



Making Tourism a First Resort

Joint submission to the House of Representatives Employment, Workplace Relations and Workforce Participation Committee on Workforce Challenges in the Australian Tourism Sector

November 2006



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Key Messages

- The tourism labour market in Western Australia is facing an enormous challenge as a result of skill shortages.
- The issues are not short-term or transient. Market forces alone will not ensure the most favourable outcome for the industry.
- Rather, labour market reforms are needed.
- Such reforms have already commenced. The Government of Western Australia is implementing a number of strategies aimed at modernising training delivery, but there is much more that needs to be done.
- The Australian Government needs to consider short term policy initiatives aimed at rectifying current skills shortages problems, but at the same time initiate longer term strategies aimed at developing new labour markets to shore up industry sustainability.

Tourism is a people-oriented sector and friendly, efficient, professional service is a major ingredient in establishing Australia as a Platinum Plus destination. Development of a skilled workforce, capable of sustaining high levels of service, is critical to this labour intensive industry.

Australian Government Tourism White Paper, 2003

Public Hearings and key topics

It is strongly recommended that the Committee visit Western Australia to hear first hand the issues and problems of skill and labour shortages being faced daily in the tourism and hospitality industry. Key topics include the following:

- Industry initiatives to counter seasonality
- The impact of the resources boom
- Tipping for service

In addition to Perth it is recommended that at least two regional visits be undertaken:

- Broome – the fastest growing tourism destination north of Perth. Issues such as seasonality; Indigenous workforce; and regional isolation need to be investigated
- Busselton – within a three hour drive of Perth, Busselton has seen a significant level of investment in the last five years. Issues dealing with the volume of labour-skilled and unskilled and local training delivery need to be explored.

Summary of Recommendations

Term of Reference One deals with current and future employment trends in the industry.

In Western Australia the combination of low wages in tourism and hospitality jobs and high living costs especially in the environment of competing highly paid jobs in the mining and building and construction sectors is having a huge impact on the tourism sector's ability to attract and retain workers. The estimated number of employees to be recruited into the industry each year by tourism related businesses in Western Australia, to meet the projected demand to 2012/13 is 14,700.

The Average number of employees to be replaced each year ¹	9,800
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Average number of employees required for projected jobs each year to 2012/13	4,900
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Total average annual number of employees required to be recruited each year to meet projected demand from tourism-related businesses in Western Australia	14,700
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¹ This number is based on estimates to 2009/10

Source: Centre for Economics, Employment and Training, Monash University 2004/05. and National Institute of Economic & Industry Research (June 2006)

Recommendation 01

That the Australian and State Government identify how best to measure tourism employment and ensure the method is regularly updated.

Term of Reference Two deals with current and emerging skill shortages and appropriate recruitment, coordinated training and retention strategies.

Skill shortages in the tourism and hospitality sector have been consistently identified since 2000 and are now critical. These, together with the acknowledged emerging skill shortages demand focussed and aligned training priorities.

Recommendation 02

The National Tourism Investment Strategy recommendations (37 and 38) dealing with vital steps to improve employer satisfaction with entry-

level candidates are supported with funding support provisos, namely:

That the Australian Government provide funding support to State and Territory Governments for a sustained program to encourage detailed training demand and needs assessments on a local level. This program would encourage vocational education and training providers, both public and private, to engage more closely with industry, to improve their understanding of industry's training requirements & develop innovative solutions together.

That the Australian Government promote aptitude and attitude screening for in-school students and job seekers, including tests and remedial programs for literacy, numeracy and employability skills. In addition, focus be given to TAFE career guidance related to the tourism industry to improve information supplied to counsellors and students.

Recommendation 03

That industry is supported in working with registered training organisations in the development and delivery of training required for emerging skill shortages.

Recruitment, coordinated training and retention strategies focus upon improving the image of the industry, ensuring training meets the needs of employers and recognising the value of under-utilised labour markets.

Recommendation 04

That industry-led initiatives be developed to better profile the tourism sector as a positive and exciting career option in which the training and experience gained can result in lifestyle and lifetime opportunities.

Recommendation 05

In conjunction with industry, undertake a major media campaign using a range of people in a range of roles (young and mature-aged) as faces of the industry, illustrating that many diverse opportunities are available for long term careers.

Recommendation 06

Together with industry undertake 'value of tourism' campaigns in schools to heighten student's awareness of the importance of tourism to the economy and also

encourage them to consider future studies and career opportunities in the industry.

Recommendation 07

In association with industry and registered training providers, organise regular Careers Expos for tourism and hospitality sector opportunities.

Recommendation 08

Urgently improve and increase the information available to students, teachers, parents and employers about apprenticeships.

Recommendation 09

Undertake training needs analyses for the wider tourism sector in tourism business clusters for locally based training delivery to ensure solutions are tailored to local needs.

Recommendation 10

That initiatives in support of industry-led communication aimed at improving employer understanding of qualifications and training requirements are examined by the Australian Government.

Recommendation 11

That as part of any communication with employers there be a strong focus on strengthening the engagement of employers in the training system as well as their awareness of its connection to productivity and profitability for sustained businesses and happy workers. Specifically,

- Research employees/employers to confirm the causes and costs of staff turnover
- Promote the importance of retention as a key priority (& the relationship between recruitment & retention and costs saved by keeping valued staff)
- Facilitate industry-wide understanding of factors influencing staff retention

Recommendation 12

That additional encouragement is placed on the alignment of in house training to national qualifications through greater use of recognition of

prior learning (RPL), particularly those that focus on the use of skills sets to demonstrate achievement of competence to award national qualifications by state training authorities and training providers. Whilst this is an industry view, the Department of Education and Training needs to be thoroughly consulted.

Recommendation 13

That the Australian Government support industry initiatives aimed at developing currently underutilised labour markets.

Recommendation 14

That customised recruitment strategies be developed and piloted with special focus on the underutilised labour sources.

3.3 Term of Reference Three deals with labour shortages and strategies to meet seasonal fluctuations in workforce demands.

Labour and skills shortages are interlinked and while short term solutions such as changes to migration policy can and should be implemented, labour reform in Australia must be the longer term approach.

Recommendation 15

That the essence of National Tourism Investment Strategy Recommendation 40a is supported namely: that the industry recognise the potential for women, mature age workers, sole parents, long-term unemployed, people with a disability, indigenous Australians and people with a multicultural background within the tourism workforce. The industry should promote these strategies through its key industry bodies.

Recommendation 16

That the Australian Government consider industry support for this initiative.

Recommendation 17

Extend the maximum stay for working holiday makers (WHMs) with one employer from 6 to at least 12 months.

Recommendation 18

That eligibility of WHM visas is made available in the USA.

Recommendation 19

Use targeted media and websites to promote job opportunities in Western Australia to WHMs.

Recommendation 20

That the Migration Act 1958 be amended to

- permit an extension to student visas for international students to extend their stay after the completion of their studies to allow them to work in the tourism industry for a period of time.
- that this be linked to their courses of study for work placements (in specified areas and industry/career training) to be incorporated into the program.
- Permit an extension to the hours of work international students may undertake during their studies.

Recommendation 21

That training authorities investigate how students (both international and local) may benefit from the inclusion of a work placement program in tourism and hospitality courses. That such courses be amended and/or newly developed and piloted.

Recommendation 22

That an easing of restrictions be made for overseas trained cooks and staff.

Recommendation 23

That the process used by Trade Recognition Australia be reviewed to ensure overseas qualified and trained hospitality workers are given every opportunity for application support.

Recommendation 24

That best endeavours be made to reduce the processing time for 457 Visa applications. Notwithstanding that the Council of Australian Governments (COAG) is trying to improve the

integrity of the program, ideally, a turnaround time of one month would assist the industry.

Recommendation 25

That employers and/or employer associations be provided with additional incentives to offset the cost of housing 457 Visa employees.

Recommendation 26

That the Australian Government develop programs aimed at encouraging mature-aged workers (45 years +) to enter tourism employment.

Recommendation 27

Ensure RPL (Recognition of Prior Learning) is offered at the commencement of training, together with skills gap training where required to ensure the achievement of a qualification.

Recommendation 28

Require Training Organisations to implement appropriate RPL processes to enable the achievement of qualifications for long term employees and mature age workers seeking employment in the tourism industry rather than enrol them in face to face courses. Whilst this is an industry view, there is a need for the Department of Education and Training to be thoroughly consulted.

Recommendation 29

Using existing State-based administrative arrangements, that Broome be considered a suitable pilot location for an Indigenous employment model that brings together employers and training providers with suitable mentoring for Aboriginal trainees.

Recommendation 30

That the tourism destination town of Albany be targeted for a special pilot employment project aimed specifically at increasing the employment of women re-entering the workforce.

Seasonal issues for Western Australia are unique owing to the State's vast geographic size and climatic variation between north and south, as well as the significant mix of leisure travellers wanting to experience all areas of the State and tourism product.

Recommendation 31

That consistent with the National Tourism Investment Strategy, the Australian Government pilot test industry-led employment initiatives aimed at addressing seasonality issues.

Recommendation 32

(In conjunction with Recommendations 17, 18 & 19)

That the Working Holiday Maker program extends the range of industries that can apply for eligibility for visa extensions to include hospitality and tourism in seasonally impacted regions outside capital cities.

Recommendation 33

(In conjunction with Recommendations 17, 18 & 19)

That Perth be recognised as a 'region' in the context of the WHM program's eligibility for visa extensions.

Recommendation 34

(In conjunction with Recommendations 20 & 21)

That international students' training course work placements be located in regional areas of Western Australia and aligned with their training.

Recommendation 35

(In conjunction with Recommendations 20 & 21)

In conjunction with industry, Government incentives should be promoted and targeted to international students to choose Western Australia for study and work.

Recommendation 36

That the industry be supported in initiatives aimed at developing opportunities for sharing existing labour pools during seasonally challenging times.

Recommendation 37

Initiatives aimed at providing short course training for seasonal work in regional areas need to be supported.

Recommendation 38

Pilot programs targeting 'grey nomads' for such seasonal work.

Recommendation 39

That the Australian Government consider the following incentives to encourage an increased workforce for seasonal work in regional and remote areas:

- Increase the allowable income for pensioners working in seasonal/remote/regional locations, especially for those supplying own accommodation (including grey nomads with caravans)
- Increase tax breaks for workers in regional/remote areas
- Holiday allowances/deals to travel in regional areas for casual workers
- Employee referral service

3.4 Term of Reference Four deals with strategies to ensure employment in regional and remote areas.

The location of Perth and its domination (with more than 60%) of the State's tourism, the very high cost of tourism development as well as the high cost of living in regional Western Australia, are significant inhibitors for investors to become involved in regional tourism. Strategies addressing these issues include developing shared labour pools, Indigenous and mature-aged workers, as well as highlighting the benefits of regional tourism employment for individuals and communities.

Recommendation 40

That the Australian Government through State Government training providers develop appropriate programs to meet the needs of the National Tourism Investment Strategy Recommendation 42, namely;

That the Australian Government, in conjunction with private sector providers and community groups, provide targeted, locally-based tourism and hospitality training to regional and remote areas. This would involve a collaborative approach to workforce development similar to that proposed by the Department of Education, Science and Training (DEST). The tourism industry should form a central part of the roll out of DEST policy for regional areas, and the project to cover major regional tourism destinations. TAFEWA would also be expected to play a key role in the development and implementation of this training. State Government training providers must be thoroughly consulted on this training initiative.

Recommendation 41

That industry and Government training strategies target mature-aged workers, especially in those regional areas attracting a large population of retirees, for tourism and hospitality training in local areas and beyond.

Recommendation 42

Within the context of the National Tourism Investment Strategy, that the Australian Government establish incentives (such as accelerated depreciation, head work deferrals, infrastructure grants) for investors to establish tourism product/plant in regional and remote areas. This could be rolled into the Australian Tourism Development Program operated by AusIndustry.

Recommendation 43

That recipients of Government incentives to establish tourism product/plant in regional and remote areas provide accommodation for employees.

Recommendation 44

That the Australian Government use taxation policy to increase the take home living wage in remote areas to make it more equitable for tourism and hospitality workers of Western Australia.

Recommendation 45

That Perth be classified as a regional area under the Skilled Independent Regional (SIR) visa requirement regulations.

Recommendation 46

In conjunction with industry, determine the best options for developing shared labour pools. That Australia's North West region is considered to be a suitable pilot location.

Recommendation 47

That the Australian Government provide incentives for employers participating in shared labour pools to boost employment in remote areas.

Recommendation 48

That programs being developed from *listening looking learning: An Aboriginal Tourism Strategy for Western Australia 2006-2010* receive the partnership support sought from Australian Government agencies, such as Indigenous Business Australia.

Recommendation 49

In conjunction with existing Network Programs using STEP, expand even further take-up of opportunities by Indigenous youth.

Recommendation 50

(In conjunction with Recommendations 26, 27, 28, 37, 38 & 41)

Identify the training needs of mature-aged workers (especially in regional areas) and develop practical short courses to prepare them for multi-tasking in tourism and hospitality roles.

Recommendation 51

That recruitment marketing for regional and remote work focus upon the value of the experience to the employee.

Recommendation 52

That the tourism industry operators in regional and remote communities support worker integration into local communities.

3.5 Term of Reference Five deals with innovative workplace measures to support further employment opportunities and business growth in the tourism sector.

Some of the workplace measures suggested include supporting strategic partnerships in training, training for new labour pools, improving business management skills, tipping and ensuring the legislative and regulatory environment supports the growth of the tourism sector.

Recommendation 53

That the Australian Government through the Department of Education and Training provide

support to industry-led tourism and hospitality training programs, such as those conducted by Broadwater Business School.

Recommendation 54

That training providers and relevant government organisations encourage these industry bodies and are continually responsive to the needs of the industry.

Recommendation 55

In conjunction with training needs assessments outlined elsewhere in this submission (Recommendations 2, 9, 37 & 50), develop or modify a range of courses suitable for

- the new labour pools to be targeted for work in the tourism and hospitality industry (women, mature age workers, sole parents, long-term unemployed, people with a disability, Indigenous Australians and people with a multicultural background)
- flexible delivery via online modes to individuals and groups.

Recommendation 56

That the National Tourism Investment Strategy Recommendation 39 on business mentoring be supported with funding provisos, namely:

The tourism industry to establish an industry-led mentoring program focussed on small to medium sized businesses to help them develop sound business, training and human resource management strategies. Funding for such an initiative should be directed through the Department of Education and Training.

Recommendation 57

That additional industry and government partnerships be developed to support regional tourism industry SMEs to receive focussed mentoring and training with more flexible (online) delivery via the State training system.

Recommendation 58

That industry-led initiatives aimed at promoting tipping be investigated further.

Recommendation 59

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.

Recommendation 60

That the Australian Government further the recent review of tax schedules include landscaping, clearing and site improvements in the depreciation schedules to provide the opportunity to depreciate, replace or write off, as required, this class of asset.

1. Background

The feedback obtained through our industry consultation show that it is clear tourism businesses want to be profitable and productive, presenting a positive image with satisfying long term career options. The industry wants to ensure quality work opportunities, with a fair days pay for a fair days work and sustain a well trained workforce in growing communities throughout Western Australia. However, in times of labour market challenges the industry is looking to a measured level of support from government.

Inquiry Terms of Reference

The House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation inquiry includes a particular focus upon the following:

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

Developing a State response to the Terms of Reference

“The consequences of continued skills and labour shortages could be long lasting and serious for the industry. In the short term, enterprises will experience increased recruitment and operating costs, reduced productivity, and constraints on growth. In the long term there could be a significant shakeout, with many firms leaving the industry. Continued low productivity growth will make tourism a less attractive industry to invest in.”

National Tourism Investment Strategy, 2006

Tourism Western Australia has taken the following steps in developing a state-wide response to the Inquiry:

- It was decided that a joint submission be developed between Tourism Western Australia and the Western Australian Hospitality and Tourism Industry Training Council (ITC). The Department of Education and Training (DET) was consulted in the drafting of the report and provided relevant information and statistics.
- Tourism industry input was gathered indirectly via the ITC and directly via an Industry Leaders Workshop held 22 August 2006. See Appendix 1 for further details.
- Notification of the Inquiry was communicated to the industry via Tourism WA’s electronic newsletter, *In Touch*.
- Desktop research reviewed a comprehensive range of industry based reports and data, together with analysis of data supplied by the National Institute of Economic and Industry Research, the Australian Bureau of Statistics, the Department of Education and Training, Tourism Research Australia and others to develop further understanding of the issues and potential solutions.

Consultation with Industry representatives provided considerable information and validation of theoretical analyses and potential solutions/directions for the future.

This submission will focus principally on issues relevant to Western Australia. The Department of Education & Training is aware of these issues and is playing a major role in trying to identify new ways of addressing them.

2. The Current Situation

The overwhelming body of evidence in Western Australia indicates that skill shortages are widespread in the Western Australian economy, particularly as the State is experiencing economic boom times.

