the Minister for Employment and Workplace Relations requested the House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation to inquire into and report on workforce challenges in the Australian tourism sector, with particular reference to:

- Current and future employment trends in the industry;
- Current and emerging skill shortages and appropriate recruitment, coordinated training and retention strategies;
- Labour shortages and strategies to meet seasonal fluctuations in workforce demands;
- Strategies to ensure employment in regional and remote areas; and
- Innovative workplace measures to support further employment opportunities and business growth in the tourism sector.



## List of abbreviations

AAA	Australian Airports Association
ABS	Australian Bureau of Statistics
AHA	Australian Hotels Association
ANZSIC	Australian and New Zealand Standard Industry Classification
ARTRC	Australian Regional Tourism Research Centre
ASAA	Australian Ski Areas Association
ASCO	Australian Classification of Occupations
ATA	Aboriginal Tourism Australia
ATC	Australian Technical Colleges
ATEC	Australian Tourism Export Council
AWU	Australian Workers Union
AWU(Q)	Australian Workers Union of Queensland
BTRE	Bureau of Transport and Regional Economics
CCIWA	Chamber of Commerce and Industry Western Australia
CDEP	Community Development Education Program
COAG	Coalition of Australian Governments
CMCA	Campervan and Motorhome Club of Australia

DFAT	Department of Foreign Affairs and Trade
DEST	Department of Education, Science and Training
DEWR	Department of Employment and Workplace Relations
DIAC	Department of Immigration and Citizenship (formerly DIMA)
DIMA	Department of Immigration and Multicultural Affairs (see DIAC)
DITR	Department of Industry Tourism and Resources
FPIA	Furnished Property Industry Association
GDP	Gross Domestic Product
GSP	Gross State Product
HMAA	Hotel, Motel and Accommodation Association
IBA	Indigenous Business Australia
ICAE	International College of Advanced Education
ITC	Industry Training Council
LHMU	Liquor, Hospitality and Miscellaneous Union
MODL	Migration Occupations on Demand List
NCVER	National Centre for Vocational Education Research
NQC	National Quality Council
OEA	Office of the Employment Advocate
QTIC	Queensland Tourism Industry Council
RCA	Restaurant and Catering Australia
RPL	Recognition of Prior Learning
SATC	South Australian Tourism Commission
SCU	Southern Cross University
SHG	Seashells Hospitality Group

SME	Small and Medium-sized Enterprises
STCRC	Sustainable Tourism Cooperative Research Centre
TAFE	Tertiary and Further Education
TFC	Tourism Forecasting Committee
TICT	Tourism Industry Council Tasmania
TSA	Tourism Satellite Account
TTF	Tourism and Transport Forum
TTNQ	Tourism Tropical North Queensland
UNWTO	United Nations World Tourism Organisation
UTS	University of Technology Sydney
VECCI	Victorian Employers' Chamber of Commerce and Industry
VTIC	Victorian Tourism Industry Council
YATA	Young Australians Tourism Association



# List of recommendations

## 2 Employment in Australia's tourism industry

### Recommendation 1

The Committee recommends that the Australian Government expand data collection and analysis of the labour needs of the tourism industry to enable comprehensive workforce planning. This data should encompass all tourism-related employment.

### Recommendation 2

The Committee recommends that the Australian Government, in partnership with regional research institutions and industry bodies, undertake a review of the compilation and analysis of employment data for tourism and related sectors. The review should address the development of a standardised methodology for longitudinal analysis of tourism industry trends with particular focus on rural and regional areas.

## 3 Addressing labour shortages and skills demands

### Recommendation 3

The Committee recommends that the Australian Government, in partnership with owners and operators, develop a seasonal workforce management plan for the tourism industry that focuses on building community and industry-wide cooperation.

### Recommendation 4

The Committee recommends that the Department of Industry, Tourism and Resources develop a destination management planning tool for the tourism industry that assists regions to undertake workforce planning and strategic product development and support community infrastructure.



#### **Recommendation 5**

The Committee recommends that the Australian Government provide facilitative support to the furnished property industry and the Australian Local Government Association to assist the development of a national short-term rental accommodation code of conduct.

#### **Recommendation 6**

The Committee recommends that the Australian Government place an obligation on the Department of Immigration and Citizenship to report to the Minister for Immigration and Citizenship when processing times for the Temporary (Long Stay) Business Visa (sub class 457) exceed the service standards of between 30 days and six weeks for applicants from low risk countries, and six weeks to three months for medium risk countries.