Skilled labour shortages have generated much concern as shortages place a limit on the ability of businesses to invest and expand and also result in higher wage costs and lower financial returns.

An effect of a labour and skills shortage is that the most profitable industries (such as the mining sector) are able to offer higher wages to employees to secure labour. While this is positive for the working population, it has placed considerable pressure on other less profitable industries, pushing up labour costs and increasing the difficulty of retaining skilled labour.

Skill shortages within the tourism industry run much deeper, indicating systemic issues tied to the underlying profitability of the industry.

2.1 Our geography and demography creates unique challenges

Western Australia has a land area of over three million square kilometres and a population of just over two million people of whom 1.5 million people live in Perth. This geographic and demographic situation presents workforce challenges for WA unlike any other State in Australia. A dispersed population ultimately results in diseconomies of scale in the provision of tourism services resulting costs of construction, water, waste-water, energy, freight and roads. This impacts on tourism in two major ways:

- The capital cost of establishing a tourism business (virtually anywhere outside of Perth) carries a development premium, sometimes as much as three times the construction cost of Perth.
- Operational costs are significantly higher particularly with regard to labour supply.

Both outcomes put enormous pressure on industry profitability with the net result that the price paid by the customer for a comparable service in a regional locality will be higher than that paid in the Metropolitan area. Such price differentials impact on the consumers' perceived quality of service with the market risk that customers perceive they are paying high prices for poor quality services. This is not in the best interest for developing a quality Australian tourism product based on excellence in customer service.

2.2 Western Australian tourism industry profile

Approximately 80% of all tourism activity in Australia takes place in three States – New South Wales, Victoria, and Queensland. The remaining 20% is shared between four states and two territories. Within this context Western Australia is an incredibly diverse destination differentiated in the market place on its nature-related qualities expressed in promotional campaigns as the "Real Australia".

2.2.1 Value of tourism

In 2005, there were 635,200 international visitors and 6.0 million overnight domestic visitors to WA, with a combined expenditure of \$4.0 billion.

Western Australia's first (and currently only) Tourism Satellite Account estimates that in 2001/02, 54,000 jobs were directly related to WA's tourism industry, with a further 18,000 jobs indirectly related to tourism. In total this represents 7.7% of total State employment, or in real terms for every 100 people employed in WA around 8 will be directly or indirectly working in tourism.

The Western Australian tourism industry directly accounts for \$2.2 billion of Gross Value Added (value of industry's production before net taxes on products) – this is 3.1% of total Western Australia Value Added and equates to 8.5% of Australia's total tourism value added. Tourism also contributed \$2.7 billion to Western Australia's Gross State Product (GSP) which accounts for 3.5% of the State's GSP (refer Glossary for definitions).

2.2.2 Domestic tourism in WA

For the year ending March 2006, WA has outperformed the Australian average and most other states in terms of growth for visitors, visitor nights, and expenditure - with the exception of intrastate visitor nights.

For year ending March 2006, Interstate visitors to WA increased by +5.1% compared with the previous 12 months, resulting in 1.05 million visitors. Meanwhile, the national average declined by -3.6%.

During the same period, WA's intrastate visitors were 5.07 million. Although this was a decrease of -6.7% compared to the same time in 2005, it was still better than the national average that declined -8.3%.

Overall, WA recorded 6.1 million domestic visitors. Although this was slightly less (-4.8%) than for the previous corresponding period, it is still higher than the national average, that showed a decline of -6.6%.

Total domestic spending in WA was \$3.049 billion, an increase of 1.8%, while the national average recorded a decline of -2.8%.

The real economic value of domestic tourism is forecast to rise by 1.6 per cent in 2006 despite a forecast fall in domestic visitor nights of 0.8 per cent. The economic contribution of tourism is forecast to be supported by higher expenditure per night and an increase in day trip expenditure. Based on the national growth rates, the estimated domestic visitor nights will grow by an annual average of 0.3%. (Source: Tourism Forecasting Council, April 2006)

2.2.3 International tourism in WA

While visitor nights and numbers were down, expenditure by international visitors in WA reached an all time high in the year ending June 2006.

International visitor numbers to Western Australia fell by -1.2% to 621,200 visitors in the year ending June 2006.

In the year ending June 2006 international visitors stayed 15.5 million nights in WA, down -0.1% compared to the 12 months ending June 2005.

International visitors spent \$1.228 billion up +6.6% compared to the 12 months ending June 2005. This was an all time high for expenditure by international visitors in WA.

The general outlook for international visitor activity in WA is looking promising in the long term, with an average annual growth rate of +5.2% predicted over the next decade.

2.3 Employment profile of Western Australia

Western Australia's labour market has been exceptionally strong over the past two years. Sustained high demand has induced both a considerable reduction in the unemployment rate (which at 3.5% in May 2006 was the lowest since 1975) and a marked rise in labour force participation (currently close to record highs). Together with a steady rise in the State's population, these changes produced a 5.6% increase in employment over 2005 – the highest annual rate since State labour force data were first collected in the early 1970s. Despite the apparent strength in labour demand, recent data suggest that employment growth may now be slowing. Average annual growth peaked at 5.6% in the year to January 2006, but has since fallen to 4.4%. This decline may stem from labour supply constraints, rather than a drop-off in demand.

Dramatic changes have occurred in the composition of Western Australia's labour force over the past two decades, including:

- Greater opportunities for women to participate in the labour force have seen their representation increase and their participation rate rise.
- Increasing use of part-time workers – the number has more than doubled over the past two decades and almost one third of employed persons are now part-time.
- Increasing casualisation of the WA labour force – which has increased at a rate more than three times that of permanent employment.
- Ageing of the Western Australian population has led to a significant change in the age structure of the labour force, especially in groups aged 40 years and over, resulting in almost half of the labour force now being mature aged.
- Geographic distribution of Western Australia's labour force over the past 5 years has changed considerably – the bulk of growth occurred within the Perth metropolitan area, while the largest declines were recorded by rural and remote regions.

2.4 Employment in the Western Australian tourism industry

The Tourism Satellite Account available for Western Australia, which is based on 2001/02 data, detailed tourism employment as follows:

- 54,000 Western Australians (about 5.8% of total State employment) were directly employed in tourism, with around 18,000 more (about 1.9% of total State employment) indirectly employed.
- The combined direct and indirect contribution of tourism accounted for employment of 72,000 Western Australians, or 7.7% of total State employment. This means that for every 100 people employed in WA, around 8 jobs are either directly or indirectly due to tourism.

Table 1: Direct Tourism Employment by Industry

Industry	Tourism	
	Jobs	Share
Accommodation, Cafes and Restaurants	18,400	34%
Retail trade and Takeaway food	14,500	27%
Air and water transport	4,700	9%
Education	2,400	5%
Other industries	13,600	25%
Total Tourism Employment	53,600	100%

Source: Based on 2001/02 estimates by Access Economics

The majority of tourism generated direct employment occurred in the accommodation, restaurants and cafes industry (34%) and the retail trade and takeaway food industry (27%).

Tourism share of total employment is greater than its share of gross value added (3.1%). This is because tourism tends to be more labour-intensive, on average, than other forms of economic activity.

2.5 Other Industry's direct reliance on tourism

Tourism contributes in some way to all industries in the WA economy, which means all industries are therefore reliant on tourism demand to some extent. In particular, tourism has a large share of the economic contribution made to WA (*direct GVA*) by the following industries:

- 77% (\$343m) of the air and water transport industry is dependent on tourism
- 34% (\$431m) of accommodation, cafes and restaurants industry
- 20% (\$53m) of beverage and tobacco industries
- 13% (\$314m) of the retail trade and takeaway food industries
- 11% (\$20m) of the textile, clothing and footwear industries

Table 2: Top 5 Industries reliant on Tourism

Industry	Direct Economic Impact (GVA) of Industry	Tourism's Share	
		\$	Share
Air and water transport	\$445m	\$343m	77%
Accommodation, Cafes and Restaurants	\$1,250m	\$431m	34%
Beverages and tobacco products	\$257m	\$53m	20%
Retail trade and Takeaway food	\$2,378m	\$314m	13%
Textiles, clothing and footwear	\$176m	\$20m	11%
Total Value Added	\$72,170m	\$2,249m	3.1%

Source: Based on 2001/02 estimates by Access Economics

Education is also a market on which the tourism industry is placing more focus. The Education sector is reliant on tourism for 4% or \$102m of its economic contribution to WA (*direct GVA*).

2.6 Tourism labour force characteristics

The National Tourism Investment Strategy 2006 provides an excellent overview of the key characteristics of the tourism labour. The indicators are that Western Australia's tourism labour force shares those same characteristics viz.:

- A relatively younger work force than other industries;
- A more casual and part time workforce;

- A high proportion of occupations requiring minimal skills;
- Large amounts of informal on the job training;
- High staff turnover;
- Seven day, twenty-four hour working requirements;
- Relatively low levels of union members (with the exception of travel and passenger transport);
- Lower than average weekly earnings;
- Relatively higher labour intensity than other industries;
- Productivity growth of 2% per annum from 1997-98 to 2003-04 compared with all industry average of 4.4%;
- A serious skills shortage, especially in the accommodation, cafes and restaurants sector, and more so in regional Australia.
- Interest coverage was the second lowest, just above agriculture at 3.2 times, but below the industry average of 4.5%;
- The invest rate value added, or the proportion of industry value added to acquire assets was 15.5%. This was fifth lowest and lower than the industry average of 19.4%; and
- 61% of the businesses made a profit, the third lowest result, compared with an industry average of 71.2%. Consequently over a third of the industry made a loss.

Given the level of dysfunction in the labour market a simplistic solution of “pay more for the workers” does not recognise the underlying inability of the industry to do this.

2.7 State Skills Formation Taskforce

In recognition of the skills shortages throughout the economy the Western Australian Government established a Skills Formation Taskforce that engaged industry and key stakeholders to advise on the reforms required to the apprenticeship and traineeship system to address these skill shortages and encourage more people into apprenticeships and traineeships.

In order to achieve the range of reforms required, the taskforce undertook two strategies:

- One strategy focused on short term reforms; and
- The second strategy considered longer term systemic reform of the apprenticeship and traineeship system.

Under the first strategy, one of the key areas of focus for the first Industry Working Groups formed under the Taskforce arrangements included the hospitality industry. As a result of the information gathered during industry consultations, 10 recommendations were developed as part of the short term reforms and submitted to the Skills Formation Taskforce.

The accommodation, cafes, and restaurants sector of the industry is the single largest employer with some 35% of the tourism workforce. This sector can be taken as a ‘litmus test’ for the entire tourism industry. When compared with other industries in the economy the accommodation, cafes, and restaurant sector is underperforming as indicated by the following:

- Second lowest profit margin was 5%, just above wholesale trade. This compares with the industry average of 8%;
- Return on assets was 4.4%, the second lowest of any industry, just above transport and storage, and lower than the industry average of 7.1%;
- Return on net worth was 11.8%, better than five other industries but still lower than the 16.8% industry average;
- Long-term debt was 0.9 times equity, indicating a slightly higher debt level than the industry average of 0.7 times;
- The ratio of current assets to current liabilities was 0.8, indicating that working capital is negative. This compares to an industry average level of 1.2 times;

Specifically, the recommendations included issues such as the reduction in the term of apprenticeship training from four to three years of training, changes to the off the job training delivery from six to four semesters, the change of nomenclature for qualified cooks to “Chefs”, the recognition of an apprentices’ prior skills in determining the length of the apprenticeship indenture and the provision for part time and school based apprenticeships.

At present the Department of Education and Training is in the process of implementing these recommendations in an effort to address the skill shortages within the industry.

In order to inform its work on the longer term systemic reforms, the Taskforce conducted broad public consultations across the State that included the opportunity for stakeholders to make written submissions.

After consideration of the issues raised through the work of the Industry Working Groups, the public consultation process and commissioned research, the Skills Formation Taskforce developed a broad vision for the future of the apprenticeship and traineeship system. Underlying the vision, the Taskforce identified eleven key elements that must be incorporated for the future system to succeed.

The key elements are aimed at:

- Making the system responsive to industry needs and performance driven;
- Improving the integrity and quality of skills assessment;
- Simplifying the apprenticeship and traineeship system for all concerned;
- Promoting the career opportunities available through an apprenticeship and traineeship pathway;
- Engage Indigenous students;
- Provide local opportunities for training in regional areas;
- Ensuring peak level industry involvement to ensure the relevance of training to current and future industry needs.
- Developing greater employer commitment to training;
- Encouraging greater participation in apprenticeships and traineeships, including by under represented groups (such as Indigenous Australians, mature aged and women);
- Developing the lecturing workforce; and
- Attracting and retaining high performing students.

3. Response to the Terms of Reference

The response to Terms of Reference One and Two are drawn largely from established data bases and existing research. Responses to Terms of Reference 3-5 have been supplemented by tourism industry consultation.

3.1 Term of Reference One: Current and Future Employment Trends in the Industry

The combination of low rates of pay in many tourism & hospitality sector jobs in an environment of high living costs (for example, the costs of housing in Perth has increased

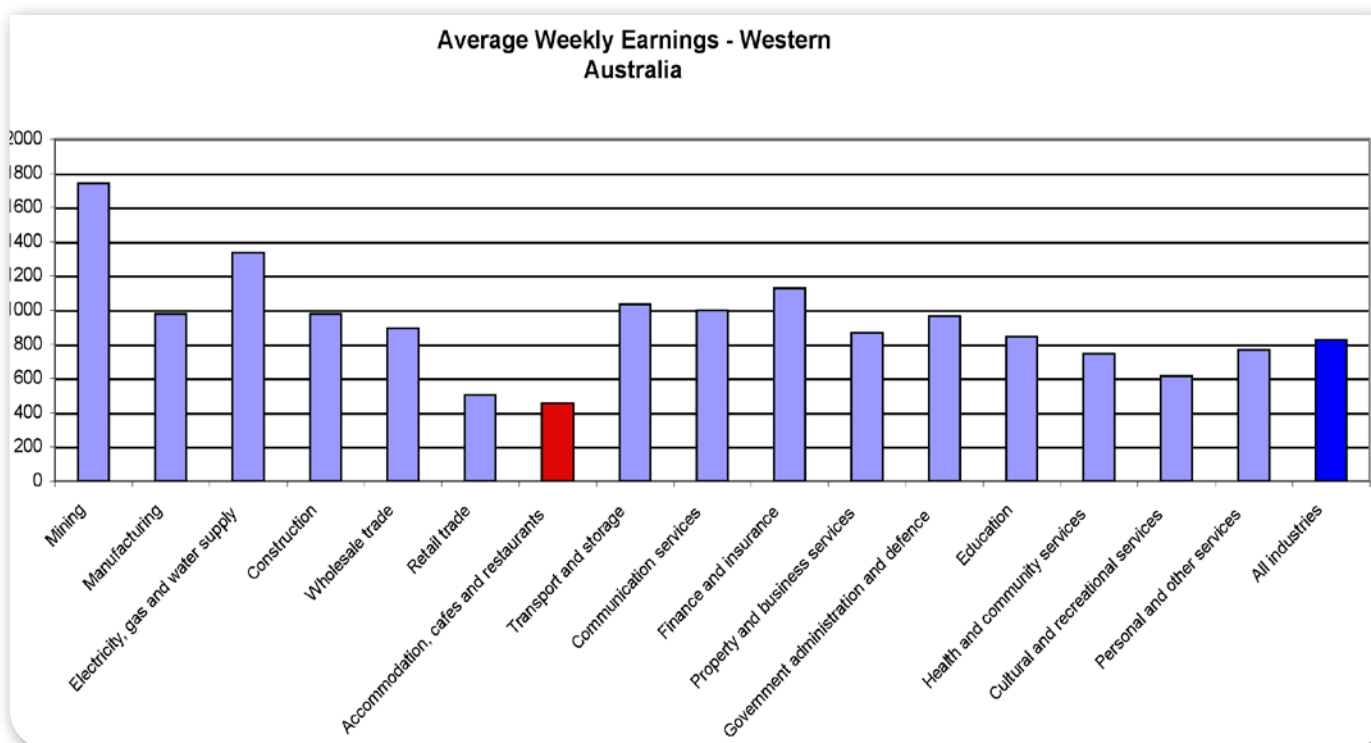
by 84% in the past 3 years) is encouraging existing and potential tourism employees away from tourism jobs to other industries such as mining.

This results in high turnover in jobs, on going difficulties in recruitment and retention, and less potential entrants considering the tourism sector for employment, further reducing the 'labour pie'.

A number of environmental and personal factors also tend to limit the durations of careers in this industry.

Graph 1 below indicates that Average Weekly Earnings for Accommodation, Cafes & restaurants is about half the average compared to all industries in Western Australia. Mining on the other hand, is by far the best paid of all industries.

Graph 1: Average Weekly Earnings



Source: ABS Average Weekly Earnings Cat 6302.0

Figure 1: Billboard display on a major highway in Perth demonstrating the competition from the mining industry for jobs and training in the tourism and hospitality sector in Western Australia.



Figure 1 shows a billboard display on a major highway in Perth. The message is clear; that even without experience, after only 5 days training, a job paying \$60,000 can be yours. This creates a 'double-whammy' for the tourism and hospitality industry; i. e. that less people will be encouraged to be trained in the industry and that those already in it will be tempted to leave.

Despite the need illustrated above, where Average Weekly Earnings of tourism's major industry category are the lowest of all industries and the competition from the resources sector for both workers and potential tourism trainees is immense, there is very little empirical data available to describe an accurate picture of employment trends in the tourism industry and therefore to be able to describe why there is a workforce problem. This issue is further exacerbated for the tourism destination level (especially regional and remote areas) where there is a real paucity of data.

Recommendation 01

That the Australian and State Government identify how best to measure tourism employment and ensure the method is regularly updated.

While, there is no industry-wide dataset to address this issue specifically, as a surrogate measure, it is possible to undertake industry-wide analysis of occupations directly

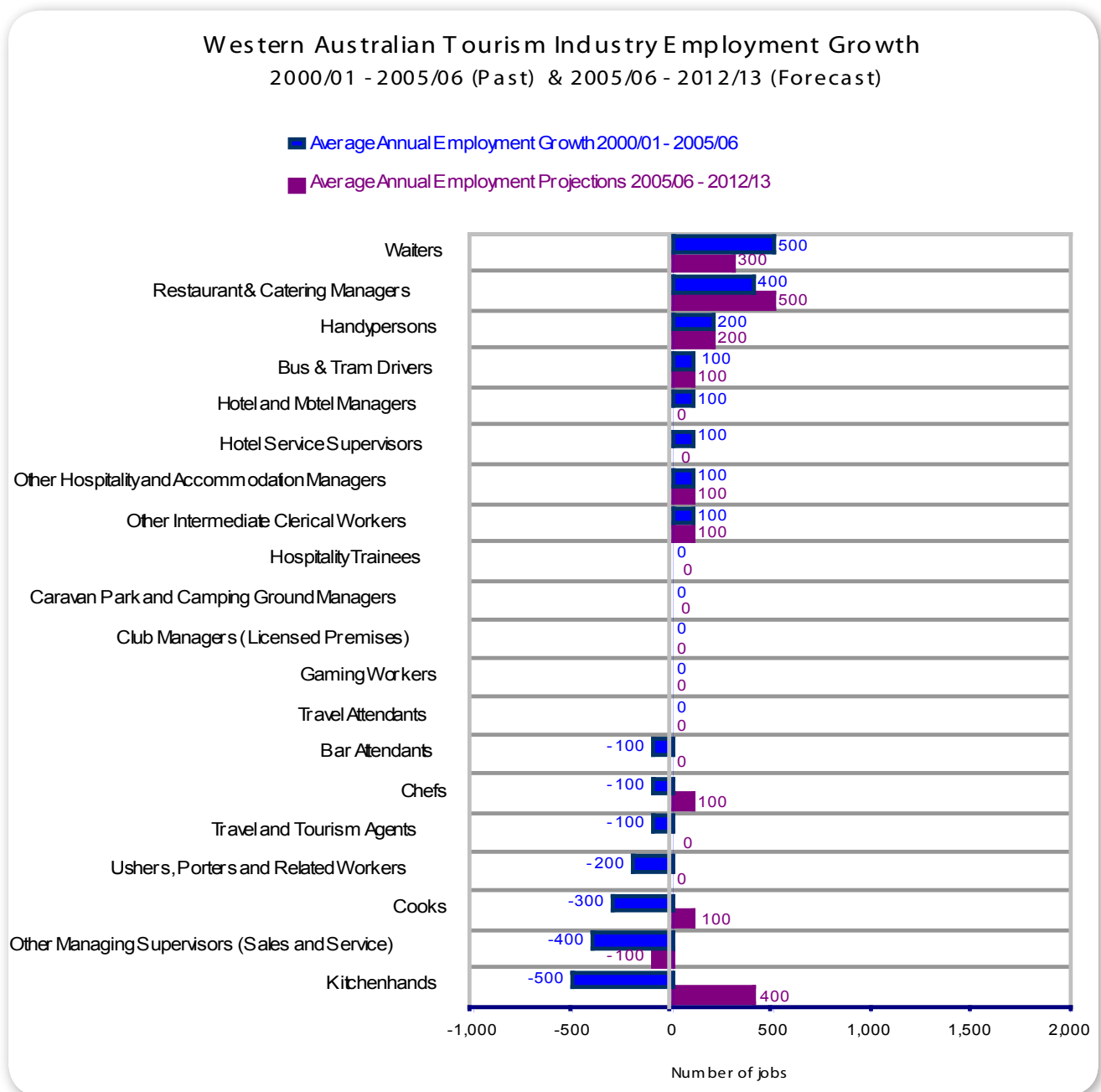
and indirectly related to the tourism industry. In order to understand future employment forecasts, it is important to examine the past employment trends. On this basis, the data indicates an ongoing workforce shortage.

For the purposes of identifying particular occupations within tourism, a list compiled by the WA Hospitality & Tourism Industry Training Council has been used. These have been divided into occupations directly and indirectly related to tourism. It should be noted that this division in no way relates to 'direct and indirect' impact of tourism on the economy (refer 2.2.1 and 2.4 above). The best labour market statistics available (ANZSIC group level) were then applied to the identified occupations at the (ASCO unit group level). These data were used to address terms of reference one and two which deal with labour force characteristics. (Refer to the Glossary for explanations of classifications.)

3.1.1. Occupations directly related to tourism

Overall, past employment trends for the period 2000/01 – 2005/06, in the occupations directly related to tourism, declined by 0.1 %, which equates to a loss of 100 jobs per year from jobs directly related to the industry. In comparison, the Western Australian average growth for all occupations was a positive 2.8% per year.

Graph 2: Employment Trends for Occupations Directly Related to Tourism, Based on Number of Employees (Jobs)



Source: National Institute of Economic & Industry Research (June 2006) to 4 digit ASCO classification.

Footnote: Employment Numbers are rounded to the nearest 100. Studies have shown that data based on projections lower than the unit group (3 digits) are not very reliable, due to the higher level of error associated with these statistics.

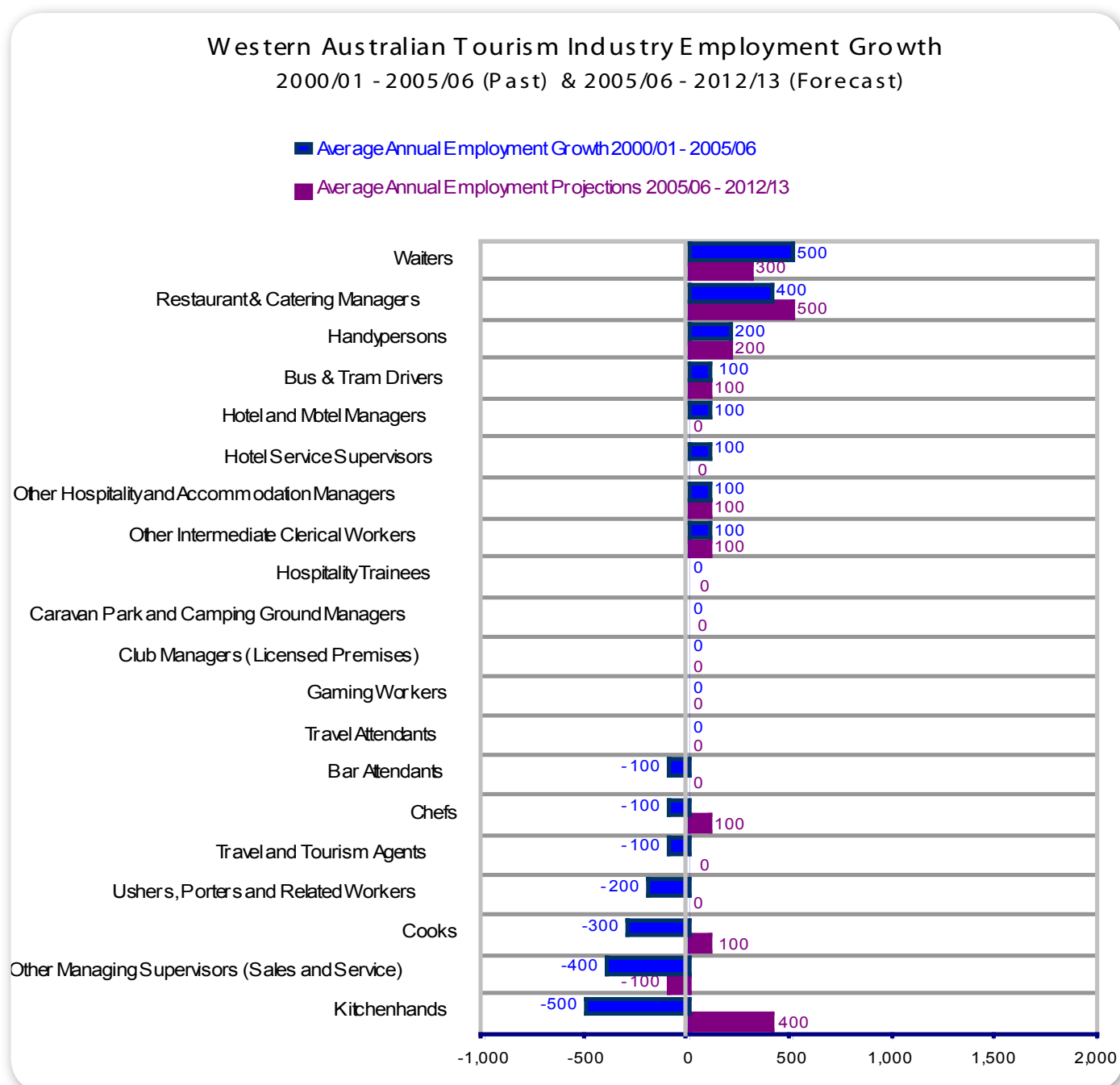
Graph 2 illustrates that during the past five year period from 2000/01 – 2005/06 some occupations directly related to tourism have seen the average annual growth in the number of jobs created (for example, some 500 new waiters jobs per year) while other occupations (such as hospitality trainees) have remained constant, while others have seen a decline in the number of jobs available (for example the number of bar attendant jobs has declined by an estimated 100 positions per year).

Anecdotal evidence and reports from industry suggest that the decline in the number of jobs created over the period

2000/01 – 2005/06, is due to the industry’s lack of ability to fill these positions rather than a downturn in demand for these occupations.

During the next seven year period 2005/06 – 2012/13 it is forecast that some occupations directly related to tourism will experience growth (for example an additional 300 waiters jobs per year will be created), others such as hospitality trainees will experience no change and others will experience a decline (for example the numbers of Other Managing Supervisors [Sales & Service] jobs will decline by an estimated 100 positions per year).

Graph 3: Employment Trends for Occupations Indirectly Related to Tourism, Based on Number of Employees (Jobs)



Source: National Institute of Economic & Industry Research (June 2006) to 4 digit ASCO classification.

Footnote: Employment Numbers are rounded to the nearest 100. Studies have shown that data based on projections lower than the unit group (3 digits) are not very reliable, due to the higher level of error associated with these statistics.

3.1.2 Occupations indirectly related to tourism

Overall, past employment trends for the period 2000/01 – 2005/06, in the occupations classified as indirectly related to Tourism, increased on average by 4.1 % annually and accounted for an average of some 4,200 new jobs each year.

Graph 3 illustrates that during past five year period from 2000/01 – 2005/06 some occupations indirectly related to tourism experienced substantial growth in the number of jobs available (for example, some 1300 new Sales Assistants jobs were created per year), other occupations

(such as Food Trades Assistants) remained constant while others experienced a decline in the number of jobs (for example, the number of Automobile Drivers jobs declined by an estimated 200 positions per year).

During the next seven year period from 2005/06 – 2012/13 it is forecast that some occupations indirectly related to tourism will experience strong growth (for example an estimated 1000 Sales Assistant jobs will be created per year), while others such as Ticket Salespersons will experience no change. There are no occupations projected to experience a decline in jobs during this period.

3.1.3 Summary – growth and projected tourism related jobs

Overall, these data indicate that on current and future trends some 23,000 tourism related jobs have been gained over the past five years, while some 34,300 tourism related jobs will be required over the next seven years. Table 3 summarises how workforce shortages will continue into the future, impacting on numerous occupational categories.

These data result from adding or subtracting the average annual growth or decline in tourism related jobs and the projections from Graphs 1 & 2, and then multiplying each by the number of years of growth or projections. Given the paucity of specific data for tourism occupations, this is the best estimate of the extent of the problem.

Table 3: Total Estimated Change in Tourism Related Jobs for the periods 2000/01 – 2005/06 and 2005/06 – 2012/13

Total Growth	Jobs in Occupations directly related to tourism Numbers	Jobs in Occupations indirectly related to tourism Numbers	Total Growth or Projected Tourism related Jobs Numbers	Annual Growth or Projected Tourism related Jobs Numbers
Estimated Change (2000/01 – 2005/06)	-500	23,500	23,000	4,600
Projected Change (2005/6 – 2012/13)	12,600	21,700	34,300	4,900

Source: Estimates by Tourism Western Australia using data from National Institute of Economic & Industry Research

3.1.4 Net replacement estimates

The estimated net replacement rate for occupations, provide us with an indication of the rate of staff turnover within an occupation. It is the estimate of the net number of new entrants required to maintain current employment levels in an occupation. That is, job openings for new entrants resulting from individuals leaving the occupation, net of those re-entering.

The data available to the Department of Education and Training is provided for occupations classified at the ASCO unit group level (3 digit) for the period 2004/05, with estimated net replacement annual average employment figures for the period 2005/06 to 2009/10. In using this level of classification, the overall numbers of occupations listed as directly and indirectly related to the Tourism industry in Western Australia are reduced to the list on page 21.

For the 2004/05 financial year, the net weighted replacement value for the occupations both directly and indirectly related to the Tourism industry, (as listed in Table 4) was 3.7%, which equates to an estimated turnover of approximately 9,800 people for that period. This figure is much higher than the net replacement rate of 2.2% for all occupations representing the total labour force of Western Australia for the period 2004/05. **A higher net replacement rate implies a higher turnover of staff**

in these occupations. In occupations which have a higher average age, this may be due to higher levels of retirement, but also, can be related to an occupation’s inability to retain staff.

The forecast total net replacement annual average number of people for the Tourism industry, for the period 2005/06 to 2009/10, is expected to increase by 9,800 people per annum.

The data in Table 4 above shows that the following occupational classifications (those with greater significance to the Tourism industry and also directly related), that experienced the highest percentage net replacement rates for employees over the 2004/05 financial period were:

- Elementary Food Preparation and Related Workers (kitchen hands, fast food cooks and food trades assistants) with a replacement rate of 8% (or approximately 1,104 people);
- Hospitality Workers (including; bar attendants; waiters; head housekeeper; head porter & hotel concierge) with a replacement rate of 6.5% (or 1053 people); and
- Miscellaneous Managing Supervisors (travel agency manager or betting agency branch manager) with a replacement rate of 3.5% (or 300 people)

It is these same occupational classifications that are forecast to have the highest annual average net replacement of employees (job turnover) in the future for the period 2005/06 – 2009/10:

- Hospitality Workers and Elementary Food Preparation and Related Workers, are forecast to each turnover approximately 1,100 employees per annum; and

- Miscellaneous Managing Supervisors (including customer service manager, transport company managers and other Managing Supervisors), along with Miscellaneous Intermediate Clerical Officers (including, inquiry clerks and admission clerks) are both forecast to turn over approximately 300 employees per annum.

Table 4: Net Replacement Estimates Based On The ASCO Unit Group Classification For Occupations Directly and Indirectly Related To Tourism

ASCOs	Occupations Directly & Indirectly Related To Tourism	Estimated Net Replacement rate % 2004/05	Employment 2004/05 ('000)	Net Replacement annual average for 2005/06 – 2009/10 ('000)
111	General Managers & Administrators	2.2	11.1	0.2
254	Miscellaneous Professionals	1.3	5.8	0.1
332	Hospitality & Accommodation Managers	1.7	13.0	0.2
339	Misc. Managing Supervisors (Sales & Services)	3.5	9.7	0.3
451	Food Tradespersons	1.8	6.2	0.1
461	Skilled Agricultural Workers	3.1	1.8	0.1
599	Misc. Advanced Clerical and Service Workers	2.8	4.5	0.1
613	Receptionists	2.8	16.1	0.4
619	Misc. Intermediate Clerical Workers	1.9	13.3	0.3
632	Hospitality Workers	6.5	16.2	1.1
639	Misc. Intermediate Service Workers	1.3	15.9	0.2
731	Road & Rail Transport Drivers	1.8	31.4	0.6
821	Sales Assistants	5.5	61.1	3.3
829	Misc. Elementary Sales Workers	7.6	18.7	1.4
831	Elementary Service Workers	1.2	13.6	0.2
993	Elementary Food Preparation & Related Workers	8.0	13.8	1.1
999	Misc. Labourers & Related Workers	0.7	10.8	0.1
	Total Tourism Related Occupations	3.7*	263.0	9.8
	Total Employment Figures for WA	2.2	1013.4	22.6

Source: Centre for Economics, Employment and Training, Monash University 2004/05 to 3 digit ASCO classification. Footnote: Small estimates are subject to large sampling errors. * Represents the weighted average for this column.