#### **Recommendation 7**

The Committee recommends that the Australian Government amend the Migration Occupations on Demand List to include tourism occupations in areas of skills demand where these occupations meet recognised national training standards but do not meet the formal three-year post-school qualification criteria.

#### **Recommendation 8**

The Committee recommends that the Australian Government apply a second-year visa extension to the Working Holiday Maker visa (subclass 417) and the Work and Holiday visa (subclass 462) for individuals who undertake at least three months work in a regional or remote location in the tourism and hospitality industry.

#### **Recommendation 9**

The Committee recommends that the Australian Government establish a taskforce to investigate the full range of options for better tailoring the immigration program to address labour shortages in regional and rural tourism businesses.

#### **Recommendation 10**

The Committee recommends that the Australian Government identify countries where there is training to a high level in areas such as front of house skills and provide an option for Australian recognition of these qualifications in order to enable an avenue for entry into a fast-track visa scheme.

#### Recommendation 11

The Committee recommends that the Australian Government introduce visa extensions of up to two years for overseas tourism and hospitality students who:

- successfully complete a tertiary course in an area of skills demand; and
- undertake an appropriate level of work placement as a part of course completion.

The Committee further recommends that after the completion of two years continuous employment in the tourism industry, there should be the option of moving into the permanent migration scheme.

### 4 Recruitment and retention

#### Recommendation 12

The Committee recommends that the Australian Government establish an industry leaders' forum to take responsibility for the development of a campaign to promote the career choices available and benefits of working in the tourism industry, ensuring that there are pathways available that allow tourism workers to gather credentials across a range of employers.

#### Recommendation 13

The Committee recommends that the Australian Government conduct research into barriers to the workforce participation of older workers, particularly in seasonal short-term work and implement the necessary changes to ensure the greater capacity of workforce participation by retired and semi-retired workers.

#### Recommendation 14

The Committee recommends that the Australian Government establish an inquiry into opportunities for growth in Indigenous tourism, investigating employment, training and business investment.

#### Recommendation 15

The Committee recommends that the Australian Government commission an analysis of staff turnover costs versus investment in retention and provide this to industry bodies and state and territory industry councils to promote the benefits of staff retention.

**Recommendation 16**

The Committee recommends that the Australian Government work in partnership with the states and territories to develop a tourism industry long service leave scheme to allow jurisdictional portability of long service leave.

**5 Investing in business: training and taxation incentives****Recommendation 17**

The Committee recommends that the Australian Government ensure that the proposed training package, Tourism, Hospitality and Events Package (SIT06), is finalised as a matter of priority.

**Recommendation 18**

The Committee recommends that the Australian Government amend the funding model for vocational and technical education to allow funding that is competency based rather than time based.

**Recommendation 19**

The Committee recommends that the Australian Government streamline the application of recognition of prior learning initiatives to encourage the industry to up-skill and provide qualifications to existing workers.

**Recommendation 20**

The Committee recommends that the Australian Government investigate and reduce the barriers to take-up of recognition of prior learning at the employer, employee and training organisation level and require that recognition of prior learning be offered at the commencement of all training courses.

**Recommendation 21**

The Committee recommends that the Australian Government take steps to actively promote the development of competency based apprenticeship pathways in areas of skills shortages in the tourism industry.

**Recommendation 22**

The Committee recommends that the Australian Government, through the National Reform Agenda actions, pursue as a matter of priority, the portability of qualifications between jurisdictions.

The Committee further recommends that training which has been legislated as mandatory for employment in the tourism industry be a priority for national recognition.

**Recommendation 23**

The Committee recommends that the Australian Government task the industry leaders' forum (referred to in Recommendation 12) with the role for establishing a professional tourism body to be responsible for formally recognising and accrediting individuals against prescribed qualifications and training.

**Recommendation 24**

The Committee recommends that the Australian Government assess the extent to which fringe benefits taxation exemptions apply, and are accessed, by remote and regional tourism operators and review these arrangements to ensure they are adequate to assist the industry in employee retention.

**Recommendation 25**

The Committee recommends that the Australian Government introduce tax averaging arrangements for rural and remote tourism operators similar to arrangements available to primary producers, to ensure the tax paid by these operators is comparable to tax paid by those on similar, but regular, incomes.