3.1.5 The workforce shortage in Western Australia

The total number of employees required to be recruited by tourism-related businesses in Western Australia each year is shown in Table 5 below.

Table 5: Estimated New Entrants in Tourism Related Occupations for the period 2005/06 – 2012/13

The Average number of employees to be replaced each year ¹	9,800
Average number of employees required for projected jobs each year to 2012/13	4,900
Total average annual number of employees required to be recruited each year to meet projected demand from tourism-related businesses in Western Australia	14,700

¹ This number is based on estimates to 2009/10

Source: Centre for Economics, Employment and Training, Monash University 2004/05. and National Institute of Economic & Industry Research (June 2006)

3.2 Term of Reference Two: Current and Emerging Skill Shortages and Appropriate Recruitment, Coordinated Training and Retention Strategies

3.2.1 Current and emerging skill shortages in Western Australia

The Australian Bureau of Statistics has identified that key reasons for the skill shortage in Western Australia include:

- There were less skilled workers available because of the rapid expansion of the state's resources sector. Since 2001-02, Western Australia's exports to China doubled to \$6.5 billion in 2004-05. As a result, employment in the mining industry rose by close to a third (9,942 people or 31%) over the period.
- In conjunction with resources sector growth, strong property market activity also triggered the demand for skilled workers in the industries of property and business services and construction. Employment rose by 19% (19,200 people) in the state's property and business services industry and by 16% (12,900 people) in the construction industry – the strongest rates of growth among the state's industries between 2001-02 and 2004-05.

- Fewer skilled workers were available because of reduced participation in education and training (course enrolments fell by 8,900 people from May 2002 to May 2005). Other contributing factors include a slowing in population growth and an ageing of the labour force.

3.2.1.1 Current skill shortages in the tourism sector

Apprenticeships and traineeships are consistently undervalued by the community and industry which is a major reason for the current skill shortage being experienced in the tourism and hospitality sector in WA.

The National Tourism Investment Strategy identified that:

"In the recent Tourism Skills Survey only 30% of tourism employers believed graduates had gained skills appropriate to employer needs. More than three quarters of the respondents wanted more input into course content and believed the vocational education and training sector needed to provide more practical job skills."

Further, the Tourism Skills Survey also revealed that 60% of employers believe graduates from tourism training have inadequate literacy and numeracy skills. In addition, vocational education and training students to be screened and received remedial training if required before commencing study. In tourism, in addition to employability skills, teamwork, planning, and the ability to learn, employers are also seeking personal attributes such as commitment, honesty, enthusiasm, work-life balance, reliability, and a sense of humour.

The National Tourism Investment Strategy made specific recommendations dealing with these issues (Recommendations 37 and 38) both of which are supported.

Recommendation 02

National Tourism Investment Strategy recommendations (37 and 38) dealing with vital steps to improve employer satisfaction with entry-level candidates are supported with funding support provisos, namely:

That the Australian Government provide funding support to State and Territory Governments for a sustained program to encourage detailed training demand and needs assessments on a local level. This program would encourage vocational education and training providers, both public and private, to engage more closely with industry, to improve their understanding of industry's training requirements & develop innovative solutions together.

That the Australian Government to promote aptitude and attitude screening for in-school students and job seekers, including tests and remedial programs for literacy, numeracy and employability skills. In addition, focus given to TAFE career guidance related to the tourism industry to improve information supplied to counsellors and students.

The Hospitality and Tourism industry has a high proportion of its workforce in the under 35 years age group (56.5%) compared with the Western Australian industry benchmark of 40%. It also contains twice the proportion of 15-19 year olds and 20-24 year olds, in comparison to all other industries in Western Australia.

With many people exiting the industry at a reasonably young age, it is causing skill shortage issues, particularly in the areas of management and supervisory skills.

There are significant skill shortages State-wide from Managers and qualified Chefs right through to entry-level staff like hotel yard persons and kitchen hands.

The shortages listed below have been identified in partnership with Industry representatives, the Hospitality and Tourism Industry Training Council and the Department of Education and Training, who have drawn on the 2006 Department of Employment and Workplace Relations (DEWR) National Skill Shortage List.

- Chefs
- Cooks
- Hotel/Motel & Club Managers
- Restaurant and Catering Managers
- Food and Beverage Attendants (Waiters / Bar Attendants)
- Front Office Staff (includes housekeeping, concierge/services, reservations, switchboard/communication and (night audit)
- Travel Agents
- Caravan Park & Camping Ground Managers

These skill shortages have been consistently highlighted and reported by the Hospitality and Tourism Industry Training Council since 2000. While the skill shortages were consistently identified, the situation was not as critical as that of today, where it is exacerbated by the record low unemployment currently being experienced in Western Australia.

Advertised vacancies for restaurant and catering managers along with industry feedback support the evidence of State wide skill shortages in these occupations. In particular this applies to commercial catering contract managers who are in strong demand in the northern regional areas of Western Australia within the resource/mining sectors.

In regards to waiters and bar attendants, anecdotal information from industry supports the evidence of skill shortages in these occupations State wide. Entry requirements for this occupation are an Australian Qualification Framework (AQF) Certificate II of higher qualification or at least one year's relevant experience.

3.2.1.2 Emerging skill shortages in the tourism sector

Research by the Department of Education and Training and validated by the WA Hospitality & Tourism Industry Training Council has identified the following emerging issues for the Tourism Industry in Western Australia:

Visitor information services

As a result of the shift towards electronic information provision within the sector, skill shortages are predicted to occur in the following areas:

- The development and use of web designs to promote tourist information;
- E-marketing and associated information technology areas;
- Business planning and management models; and
- Electronic fares and ticketing services.

Caravan sector

Training for caravan park personnel in developing tourist businesses, while facing the additional demands of catering for permanent residents, is needed. This includes:

- Skills in dealing with the provision of aged care services to clients;
- Skills in customer service training; and
- Skills in conflict resolution.

Cookery

Skill shortages continue to be reported for the following:

- Chefs. Increasing awareness about healthy eating, genetically modified foods and organic foods require cooks and chefs to be trained in this area; and
- Qualified cooks.

Wine tourism

- Growth in the wine tourism sector will require increased formal tailored training for the sector that may include the following:
- Multi-skilling of cellar door and accommodation staff. These staff require knowledge of their products, skills in meeting and greeting people, handling multiple customers at one time, providing information on other regional products and services, and closing a sale.

Other emerging skill shortages

- Investing in the training of suitable mature age applicants in a variety of jobs within the industry
- Small business training that focuses on the need to develop training plans for their business.

Some of these emerging skill shortages are best met by providing training through the development of specific skill sets that more accurately meet the needs of the Tourism sector.

Skill sets generally comprise one or more units of competency that meet an industry need, provide a vocational outcome and currency in the workplace. Skill sets do not constitute a full qualification within the Australian Qualifications Framework.

3.2.1.3 Training Priorities

In order to address the current and emerging skill shortages, the following tourism industry training priorities have been targeted for 2007:

- Skill shortages in commercial cookery with persistent shortages of chefs, cooks and kitchen attendants.
- Advanced training for suitably qualified cooks to undertake management roles in kitchens particularly for those working in the resource sector.
- Hotel / Motel and Restaurant / Catering Managers are in short supply and combined with high number of existing workers with no formal qualifications increased training and skills recognition will improve the image of the industry.
- Support delivery of Diploma qualifications and skills recognition of existing workers, to address skill shortages in Hotel/Motel Managers, Restaurant and Catering Managers, Caravan Park and Camping Ground Managers
- Front Office staff including housekeeping, concierge / services, switchboard / communications, reservations, front office and night audits is in short supply and require an increase in training for those who wish to enter the industry.

- Food and Beverage Attendants (Waiters and Bar Attendants) are in short supply and require an increase in training for those who wish to enter the industry.
- Due to the high attrition rate from the industry of senior travel consultants continued growth in training in this area is required in order to address the state wide skills shortage for the travel industry.

Recommendation 03

That industry is supported in working with registered training organisations in the development and delivery of training required for emerging skill shortages.

3.2.2 Recruitment, coordinated training and retention strategies

3.2.2.1 Establish a strong positive image of the industry

Anecdotal evidence from students, parents and other potential entrants to the industry suggests that it may be viewed in a less than attractive manner. It is often seen as a transitional employment pathway, one used to gain casual or part time employment as a means of paying bills in the short term while completing studies, but not an industry that offers a long term career path.

Industry knowledge has identified that some of the reasons for the declining take up rate of apprenticeships and traineeships include a general lack of knowledge concerning the industry, the often negative perception of the industry by young people and their parents, lack of publicity for recognition of skills for some apprenticeships and the lack of knowledge and understanding leading to an often negative image of apprenticeships by the industry.

The image of the tourism and hospitality industry needs to be repositioned in the minds of potential new entrants, as well as existing employees and employers to ensure the communications regarding opportunities for employment and training in the industry are positively considered.

Industry feedback suggested that better profiling of the industry is required. Issues such as better wages and flexible hours for a more flexible workforce will support a more positive image of working in the industry. Initiatives to profile individual roles in the industry and thereby promoting career paths for current and future entrants to the industry were suggested as a valuable encouragement.

For example, the Chefs Apprentice Tables initiative from the Sheraton Hotel provides a profile for apprentices as it shows them a way forward for their career. Another example is the TASTE program - a dining experience, where small groups of high school students from years 9 through

12 are invited into the dining rooms of some of the finest restaurants in Perth, provided with a fabulous three course meal in a sophisticated setting and the chefs and apprentices talk to them about their experience in the profession of cooking. Students that are inspired to take up a career in one of the food trades are asked to sign up to the School Apprenticeship link program. Industry leaders participating in the program are successful, highly regarded by their peers and extremely motivational for students.

Transferability of skills gained through tourism and hospitality training in these different roles can also give people different lifestyle choices throughout their lives in a global setting.

Recommendation 04

That industry-led initiatives be developed to better profile the tourism sector as a positive and exciting career option in which the training and experience gained can result in lifestyle and lifetime opportunities.

Recommendation 05

In conjunction with industry, undertake a major media campaign using a range of people in a range of roles (young and mature-aged) as faces of the industry, illustrating that many diverse opportunities are available for long term careers.

Recommendation 06

Together with industry undertake 'value of tourism' campaigns in schools to heighten student's awareness of the importance of tourism to the economy and also encourage them to consider future studies and career opportunities in the industry.

Recommendation 07

In association with industry and registered training providers, organise regular Careers Expos for tourism and hospitality sector opportunities.

Recommendation 08

Urgently improve and increase the information available to students, teachers, parents and employers about apprenticeships.

3.2.2.2 Ensure training meets employer needs

Training strategies must be allied to the needs of the tourism and hospitality industry and policy, funding and delivery of both tertiary and work-based education and training must be aligned to these needs; for example, specific skills in targeted sector training such as entry level or supervisors/managers in hotels. The National Tourism Investment Strategy's Recommendation 37 (referred above in section 3.2.1.1) echoes support for the following recommendation:

Recommendation 09

Undertake training needs analyses for the wider tourism sector in tourism business clusters for locally based training delivery to ensure solutions are tailored to local needs.

Employers need a good understanding of the qualifications required to undertake the positions being recruited. For example, a 'Certificate III cook' may bring many of the skills necessary to do a 'qualified chef's' job, but will not likely be paid as highly as a qualified chef. This can create dissatisfaction for the cook who over time, may expect pay increases but is unlikely to ever be paid as a tradesperson. In this case, the recruitment issue may have been satisfied for both the employer and the cook, but employee dissatisfaction leads to resignation and staff turnover.

Recommendation 10

That initiatives in support of industry-led communication aimed at improving employer understanding of qualifications and training requirements are examined by the Australian Government.

Almost 64% of workers in the industry lack formal qualifications. Owner operators are reporting major shortages of skilled staff and this is compounded by the lack of formal qualifications held by industry staff.

Employers must make the connection between recruitment, training and workplace productivity. The value of taking responsibility for training employees not only leads to more productive businesses, but also is more likely to encourage employees to remain in the industry because they have opportunities to grow and build satisfying careers. Aligning in-house training to accredited qualifications will further improve retention of staff in the sector.

Recommendation 11

That as part of any communication with employers there be a strong focus on strengthening the engagement of employers in the training system as well as their awareness of its connection to productivity and profitability for sustained businesses and happy workers. Specifically,

- Research employees/employers to confirm the causes and costs of staff turnover
- Promote the importance of retention as a key priority (& the relationship between recruitment & retention and costs saved by keeping valued staff)
- Facilitate industry-wide understanding of factors influencing staff retention

Recommendation 12

That additional encouragement be placed on the alignment of in house training to national qualifications through greater use of recognition of prior learning (RPL), particularly those that focus on the use of skills sets to demonstrate achievement of competence to award national qualifications by state training authorities and training providers. Whilst this is an industry view, the Department of Education and Training needs to be thoroughly consulted.

3.2.2.3 Underutilised labour markets

To counter the skill shortages, many tourism businesses have resorted to advertising in the Eastern States to fill vacancies available in Western Australian with little or no success. They are also looking further a field and advertising overseas in an attempt to attract potential employees to jobs here in the West. Information received from industry now indicates that businesses are beginning to poach staff from other establishments and offer higher wage rates in an effort to address this critical issue.

The need to diversify to alternative sources of workforce (such as women returning to work, mature-aged workers, people with a disability, people with multi-cultural backgrounds, Indigenous Australians and sole parents) will impact significantly upon recruitment and retention strategies for these 'new' groups to be targeted. Specific strategies will need to be developed and tested according to the needs of each group.

Throughout the consultation process employers recognised the need to develop these 'new' sources of labour.

Recommendation 13

That the Australian Government support industry initiatives aimed at developing currently underutilised labour markets.

Recommendation 14

That customised recruitment strategies be developed and piloted with special focus on the underutilised labour sources.

Recruitment strategies are becoming more focussed upon specific need. One online employment agency specialising in chefs and some other hospitality professionals operates in Perth and Sydney with some 700 personnel on their books. The approach to recruitment is innovative, as all the chefs who are members of that network are self-employed, therefore, removing the need for employers to worry about their personal insurance, tax, superannuation, sick leave and holiday pay. An advantage of having both Perth and Sydney operations enables the demand for seasonal workers for labour to be satisfied.

3.3 Term of Reference Three: Labour shortages and strategies to meet seasonal fluctuations in workforce demands

3.3.1 Labour shortages

Western Australia's tourism labour market is facing enormous challenges as a result of skill shortages. The issues are not short-term or transient. The tourism industry is characterised by low profitability and low wages, but it is an internationally strategic and significant national industry, so market forces alone cannot be applied to ensure success.

Labour shortages within the industry are having a negative impact across the industry and currently exist in the following occupations:

- Housekeepers (domestic)
- Kitchen Hands
- Fast Food Cooks
- Hotel Yard person / Hotel Useful
- Luggage porter/doorperson
- Hotel receptionists
- Hotel Service Supervisors (Head Housekeeper / Head Porter(hotel) / Hotel Concierge

At a recent Industry forum, attendees were asked to identify occupations in critical need of employees.

The feedback confirms the above shortages, with the addition of:

- Chefs (qualified, including specialist chefs such as patisserie, banquet, et al)
- Skilled food and beverage employees with the mid range of experience between 2-5 years
- Front line staff (food & beverage, reception, office)
- 'Unpopular' positions such as cleaners, night auditors
- Handy persons, security guards
- Middle management (duty managers, security managers et al)
- Caravans/ Park – managers, manufacturing
- Commercial catering site managers
- Positions in regional areas

Construction of the Novotel Resort in Exmouth is due to be completed at the end of 2006. The owner was originally looking to recruit about 40 staff to open but has scaled this down to 25 staff until occupancy levels can be gauged, particularly over the low season. Almost all recruitment has been Exmouth residents currently working in the hospitality/tourism industry although two chefs have been recruited from overseas who have required visa applications. Recruitment was limited by the lack of housing available in Exmouth. Accommodation has not been able to be offered with most of the positions and therefore prospective staff found the expense of relocation prohibitive. Rental accommodation is expensive in comparison with salaries and also very limited in Exmouth. The salaries on offer meant that relocation was not a viable option for most applicants.

The owner has had to recruit below the skill and experience level that would have been desired for a quality facility as the skill base was not available locally. There will be a greater investment in training than anticipated.

There is likely to be a knock-on effect with other hospitality/tourism businesses in town as they lose staff to the new resort. It is likely that the established operators will not realize the extent of the staffing problem until they try to recruit again in April next year for the peak season. Many employers will have to rely more heavily on the backpackers for seasonal work but this presents issues over training staff that may only stay for a few weeks/months.

Simon Terry, Project Officer Exmouth, Gascoyne Development Commission

The National Tourism Investment Strategy acknowledges, "that tourism will need to add a further 130,000 people to its workforce over the next decade, but if it maintains its current share of employment in each age bracket, it can only expect 45,000 to be added. Given the industry will face increasing pressure from other industry sectors to even maintain its current share of young workers, it is obvious that the industry will need to cast its recruitment net wider, increasingly reaching out to different demographic groups."

In Western Australia some 14,700 people will need to be recruited to the tourism industry each year (new jobs and replacing employees that leave current jobs). The shortages in many occupations are already impacting upon tourism businesses, and without significant change of workplace practices, will seriously undermine the tourism industry.

The National Tourism Investment Strategy identified currently under-utilised labour pools and any Australian Government initiatives aimed at supporting industry to enable greater engagement with these groups would be well regarded.

Recommendation 15

That the essence of the National Tourism Investment Strategy Recommendation 40a is supported namely: That industry recognise the potential for women, mature age workers, sole parents, long-term unemployed, people with a disability, indigenous Australians and people with a multicultural background within the tourism workforce. The industry should promote these strategies through its key industry bodies.

Recommendation 16

That the Australian Government consider industry support for this initiative.

Natural population growth is not delivering a sustainable workforce. Despite accounting for more than two-thirds of the total increase in employment since 1979-80, the trends indicate it seems unlikely that there will be a significant change in the rate of natural increase over the medium term.

In addition, the ageing of the State's population will result in a marked decline in the working age share of the population, and a significant drag on growth in the stock of labour beyond 2010.

In the light of forecast smaller cohorts within the younger working age groups, the practice of the tourism and

hospitality industry choosing people predominantly from the under 35 year age group to staff its operations is unsustainable. To increase the size of the existing domestic labour force 'pie', it will be necessary for other demographic segments of the population to increase participation and/or be developed for roles in the tourism industry.

In the short term however, Western Australia's 'booming economy' and competition between industry sectors for labour, demands a more urgent response to labour shortages. Immigration can make an immediate contribution to the size of the labour force if migrants are aged 15 years and over. The average contribution of net overseas migration to population growth was 46% in the two decades before 2004-05. Temporary migration has shown strong growth over the past decade, but there would need to be a substantial rise in temporary work visas to generate a moderate gain in total employment growth.

3.3.1.1 Labour shortage strategies

There are both short and long term remedies to address the current skills shortage problems.

Short term strategies should be aimed at:

- Migration policy
- Increasing base level recruitment
- Retaining current employees within the industry

Longer term strategies should be aimed at:

- Developing new labour supply markets
- Building overall industry profitability (which is outside the scope of the inquiry but nonetheless needs to be identified)

3.3.1.1.1 Working Holiday Maker (WHM) Program

The WHM Program allows stays in Australia for up to 12 months, and employment with the same employer for 6 months. Targeting this group through employment opportunities listed on websites and ensuring visas are processed quickly will maximise the value of such visitors to the labour force. Extending the Program to enable employment with the same employer for 12 months would also help fill labour gaps. Tourism industry operators have also expressed the view that the USA 'service mentality' and common language should be advantageous for this program.

Recommendation 17

Extend the maximum stay for working holidaymakers with one employer from 6 to at least 12 months

Recommendation 18

That eligibility of WHM visas be made available in the USA.

Recommendation 19

Use targeted media and websites to promote job opportunities in Western Australia to WHMs

3.3.1.1.2 International students

International student visas allow for a maximum of 20 hours/week employment during training. Extensions to this amount of time per week would assist the labour shortages.

International students are a group who not only gain training in hospitality and tourism sectors during their time in WA, but also wish to gain experience in the workforce. It is believed that a practical component of their training courses could include a work placement which would extend their training while helping to boost the workforce. It should be possible to link either an extension to visas and/or incentives into the course award if such employment component was served in seasonally impacted regions (including the entire State of WA including Perth) outside the major Eastern State capital cities.

The National Tourism Investment Strategy also supports this approach with a recommendation (Recommendation 40f) that the Migration Act 1958 be amended to "permit an extension to student visas for international students to extend their stay after the completion of their studies to allow them to work in the tourism industry for a short period of time. "

Recommendation 20

That the Migration Act 1958 be amended to

- **permit an extension to student visas for international students to extend their stay after the completion of their studies to allow them to work in the tourism industry for a period of time.**
- **that this be linked to their courses of study for work placements (in specified areas and industry/career training) to be incorporated into the program.**
- **Permit an extension to the hours of work international students may undertake during their studies.**

Recommendation 21

That training authorities investigate how students (both international and local) may benefit from the inclusion of a work placement program in tourism and hospitality courses. That such courses be amended and or newly developed and piloted.

3.3.1.1.3 Subclass 457 Visas

Temporary Business (Long Stay) - Standard Business Sponsorship (Subclass 457) – known as “457 Visas”: This is the most commonly used program for employers to sponsor overseas workers to work in Australia on a temporary basis, which is successfully being used by many tourism and hospitality employers in WA. There are also special arrangements for employers in regional areas across Australia. Holders of these visas may work from between three months and four years.

There is an obvious need to ensure that 457 Visas are not perceived as taking away jobs from ‘ordinary Australians’.

In the past, there have been examples of chefs seeking to migrate to Australia. Through the process that is used by Trade Recognition Australia their skills are not recognised as the process does not recognise their experience, training and/or qualifications. It would appear that the guidelines or assessment criteria are restricting potential migrants to Australia and that there should be an easing of these restrictions. The Hospitality and Tourism Industry Training Council (ITC) has assisted several well qualified cooks and chefs to try to enter into Australia and have provided advice about the documentation required to enter into Australia as a chef or cook. The ITC is well qualified to provide this advice as they operate the industry’s skills recognition process for unqualified cooks to gain trade status in WA. In one instance a well qualified chef from the UK approached the ITC to assist with advice about the documentation required to demonstrate his skills. He made his application to migrate on shore and did not gain entry on his first attempt, nor on appeal. In discussion with the chef when he was back in England, the ITC was informed that he had gained a junior sous chef position at Buckingham Palace. This is just one example identified, but illustrates the point about the criteria that are being used to assess the skills of genuinely qualified cooks wishing to enter Australia and continue with their career of cooking.

Users of the 457 Visas report the administrative requirements of making applications add cost to the business and the time taken to process applications is often quite lengthy (particularly with countries that are seen as potential over-stays). Other costs reported by industry including the provision of housing. Employers also report good social and business benefits of having overseas workers.

Recommendation 22

That an easing of restrictions be made for overseas trained cooks and staff.

Recommendation 23

That the process used by Trade Recognition Australia be reviewed to ensure overseas qualified and trained hospitality workers are given every opportunity for application support.

Recommendation 24

That best endeavours be made to reduce the processing time for 457 Visa applications. Notwithstanding that the Council of Australian Governments (COAG) is trying to improve the integrity of the program, ideally, a turnaround time of one month would assist the industry.

Recommendation 25

That employers and/or employer associations be provided with additional incentives to offset the cost of housing 457 Visa employees.

3.3.1.1.4 New (underutilised) labour markets

The flexibility of the hours of work, the highly valued ‘employability skills’ that are often life-skills possessed by mature-aged people and the high demand for many unskilled or low-skilled people in both urban and regional locations ensure that tourism and hospitality employment can be satisfied by many untapped pools of talent in the community. Some ‘new’ labour markets that may be mature-aged people, people with a disability, sole parents, Indigenous Australians, people with multicultural backgrounds and women.

The labour force participation rate has an important influence on labour force growth in Western Australia. In 2004-05 and 2005-06, the participation rate played a particularly prominent role in driving labour force growth. A substantial rise in the participation rate (of more than one percentage point) was responsible for more than 40% of the gain in employment in 2005-06. Growth in the participation rate in 2005-06 was broadly based, with most age cohorts making a significant contribution to the increase. Participation by some cohorts is already high (for example, males between ages 25 and 44 years), whereas other cohorts may have growth potential.

Mature- aged workers

There has been a trend rise in participation by males in older than 44 years age cohorts over the past 25 years, suggesting that this might be a useful source of future growth in labour supply. A number of factors might drive this increase, including better employment opportunities, changing employer attitudes towards mature workers, and changes in superannuation eligibility requirements and retirement expectations.

A continued increase in female participation (associated with improved access to education and training across generations) is another potential source of growth in the State's labour force. Better access to childcare may be an effective mechanism by which to support future growth, particularly in the 25-34 age bracket.

The Restaurant and Catering Institute WA has recently launched a project –with support provided by the Federal Government - to enable trained Mature Age & Parent payment recipients to re-enter the workforce. The project will run for over the next 12 months and is targeting the training of 90 participants for both Commercial Cookery and Café Culture programs, covering both kitchen and front of house skills. The 4 week courses link with certificated qualifications and provide entry level skills useful for participants wishing to work in kitchens, restaurants, cafes and other food and beverage outlets.

Women

More women on average join the WA labour force each year than men. Greater opportunities for women to participate in the labour force (including the availability of child care services, greater educational opportunities and greater flexibility in working arrangements such as part-time and casual employment) has almost doubled the number of women employed in WA since 1984-85. Many women with family responsibilities, or as sole parents or as furthering education seek part-time and casual employment. As this type of employment is typically that found in the tourism and hospitality industry, there are considerable opportunities for potential 'fit'. RPL and short practical training courses could provide a relatively quick transition for many women to participate in tourism and hospitality.

Indigenous Australians

In 2002, the proportion of Indigenous people aged 15 years or over in WA whom were employed was 50%, significantly higher than the 36% recorded in 1994. The proportion of Indigenous people employed in mainstream jobs rose from 23% to 29%, while those

unemployed was considerably less than it had been in 1994, 12% compared with 22%. Education and training for opportunities in tourism and hospitality should be a key focus to encourage participation of Indigenous Australians in the industry. Partnership agreements are being formed that support the implementation of employment models for Aboriginal trainees.

Others such as sole parents, people with a disability, long-term unemployed and people with a multicultural background are often marginalised groups in the community who may need additional support in terms of transition to work training, but who may have the potential to be valued members of the tourism and hospitality workforce.

Recommendation 26

That the Australian Government develop programs aimed at encouraging mature-aged workers (45 years +) to enter tourism employment.

Recommendation 27

Ensure RPL (Recognition of Prior Learning) is offered at the commencement of training, together with skills gap training where required to ensure the achievement of a qualification.

Recommendation 28

Require Training Organisations to implement appropriate RPL processes to enable the achievement of qualifications for long term employees and mature age workers seeking employment in the tourism industry rather than enrol them in face to face courses. Whilst this is an industry view, there is a need for the Department of Education and Training to be thoroughly consulted.

Recommendation 29

Using existing State-based administrative arrangements, that Broome be considered a suitable pilot location for an Indigenous employment model that brings together employers and training providers with suitable mentoring for Aboriginal trainees.

Recommendation 30

That the tourism destination town of Albany be targeted for a special pilot employment project aimed specifically at increasing the employment of women re-entering the workforce.

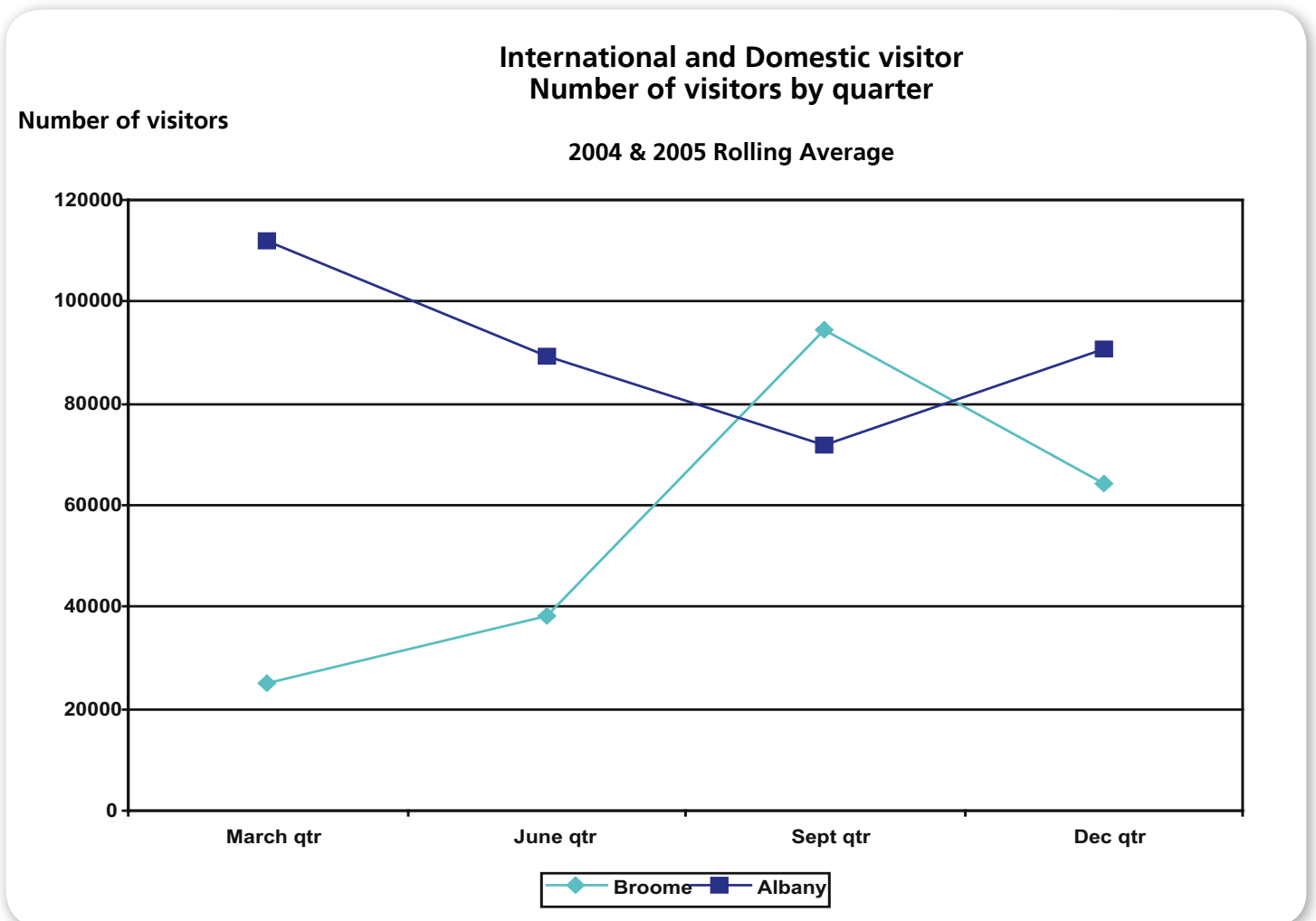
3.3.2 Seasonal issues

Western Australia is in a unique position regarding the tourism industry in Australia, where the vast geographic size of the State guarantees that while the southern climes are experiencing cooler and wetter (usually lower visitation) months, the north west is at its best and attracts its high season of visitation. These peak periods are usually for 4-6 months only, so the ability to attract and retain an appropriately trained workforce for one third of the year presents problems – every year. The significant mix of leisure travellers to Western Australia (ie visitors wanting to experience all parts of the State and tourism product) ensures that alternate seasons are a permanent pattern of tourism in the State.

Graph 4 below demonstrates the seasonality between north and southern regional towns, Broome (in the North of the state) where 43% of the annual visitation occurs in the September quarter which is the time when only 20% of Albany's (in the South of the state) visitation occurs (see Figure 2 in section 3.4.1 for a map of town locations)

The seasonality issues impacting upon tourism was recognised in the National Tourism Investment Strategy, which recommended (Recommendation 41) that State Governments “work with tourism regions to pilot programs aimed at developing a pool of workers with skills across a range of seasonal industries, including tourism. Seasonal workforce programs to aim to facilitate reciprocal partnership arrangements between tourism operators with similar skill requirements for the sharing of staff between seasons and between regional and capital city locations.”

Graph 4: International and Domestic visitor numbers to Broome and Albany



Source: Tourism Research Australia, International/National Visitor Survey

Such seasonal variations in Western Australia means the State is ideally placed to pilot test employment initiatives aimed at developing a ‘mobile workforce.’

Recommendation 31

That consistent with the National Tourism Investment Strategy, the Australian Government pilot test industry-led employment initiatives aimed at addressing seasonality issues.

While the States and regions can assist, when addressing seasonal problems in staffing tourism operations the Australian Government should also support industry led initiatives aimed at creating a mobile workforce of highly skilled people. The Working Holiday Maker program is a key short-term solution that can make an immediate contribution to the labour 'pie', while several other options that require some development.

The Working Holiday Maker program enabling international visitors to spend part of their visit to Australia working in regional areas provides only a restricted labour supply for various reasons. For example, limitations on the length of time working for one employer, while recently extended to 6 months, dilutes the value of training by employers and the longer term opportunity to fully utilise this resource.

Other recent changes to the Working Holiday Maker program did not go far enough to provide a realistic boost to seasonal workforce. Given the isolation of Western Australia from other Australian international gateways, and the precedents of Adelaide and Hobart being recognised as 'regional areas', Perth should also receive such recognition for the purposes of the WHM program.

Recommendation 32

(In conjunction with Recommendations 17, 18 & 19)

That the Working Holiday Maker program extends the range of industries that can apply for eligibility for visa extensions to include hospitality and tourism in seasonally impacted regions outside capital cities.

Recommendation 33

(In conjunction with Recommendations 17, 18 & 19)

That Perth be recognised as a 'region' in the context the WHM program's eligibility for visa extensions.

International students (as outlined above in 3.3.1.2) are a mobile and growing population of skilled labour source who can be encouraged to work in seasonally affected regional areas. Legislative support is required to affect this.

Recommendation 34

(In conjunction with Recommendations 20 & 21)

That international students' training course work placements be located in regional areas of Western Australia and aligned with their training.

Recommendation 35

(In conjunction with Recommendations 20 & 21)

In conjunction with industry, Government incentives should be promoted and targeted to international students to choose Western Australia for study and work.

There is considerable industry support (and current activity) for the concept of sharing of existing labour pools:

- across businesses/industries in same region
- across regions North/South.

There is recognition that agreements between different employers or employment groups may be required. Trading staff between 'the heat and the snow' acknowledges that State borders may be irrelevant in the search for staff.

"The staff development program is known as 'Boot Camp' and it sells the virtues of coming from a home base comfort zone in Victoria or New South Wales to remote Western Australian locations (such as Port Hedland, Karratha, Kununurra) with a flexible attitude and a willingness to work hard, to fast track skills for 3 months, then return to their original hotels. We've had tremendous success with this program, with staff getting experience in remote locations they'd never ever get in city hotels. Some staff love it and have stayed on!"

Fran Kirby, Regional HR Manager Accor Hotels & Resorts

It is believed that sharing employees across companies in the same industry (eg one brand hotel to another) could also work, subject to a necessary level of trust required. Shared labour pools are especially an issue in regional and remote areas and as such are also covered under Section 3.4.5.

Recommendation 36

That the industry be supported in initiatives aimed at developing opportunities for sharing existing labour pools during seasonally challenging times.

A transient workforce or the use of mature aged labour who are often prepared to work on a part time basis or in the regions encapsulates one level of workforce demand for many operators in regional areas. 'Grey nomads' (usually retired empty-nesters) escaping from southern winters annually travel to north western areas for several months. Typically bringing their own accommodation (caravans) and living on a budget, this group is usually physically active and highly likely to be willing and able to engage in part time work, while at the same time, not adding to the pressures for accommodation beyond the caravan park sites they occupy.

Recommendation 37

Initiatives aimed at providing short course training for seasonal work in regional areas need to be supported.

Recommendation 38

Pilot programs targeting 'grey nomads' for such seasonal work.

In order to encourage potential employees to contemplate seasonal work in regional and remote areas, the Australian Government's recently announced incentive of \$5,000 to encourage unemployed Australians to take jobs in regional areas would probably not help many areas in Western Australia, where the vast distances and high living costs require significantly greater inducements. Additional incentives should be considered.

Recommendation 39

That the Australian Government consider the following incentives to encourage an increased workforce for seasonal work in regional and remote areas:

- **Increase the allowable income for pensioners working in seasonal/remote/regional locations, especially for those supplying own accommodation (including grey nomads with caravans)**
- **Increase tax breaks for workers in regional/remote areas**
- **Holiday allowances/deals to travel in regional areas for casual workers**
- **Employee referral service**

3.4 Term of Reference Four: Strategies to Ensure Employment in Regional and Remote Areas

3.4.1 Regional tourism profile

There are five tourism regions in Western Australia indicated in Figure 2 below. It needs to be kept in mind that some of these regions are bigger than many Australian States, which means Western Australia is faced with huge challenges when it comes to regional tourism development.

Figure 2: Tourism Regions of Western Australia

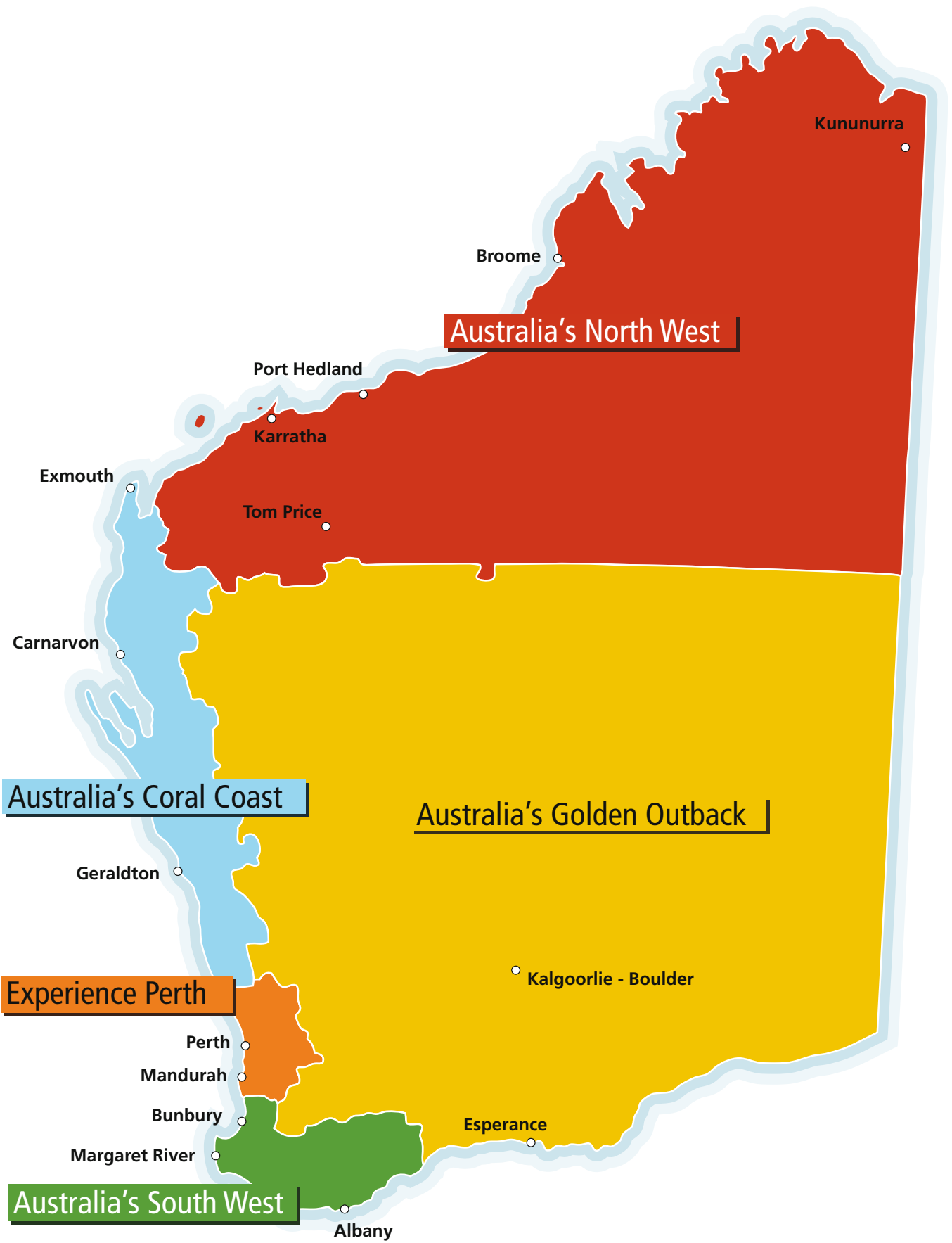


Table 6: Economic Contribution of Tourism Regions

WA Tourism Region	Direct Gross Value Added (\$m)	Indirect Gross Value Added (\$m)	Direct Employment (000s)	Indirect Employment (000s)	Output at basic prices (\$m)
Experience Perth	1,392	851	32.0	10.9	3,423
Australia's South West	351	225	9.7	2.9	860
Australia's Coral Coast	187	115	4.5	1.5	450
Australia's North West	196	122	4.5	1.6	478
Australia's Golden Outback	122	80	2.9	1.0	311
WA Total	2,249	1,393	53.6	17.9	5,521
Experience Perth	62%	61%	60%	61%	62%
Australia's South West	16%	16%	18%	16%	16%
Australia's Coral Coast	8%	8%	8%	8%	8%
Australia's North West	9%	9%	8%	9%	9%
Australia's Golden Outback	5%	6%	5%	6%	6%
WA Total	100%	100%	100%	100%	100%

Source: Access Economics

While the Perth metropolitan area (the tourism region known as Experience Perth) dominates tourism in WA, the economic contribution to Western Australia made by the other regions is significant as indicated in Table 6 above.

Tourism Western Australia's marketing and development strategies focus upon five clusters of priority iconic tourism experiences and the identified key tourism product in the State's five regions. These iconic tourism experiences include Marine, Outback and Adventure, Food & Wine, Forest and Wildflowers and People and Lifestyle. All of these experiences, but especially the first four, focus upon regional areas, natural landscapes and 'distant from Perth' attractions. While Perth is the receiving hub, much of the tourism industry's considerable efforts concentrate attention on encouraging visitation to regional tourism destinations.

The aim of this approach is to increase visitation to the regions, thereby growing the workforce in regional areas. However, as current jobs are proving difficult to fill in both the metropolitan and especially regional areas because of the competition from other sectors, any growth in tourism will further exacerbate the situation and put service levels and therefore visitor satisfaction with their experience at greater risk.

Workforce issues in regional areas are particularly pronounced. Not only are there workforce shortages but what is available is often to a less than satisfactory standard. This impacts negatively on customer satisfaction and is a poor reflection on the country as a whole.

The National Tourism Investment Strategy (Recommendation 42) attempts to address this issue.

What are needed is industry-led and supported programs to address the issues.

Recommendation 40

That the Australian Government through State Government training providers, develop appropriate programs to meet the needs of the National Tourism Investment Strategy Recommendation 42, namely;

That the Australian Government, in conjunction with private sector providers and community groups, provide targeted, locally-based tourism and hospitality training to regional and remote areas. This would involve a collaborative approach to workforce development similar to that proposed by the Department of Education, Science and Training (DEST). The tourism industry should form a central part of the roll out of DEST policy for regional areas, and the project to cover major regional tourism destinations. State Government training providers must be thoroughly consulted on this training initiative.

Recommendation 41

(In conjunction with Recommendations 26, 27, 28, 37 & 38)

That industry and Government training strategies target mature-aged workers, especially in those regional areas attracting a large population of retirees, for tourism and hospitality training in local areas and beyond.

3.4.2 Tourism development in regional areas

The very high costs associated with the development of tourism 'plant' such as accommodation makes it exceptionally difficult for investors to become involved in tourism in regional areas. Combined with the high operational costs (particularly labour), the feasibility of undertaking tourism development is often prohibitive.

Tourism WA's regular survey of the tourism investment community indicated that accessibility, along with investment return, were the most important criteria investors used to select development sites, and that 37% of investors chose 'land with infrastructure services already in place', as one of the top two incentives that would encourage them to invest in Western Australia

The capacity of the private tourism sector to finance the development of basic economic infrastructure such as roads and utilities is restricted by the size and nature of the tourism industry. There are an estimated 4,000 tourism businesses in WA, the majority of which are small to medium sized enterprises.

Construction and operating costs in remote areas such as the North West and Ningaloo Coast (off Exmouth) are extremely high. Figure 3 on Page 37 illustrates the variation in costs (represented by indices) of building and construction in major regional centres in Western Australia. Towns/locations just outside these centres face higher costs and those in remote areas are considerably higher. For example, delivery costs of goods to remote locations could add 30% or more to transportation costs.

Tourism businesses are also required to offer significant salary packages to attract staff. A hotel facility on the Coral Coast was recently paying \$2,000 a week to hire a chef. Many businesses are also required to offer subsidized accommodation packages to attract staff in regional areas where rental accommodation is expensive or in short supply.

In the South West, land prices particularly in coastal destinations, are impacting on the business case for investments. These issues can have a huge impact on the profitability of tourism operators and the timeframe over which they can make an investment return.

The market failure of such tourism product to proceed in highly attractive locations as potentially sustainable ventures requires Government support.

Recommendation 42

Within the context of the National Tourism Investment Strategy, that the Australian Government establish incentives (such as accelerated depreciation, head work deferrals, infrastructure grants) for investors to establish tourism product/plant in regional and remote areas. This could be rolled into the Australian Tourism Development Program operated by AusIndustry.

Industry members provided feedback that accommodation for employees is a major issue in regional and remote locations, with many staff living in appalling conditions such as dongas and sea containers. In order to attract quality staff, Cable Beach Resort purchased Palm Beach Resort in Broome to house staff, a process that took over 2 years to achieve. At the very least, rental assistance is required for key roles in tourism and hospitality, such as executive chefs.

Recommendation 43

That recipients of Government incentives to establish tourism product/plant in regional and remote areas provide accommodation for employees.

3.4.3 Cost of living issues

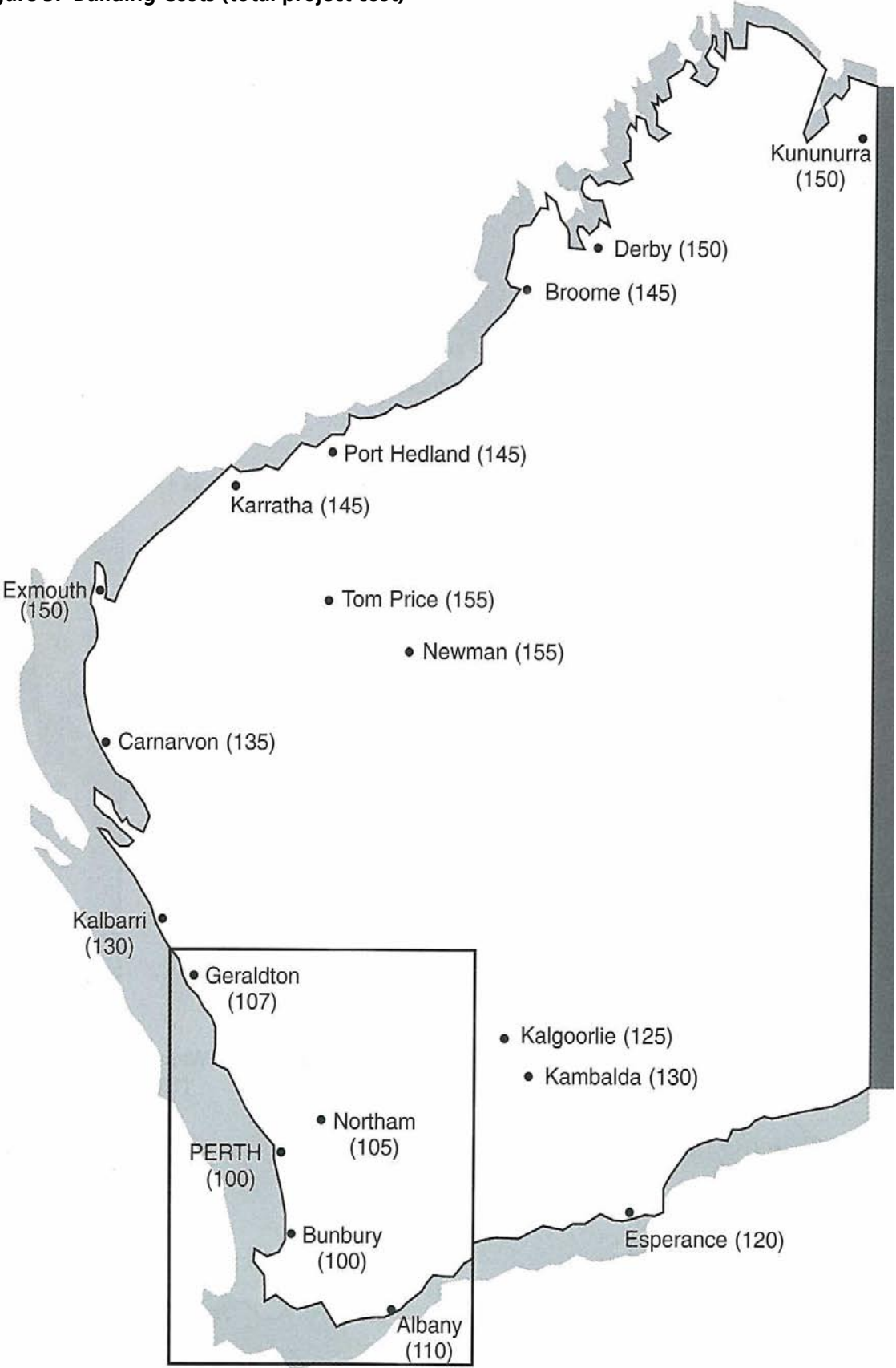
For potential tourism and hospitality workers in regional areas the prospect of low wages provides little encouragement to enter or remain in the industry. In addition the high cost of living in most regional localities provides a significant disincentive for workers. Tax allowances for a worker earning \$1,700 per week in the mining industry is the same as a worker earning \$450 per week in the local hotel. It is little wonder tourism operators are dependent upon transient workers (often backpackers) with few skills.

Using wage thresholds as a basis for significantly increasing tax concessions for remote area workers is one way of creating incentive for workers to take a job in a remote area.

Recommendation 44

That the Australian Government use taxation policy to increase the take home living wage in remote areas to make it more equitable for tourism and hospitality workers of Western Australia.

Figure 3: Building Costs (total project cost)



Regional Indices – Western Australia (Base – Perth 100)

Source: Rawlinsons Australian Construction Handbook 2004

3.4.4 Migration policy

DIMA data indicates that State-specific and regional migration to Western Australia has more than doubled since 2003-04. During the 2005-06 period, 2401 visas under the category of state-specific and regional migration were allocated for migrants to WA, compared with 968 two years ago.

Despite the increase, WA continues to lag behind its eastern states counterparts, with South Australia's allocation of visas reaching 8182, nearly four times that of WA's, with Victoria and Queensland also ahead.

The Western Australian Government believes the allocation system is unfairly biased and may account for some of the difference between states, as Perth is not classified as a regional area under the Skilled Independent Regional visa requirements.

A recent State Government approach to the Federal Minister for Immigration suggests there is a need to target skilled migrants at the trade and sub-trade level. Given that a large portion of Western Australia's workforce is based in Perth and services the regions by fly-in fly-out operations, exempting Perth from regional employer sponsorship, while allowing cities such as Adelaide, Hobart and Darwin, puts Western Australia at an unfair disadvantage.

Recommendation 45

That Perth be classified as a regional area under the Skilled Independent Regional (SIR) visa requirement regulations.

3.4.5 Shared labour pools

As outlined under 3.3.2 (Seasonal Issues) regional and remote areas per se abound within the vast geographic size of Western Australia. The enormous distance of the State's major population centre Perth from most areas north of the State as well as many in the south, means the demand on regional centres for labour resources far outweighs supply. The expressed industry support (refer Appendix 1) for the sharing of labour within regions (across businesses/industries) and across regions (North/south) warrants serious investigation. The fly-in/fly-out arrangements conducted by mining companies is not currently possible in the tourism industry, but long-term strategies for peak tourism periods may consider this or similar options.

The special needs existing for the tourism industry in remote areas of Western Australia warrants significant and sustained Government support. For example, in the town of Tom Price (the closest major town to the spectacular

Karijini National Park), which is centred on intensive mining and where there is a fly-in/fly-out labour force (and therefore not the population to support other industries), a new accommodation facility is required. However, one of the major problems is the lack of a labour force to operate such a facility. Even housecleaning type skills are not available. These are exceptional circumstances where direct industry support is required.

Recommendation 46

In conjunction with industry, determine the best options for developing shared labour pools. That Australia's North West region is considered to be a suitable pilot location.

Recommendation 47

That the Australian Government provide incentives for employers participating in shared labour pools to boost employment in remote areas.

3.4.6 Indigenous employment

The comparatively high rate of employment in remote areas of WA may be one reason for the State having a greater share of its Indigenous people employed (50%) than the national average (46%).

Non-school qualifications had a positive influence on employment outcomes in WA. Seven in ten (71%) of the State's Indigenous population no longer at school with qualifications were employed compared with 43% of those who did not have a qualification.

Providing programs to encourage Indigenous employment has been identified in Recommendation 29 and could be repeated in this section.

Based on 2001 census data Indigenous people ages 15-24 form almost 60% of the Kimberley (the northern half of Australia's North West) region's population, with younger age cohorts looking set to almost match this proportion. With the expected continued improvements in health, this group (and those following) will provide the majority of the available workforce in the years to come. Opportunities for Aboriginal tourism (as detailed in the recently released *listening looking learning: An Aboriginal Tourism Strategy for Western Australia 2006-2010* - see key strategies at Appendix 2) will rely upon support for Indigenous 'take-up' for this sector and remote tourism in the Kimberley as well as other regions to be successful. For these reasons the Kimberley is seen as a region for special interest when it comes to developing tourism employment programs. Recommendation 29 also relates to this section.

Recommendation 48

That programs being developed from *listening looking learning: An Aboriginal Tourism Strategy for Western Australia 2006-2010* receive the partnership support sought from Australian Government agencies, such as Indigenous Business Australia.

Recommendation 49

In conjunction with existing Network Programs using STEP, expand even further take-up of opportunities by Indigenous youth.

3.4.7 The ageing workforce

The ageing workforce has implications, both positive and negative for tourism. While younger workers will be less available for many tourism roles, mature-aged workers often have the life-skills and employability skills so much in demand by many tourism employers. They may also be more likely to be available and flexible for part-time and seasonal work. Many regional centres are very tourism focussed (eg Albany, Mandurah, Bunbury, Geraldton) and are also attracting mature-aged workers for semi- and retired lifestyles. The increasing population of mature-aged workers as a group will continue to be an available and probably under-utilized pool of talent for many decades to come in both urban and regional areas.

Recommendation 50

(In conjunction with Recommendations 26, 27, 28, 37, 38 & 41)

Identify the training needs of mature-aged workers (especially in regional areas) and develop practical short courses to prepare them for multi-tasking in tourism and hospitality roles.

3.4.8 Employee benefits of regional and remote work

Industry operators have reported that workers spending some months in regional and remote areas have benefited greatly through fast-tracking their skills. Other benefits include lifestyle/seachange advantages, the adventure of living and working in pioneering areas of the industry, gaining life-skills as well as work skills. These aspects should be built into recruitment marketing.

Recommendation 51

That recruitment marketing for regional and remote work focus upon the value of the experience to the employee.

3.4.9 Integration of workers into local communities

Many regional and remote areas rely upon imported workers and these people can become value community members. Local communities should be encouraged to 'outreach' to new workers arriving, especially those indicating an interest in engaging with the community. Industry support of such endeavours also strengthens business networks and promotes worker retention.

Recommendation 52

That the tourism industry operators in regional and remote communities support worker integration into local communities.

3.5 Term of Reference Five: Innovative Workplace Measures to Support Further Employment Opportunities and Business Growth in the Tourism Sector

3.5.1 Strategic partnerships in training

The Industry's general disappointment with training results; the lack of interest shown by young people and their parents' in the tourism and hospitality sector as a career choice; declining take-up of apprenticeship/traineeships; industry's general lack of knowledge of training options and the value of it for productive and profitable businesses; these issues are symptomatic of a diverse industry sector needing to focus on working together to achieve solutions. Strategic alliances between industry/government; industry/schools; government/training providers; et al are examples of the networks required to ensure the tourism sector attracts and trains new employees to the industry's satisfaction. Existing industry organisations such as the WA Tourism & Hospitality Industry Training Council Inc. provide the industry with a voice and the opportunity to input to training courses.

Several examples exist in Western Australia where industry operators have established their own training programs. Broadwater Business School is an employee development program, which is operated by Broadwater Hotels & Resorts, Southern Cross University and Australian School

of Tourism & Hotel Management. Successful completion of study leads to nationally recognised qualifications. Details of the program which include Certificate III and IV courses, Diploma and Bachelor degrees are at Appendix 4. The Australian Hotel Association (WA), together with the Australian School of Tourism and Hotel Management operate courses funded by the WA Department of Education and Training. These courses (available to AHA-WA members) include Certificate II and IV courses. Already mentioned (see above section 3.3.1.4) are the Certificate I courses specifically aimed at mature-aged and parents by the Restaurant & Catering Institute WA. These examples of proactive industry planning and action are providing excellent models that should be supported and further expanded, particularly into regional and remote areas.

Recommendation 53

That the Australian Government through the Department of Education and Training, provide direct support to industry-led tourism and hospitality training programs, such as those conducted by Broadwater Business School.

Recommendation 54

That training providers and relevant government organisations encourage these industry bodies and are continually responsive to the needs of the industry.

3.5.2 Training courses and delivery

TAFEWA and other training providers develop courses around accredited standards and the expressed needs of industry and regional areas. Despite the continued input of the tourism and hospitality industry to courses offered, the specific requirements of individual businesses and sectors within the industry remain largely unsatisfied.

The changing demographics of the new labour pools to be targeted (women, mature age workers, sole parents, long-term unemployed, people with a disability, Indigenous Australians and people with a multicultural background) will require even more challenges to be considered, especially in regard to the often scarce resources available in regional and remote areas.

Industry feedback has suggested that training delivery needs to be more flexible, such as being based on the needs assessed, as well as providing the option of online delivery. This would support those without the ability to attend a classroom course, such as in the regions and for more specific course requirements that may not be feasible to conduct without a threshold of a minimum number of students.

Recommendation 55

In conjunction with training needs assessments outlined elsewhere in this submission – Recommendations 2, 9, 37 & 50), develop or modify a range of courses suitable for

- **the new labour pools to be targeted for work in the tourism and hospitality industry (women, mature age workers, sole parents, long-term unemployed, people with a disability, Indigenous Australians and people with a multicultural background)**
- **flexible delivery via online modes to individuals and groups.**

3.5.3 Business management skills

The National Tourism Investment Strategy identified that *“A lack of business management skills in SMEs, particularly among new business operators, can act as a barrier to the adoption of industry training initiatives. ... Training staff is often viewed as a cost rather than an avenue to increased profitability.”* It went on to recommend (Recommendation 39) that mentoring programs be established as one way of addressing the issue.

Tourism Western Australia conducts Better Business Blitzes in regional and tourism centres throughout the State (10 per year) which focus upon these and other issues. They are often supported by local business enterprise and sometimes a combined Blitz may be held to satisfy more stakeholders. The considerable distances required for travel to such training (sometimes a day's travel each way) means only limited staff can be involved. Support to mentor SMEs and encourage the development and delivery of additional training in a more focussed and flexible way would greatly increase the value and reach for SMEs in Western Australian regions. Providing additional financial support through the Australian Tourism Development Program could see this program extended.

Recommendation 56

That the National Tourism Investment Strategy recommendation on business mentoring be supported with funding provisos, namely:

The tourism industry to establish an industry-led mentoring program focussed on small to medium sized businesses to help them develop sound business, training and human resource management strategies. Funding for such an initiative should be directed through the Department of Education and Training.

Recommendation 57

That additional industry and government partnerships be developed to support regional tourism industry SMEs to receive focussed mentoring and training with more flexible (online) delivery, via the State training system.

3.5.4 Tipping for service

The view was expressed at the recent Tourism Industry Meeting that encouraging visitors to engage in tipping for service might be an incentive to staff to raise the standards of service provided. While not currently a major part of the Australian hospitality culture, tipping is an accepted practice in many countries, and does have impact on some areas of the industry in Australia, particularly in quality establishments where good service is a standout feature.

The Restaurant and Catering Industry Association of Australia has commenced a communication strategy aimed at increasing member awareness of the benefits of tipping. Strategies such as these should be investigated further.

Recommendation 58

That industry-led initiatives aimed at promoting tipping be investigated further.

3.5.5 Legislative and regulatory environment

A supportive legislative and regulatory environment is an important foundation for the growth of the tourism sector and the development of innovative workplace measures. The Australian Government can play a significant role in incentives for both employer and employee involvement in commercial life.

Taxation policy & economic incentives may encourage people into part-time tourism & hospitality work, especially in regional and remote areas.

Ensuring Australia is attractive, proficient and competitive in the area of immigration legislation and its implementation, especially regarding short-term migration (such as 457 Visas, international students and the Working Holiday Maker program) will encourage those seeking such visas to choose to come to Australia before choosing other destinations.

Compliance requirements for SMEs can be complex and time consuming, reducing the business enterprise on the main game of productivity and profitability, including workforce issues.

The National Tourism Investment Strategy recommendations (Recommendations 5-8) relating to taxation and depreciation will support some of these needs. The Australian Government has already made announcement concerning the removal of capital gains tax for international investors.

Recommendation 59

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.

Recommendation 60

That the Australian Government further the recent review of tax schedules include landscaping, clearing and site improvements in the depreciation schedules to provide the opportunity to depreciate, replace or write off, as required, this class of asset.

Glossary

ANZSIC

The Australian and New Zealand Standard Industrial Classification (ANZSIC) is the standard classification used in Australia and New Zealand for the collection, compilation and publication of statistics by industry. The objective when developing an industrial classification is to identify groupings of businesses undertaking similar economic activities. Subject to certain criteria being met (economic significance and compliance with international standards), each such grouping defines an industry.

For further information, please refer to the ABS publication 1291.0 - A Guide to Major ABS Classifications, 1998 (www.abs.gov.au)

ASCO

The Australian Standard Classification of Occupations (ASCO) is a skill-based classification of occupations, developed as the national standard for organising occupation-related information for purposes such as policy development and review, human resource management, and labour market and social research. Jobs and occupations are fundamental concepts to the classification. A job is a set of tasks designed to be performed by one individual. An occupation is a set of jobs with similar sets of tasks.

For further information, please refer to the ABS publication 1291.0 - A Guide to Major ABS Classifications, 1998 (www.abs.gov.au)

NATIONAL TOURISM INVESTMENT STRATEGY

The Australian Government launched the National Tourism Investment Strategy (National Tourism Investment Strategy) on 14 March 2006. The National Tourism Investment Strategy identifies impediments to private sector investment in tourism assets and recommends remedies to address these.

RPL

Recognition of Prior Learning is an assessment process that assesses the *individual's* non-formal and informal learning to determine the extent to which that individual has achieved the required learning outcomes, competency outcomes, or standards for entry to, and/or partial or total completion of, a qualification.

TSA

Western Australia's first and currently only Tourism Satellite Account was developed by Access Economics and released in September 2003. It is regarded as the most comprehensive analysis of economic contribution of tourism to the Western Australian economy, using a Tourism Satellite Account (TSA) approach as adopted by the Australian Bureau of Statistics (ABS) for its national TSA report for 2001-02.

GVA – Gross Value Added

GVA is the gross output of goods and services produced directly for supply to travellers, less the value of intermediate inputs required to produce them. Note that value added is the true measure of the contribution of tourism to economic activity.

GSP – Gross State Product

Gross state product is a measurement of the economic output of an Australian state within a given period. It is the sum of all value added by industries within the state and serves as a counterpart to the gross domestic product or GDP.

SME

Small to medium enterprise/s.

STEP

STEP is an Australian Government program which provides flexible funding for projects that lead to lasting employment for Indigenous job seekers. Assistance is tailored to business needs and could, for example, include funding for apprenticeships, mentoring and other innovative approaches.

WHM

The Working Holiday Maker program visa is for people aged 18 to 30 years of age, who are interested in a working holiday of up to 12 months in Australia. This visa allows the supplementation of the cost of a holiday through incidental employment. Recent changes have also been made where participation in some regional/seasonal work enables eligibility for extensions of time to this visa.

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Appendices

1. Workforce Issues Workshop Participants and Feed Back from Tourism Industry Meeting
2. *listening looking learning: An Aboriginal Tourism Strategy for Western Australia 2006 - 2010 - Key Tourism Industry Development Strategies*
3. Occupations Directly and Indirectly Related to Tourism provided by the Hospitality and Tourism Industry Training Council
4. Broadwater Business School Career Opportunities Brochure

APPENDIX 1: Workforce Issues Workshop Participants

Tourism Industry members were invited to attend a round table breakfast meeting to discuss Workforce Issues in the Western Australian tourism sector. The meeting, held on 22 August 2006 was co-hosted by the WA Hospitality

and Tourism Industry Training Council, Tourism Western Australia and the Department of Education and Training. Participants are listed below:

Organisation	Name
Tourism Council WA	Ron Buckey
Australian Hotels Association	Julian Young
Australian Hotels Association	Angela Kearney
Caravan Industry Australia	Pat Strahan
Meetings and Events Industry (MEA WA)	Liz Bindon-Bonney
Meetings and Events Industry (MEA WA)	Rory Campbell
WA Indigenous Tourism Operators Committee	Angelique Fransen
WA Indigenous Tourism Operators Committee	Karen Jacobs
WA Indigenous Tourism Operators Committee	Dale Tilbrook
Young Australians Tourism Association	Simone Woodward
Young Australians Tourism Association	Moira McKechnie
PATA	Margaret Wilson
Burswood Entertainment Complex	Angela Edwards
Burswood Entertainment Complex	Terry Hilsz
Hyatt Hotel	Kate Brough
Hyatt Hotel	Andrew Nodding
Sheraton Hotel	Tim Tate
Sheraton Hotel	Fritz Hansap
Hilton	Anne McLean
Perth Zoo	Dr Khim Harris
Perth Mint	Susan Coutts-Wood
Perth Mint	Leonie Mirmikidis
Esplanade Hotel	Alison Adie
Esplanade Hotel	Natalie Capp
Lamonts	Kate Lamont
Broadwater Group	Scott Cougar
Compass Group	Bert Giancristofaro
Accor	Fran Kirby
State Training Board	Melissa Teede
Tourism WA	Richard Muirhead
Tourism WA	Steve Crawford
Tourism WA	Elizabeth Smith
Department of Education and Training	Irene Walker
Hospitality and Tourism Training	Graham Bolton
Hospitality and Tourism Training	David Chaplin
Hospitality and Tourism Training	Pip Asphar
Hospitality and Tourism Training	Roger Hunt
Hospitality and Tourism Training	Anthea Kilminster
Hospitality and Tourism Training	Katy Hammond
Facilitator	David Love

Feed Back from Tourism Industry Meeting

What labour shortages are you experiencing?

Chefs
Kitchen staff
Night Auditors
Reception staff
Duty Manager
Skilled food and beverage employees with the mid range of experience between 2 – 5 years
Many new graduates – not highly skilled
Difficulty in recruiting unpopular positions such as night auditors, cleaners
Positions in regional areas
Loss of skilled workers to the resources sector as they are higher paid
Capable people are learning hospitality to work in higher paying areas
Caravan Park Managers
Commercial catering site managers
Specialist chefs such as Patisserie
Caravan manufacturing
Security managers
All sectors
Front of House
Office
Middle management

What strategies do you use or suggest meeting seasonal fluctuations in work force demands?

Sharing or pooling of the labour pool, eg between businesses located in different regional areas such as Kimberley and South West.
Cross fertilise staff between establishments – more formal arrangements to make better use of staff

This creates other problems related to providing lifestyle choices for these staff. Consequently, a lack of facilities occurs such as short term accommodation, schooling, and social clubs

Increased benefits and payments of bonuses are a significant factor in retention of work force

Planning of new developments – work with backpacker networks – targeted recruitment. Fits with business needs

Backpacker referral service for employment in regional areas

More flexible options for Industrial Relations with unions particularly work options related to longer hours

Standard AWAs because of work choices legislation will alleviate these problems

A number of potential workers for the industry not being accessed such as mature aged, near retirement who need something to do, indigenous people and women

Different focus on training for these new groups of workers, hours of work.

Career paths for employees not willing to step up to higher positions

Emphasis on sea changers lifestyle

Under utilised resources in remote regions

Training should be targeted for each region and the employers in those regions

Coordinate staff across regions

Database of staff between operators

457 Visas have been successful

Baby Boomers and other groups not seen as the normal source for staff recruitment

High demand period benefits and bonuses eg inducements such as free holiday accommodation

Plan new developments / labour needs with back packer transients / peripatetic lifestyle eg use the internet to advertise position with backpackers

Back packer employee register / referral service

More flexible options for industrial relations in work and unions eg very difficult to have an employee work more than 38 hours.

What strategies do you use or can suggest ensuring employment in regional and remote areas?

Accommodation in remote locations needs to be addressed as it is of poor standard

Tax allowances need to be improved for people living and working in regional areas

Immigration is seen as a solution by the industry

Extend backpackers visas from 6 months to 12 months to solve some of the problems in regional and remote areas

Industry relies on backpackers to work in the industry in regional and remote areas. Other countries have recognised the value of these workers.

Locals are not able to maintain a living wage due to the seasonality of the industry

Need to use a different term to back packers, as it is derogatory

TAFE does not address industry's requirements particularly for indigenous tourism operators in remote locations

TAFE needs to meet local employers demands and requirements – must be focuses on industry's needs not TAFE's

Infrastructure need to be improved or created and or built.

Industry of last resort and or convenience needs to be acknowledged. This is a fact of the way of employment in the industry and should be acknowledged.

Change of focus on career paths by industry and how they employ

Look at what is the benefit to workers to work in regional and remote areas rather than employers

Fast track staff between properties for improving skills between properties for periods of three to six months

457 visas for people who want to work here in Australia and want to be here are easier to facilitate

Greater marketing of careers and opportunities in the industry to a targeted audience – need to encourage participants to join the industry

Careers are about an adventure not money – need to highlight

Industry needs to be “sexed up”

Industry staff need to be rewarded

Cost our product accordingly

Under costed product

Diminishing work force – competing with other industries for a small pool of workers

Sell the lifestyle, sell the experience, image change to sell careers in the industry

Change our image to not being one of last resort

Use the same principle for encouraging people to come to Australia should be the same to encourage them work here as well

Table Responses

Everyone needs skilled labour and as such, everyone needs to commit to training. Industry hampered by needing someone to put in the ground work (formal training – in house or training provider)

Need committed people to work in the industry as staff only for a short period before moving to another establishment with only a limited range of skills but higher paid. No additional training provided or ongoing training relevant to the staff member's position. Problem with the training system – not flexible and does not meet industry's need – need just in time flexible training

More young people are attracted to urban areas rather than regional and remote areas

More incentives to remain in regional and remote areas

Extend visas from 6 months to 12 months for backpackers entering Australian and who wish to work. This is a long term strategy for the industry

Major issue with accommodation for Australian staff in the hospitality industry in regional and remote locations – plus the cost of living

Hospitality staff in regional and remote locations live in appalling conditions such as dongas and sea containers.

Cable Beach Resort purchased Palm Beach Resort in Broome to house staff, this took over two years to achieve

Accommodation is seen as the key to employment in regional and remote areas as there is no return on investment for operators at present.

Skilled labour from overseas is seen as a solution.

Profitability of businesses is needed to support infrastructure – this is important.

Too many restaurants in WA – not enough good quality restaurants, but a large number of relatively poor quality restaurants.

Workforce is diminishing in numbers and competition for these limited numbers of workers is increasing.

Quality of equipment is poor, labour content required to use this equipment is much higher. Reinvestment in infrastructure is needed to lower the labour content required to operate the equipment.

Industry needs to look at a different way to deliver food to clients as the skills of staff are in decline.

Freeze cook equipment may be the future of the industry as 5 staff can deliver 5000 meals using this new equipment

Americans could be encouraged to come to Australia, as they understand the concept of service however, the reality is that this is a myth – relates to the concept of tipping for service – does not happen.

Likelihood is that Americans that would come to Australia are predominantly Hispanic or African American

Tipping is not expected here in Australia, service provided should not depend on tipping and essentially not able to change the culture of the Australian public

Core problems of the industry have not changed.

Remote area employment is a lifestyle choice

People are not being enticed to go regional for work, as there are opportunities in Perth for tourism and hospitality.

Give regional employees time to explore the region with reasonable working hours

Young people not interested in taking on the pressure of high level jobs and this needs to be addressed

Fly in and fly out for the hospitality industry

Opportunities for employees to travel with discounted rates at the hotel chain around the world

Use the model for teachers where they have to start their career in regional areas knowing that there is an end date

Promote the lifestyle of working regionally

Training / Education opportunities to link with working regionally – Certificate in Hospitality done in house to retain staff and further their training development

Online certification packages

What innovative workplace measures do you use or suggest supporting further employment opportunities and business growth in the tourism sector?

Labour pooling within regions

Increasing work experience through structured workplace learning, Instep, schools and TAFE work experience programs

Length of international students studying here in Australia include a practical experience component of two years – paid work experience

Profiling the industry better – with better wages, flexible hours for a more flexible workforce

Immigrants, displaced workers, women indigenous mature aged need to be targeted for employment opportunities

Work with other industries

Chefs apprentice tables initiative from the Sheraton hotel provides a profile for apprentices as it shows them a way forward for their career

Using young people to promote the career opportunities in the work force

Promote the opportunities that are available when they have finished their training

As an industry we need to come together to work on training issues for the industry and the ITC is the organisation that can assist.

Table Responses

Strategic alliances / partnership with key stakeholders in the labour and training market – Compass / Job Network / DET / Swan TAFE

Flexible delivery – large upfront component and workplace flexibility the key issues for success - Certificate II in Hospitality (Operations)

Employment outcomes – normally regional and remote locations

Additional training sponsored by the employer

Career opportunities within the company are offered and supported

Commercial joint ventures with indigenous organisations

Business incubation and subcontracting arrangements – adds value to clients business

Labour pooling – regional areas in particular

Increase work experience candidates – structured work place learning, Instep and working with local schools and TAFES

Traineeships (qualifications and money (company))

Length of international courses incorporating (theory and practical) (3 year course and 2 year practical)

Building relationships with other industry bodies (assistance when sourcing specific skills)

Industry needs to increase profile to entice people into the industry, change work force condition (\$)

Video launch at schools

Flexibility with structured hours – consider changing traditional hospitality work hours to be more flexible for flexible workers

Industry driven: developing various labour market types – indigenous, mature age, immigrants, backpackers and displaced workers such as retrenchments

APPENDIX 2: listening looking learning: An Aboriginal Tourism Strategy for Western Australia 2006 - 2010 - Key Tourism Industry Development Strategies

For the full report, see aboriginalstrategy.westernaustralia.com

listening looking learning: AN ABORIGINAL TOURISM STRATEGY FOR WESTERN AUSTRALIA 2006-2010

TOURISM INDUSTRY DEVELOPMENT

	OBJECTIVE	STRATEGY FOCUS
<p>BUSINESS DEVELOPMENT Find new ways of supporting Aboriginal Tourism businesses in their start-up phase as well as providing an appropriate level of 'after care' to ensure the business achieves market readiness.</p>	<p>Aboriginal people are appropriately assisted to participate more effectively in the tourism industry.</p>	<ul style="list-style-type: none"> • Market demand research • Training & education • Access to information and advice • Formation of Indigenous tourism networks • Representation on industry organisations • Accreditation
<p>ACCESS TO FINANCE Most Aboriginal businesses can be considered 'micro businesses'. Their ability to grow is severely constrained by limited access to financial markets. There is a need to look at alternative mechanisms of business financing as well as opportunities for joint venturing with mainstream tourism businesses.</p>	<p>Improved access to capital and infrastructure funding.</p>	<ul style="list-style-type: none"> • Funding • Partnerships • Business advice
<p>AUTHENTICITY Aboriginal people want to make sure the customers are getting the 'real thing' and adhere to cultural protocols. There is a need to ensure that all representations of Aboriginal culture are not misleading.</p>	<p>Ensuring authentic, traditional and contemporary Aboriginal culture is reflected appropriately in all Aboriginal tourism ventures.</p>	<ul style="list-style-type: none"> • Deciding what may be offered for tourism product • Protection mechanisms • Best practice for presentation of authentic culture • Development of cultural events • Raising awareness of Aboriginal culture through use of Aboriginal names, Welcome to Country, an Aboriginal Centre in Perth • Cross-cultural awareness training to mainstream tourism industry
<p>EMPLOYMENT PATHWAYS Aboriginal people often find the current training system difficult to access or offering inappropriate avenues for training. While there is a need to examine formal mechanisms for training there is also a need to find ways for Aboriginal people to find employment pathways into tourism. Non-Aboriginal tourism businesses should also be encouraged to employ Aboriginal people.</p>	<p>Aboriginal people having diverse employment opportunities in the tourism and related industries.</p>	<ul style="list-style-type: none"> • Refinement of tourism related training programs • Support mentoring and training provided by existing Aboriginal and mainstream tourism operators • Increasing employment within mainstream tourism.
<p>LANDS AND WATERS Aboriginal tourism businesses, particularly at the community level, report strong spiritual connections to lands and waters; so much so that issues surrounding tenure need to be examined from the point of view of offering potential for future tourism development.</p>	<p>Aboriginal people being able to maximise sustainable use of their lands and waters for tourism development.</p>	<ul style="list-style-type: none"> • Enabling Aboriginal ownership or long term leasing of land • Capacity building of Indigenous land holding bodies for tourism purposes • Safeguarding unique and fragile Aboriginal historical features

TOURISM WESTERN AUSTRALIA

APPENDIX 3: Occupations Directly and Indirectly Related to Tourism provided by the Hospitality and Tourism Industry Training Council

Directly and Indirectly Related Tourism Occupations

Scope of Occupations

This list is by no means exhaustive; however it contains the major identified occupations in the Hospitality and Tourism industry by Australian Standards of Occupations (ASCO) Classification Level 6.

ASCO	Occupations Directly Related to Tourism
3321-11	Restaurant and Catering Manager <i>Includes Bistro Manager, Canteen Manager, Caterer, Food and Beverage Manager, Restaurant and Catering Manager, Restaurateur</i>
3322-01	Chefs
3322-11	<i>Includes Head Chef, Executive Chef, Chef de Partie, Commis Chef, Demi Chef, Second Chef, Sous Chef</i>
3323-11	Hotel or Motel Manager <i>Includes Accommodation Manager, Functions Manager, Hotel or Motel Manager, Hotelier, Publican, Resort Manager</i>
3324-11	Club Manager (Licensed Premises) <i>Includes Gaming Manager</i>
3325-11	Caravan Park and Camping Ground Manager
3329-11	Other Hospitality and Accommodation Managers <i>Includes Boarding House Manager, Guest House Manager, Hostel Manager, Other Hospitality and Accommodation Manager</i>
3399-25	Travel Agency Manager
4513-11	Cooks
4513-81	<i>Includes Apprentice cook or chef</i>
5996-11	Travel Attendants
5996-13	<i>Includes Flight Service Director, Aircraft Purser, Cabin Supervisor (Aircraft), Cabin Steward, Marine Steward,</i>
5596-79	<i>Ships Cabin Attendant, Travel Attendants</i>
6131-11	Hotel Receptionist <i>Includes Front office clerk, Information Desk Clerk</i>
6199-79	Travel Clerk
6321-11	Hotel Service Supervisor <i>Includes Head Housekeeper, Hotel Concierge, Head Porter (Hotel)</i>
6322-01	Bar Attendants
6322-11	<i>Includes Supervisor, Bar Attendants, Dining Room Drinks Supervisor</i>
ASCO	Occupations Directly Related to Tourism Continued

6323-01	Waiters
6323-11	<i>Includes Supervisor, Waiters, Dining Room Host or Hostess, Table Captain, General Waiter, Formal Service</i>
6323-13	<i>Waiter, Silver Service Waiter, Drink Waiter, Drink Steward or Stewardess, Wine Attendant, Wine Steward</i>
6324-11	Hospitality Trainee
6394-11	Gaming Workers
6394-13	<i>Includes Gaming Pit Boss, Gaming Table Supervisor, Gaming Dealer</i>
6394-15	
6397-11	Travel Agents
6397-13	<i>Includes Travel Consultant, Tour Guide, Tour Leader, Regional Guide, Tour Escort, Tourist Information Officer,</i>
6397-15	<i>Tourist Adviser</i>
7312-11	Tour Coach Driver
8312-11	Luggage Porter or Doorman
9930-00	Elementary Food Prep and Related Workers
9931-11	Kitchen Hand
	<i>Includes Kitchen Porter, Kitchen Steward, Dishwasher, Pantry Attendant</i>
9993-11	Hotel Yardperson
	<i>Includes Hotel Useful</i>

The following occupations are classified as being Indirectly related to the Tourism industry.

ASCO Occupations Indirectly Related To Tourism

1112-11	General Manager
2541-15	Flight Service Officer
4212-01	Supervisor, Bakers and Pastrycooks
4512-13	<i>Includes pastrycooks, apprentice bakers</i>
4512-81	
4614-79	Animal Trainers
6399-79	Intermediate Service Workers nec
	<i>Includes Animal Attendant</i>
7313-11	Taxi Drivers
8211	Sales Assistant
8211-11	Bottle Shop Attendant
8291-13	Cashier
8292-11	Reservations Clerk
	<i>Includes Ticket Seller</i>
8311-11	Security Officer
8319-79	Elementary Service Worker nec
9932-11	Fast Food Cook
9933-00	Food Trades Assistants
9933-11	<i>Includes Pastrycooks Assistant</i>
9999-11	Poker Machine Attendant

APPENDIX 4: Broadwater Business School Career Opportunities Brochure

Course Outline	Employment Opportunities at Broadwater	Life Skills and Lifestyle
<p>Bachelor of Business in Hotel and Resort Management This University degree is a highly recognised qualification preparing our employees for a career in Hotel and Resort Management. The course provides a diverse and innovative range of modern business principles to assist our Managers in the rapidly evolving tourism and hospitality industries.</p>	<ul style="list-style-type: none"> • Executive Management Team • Group General Manager • General Manager • Executive Assistant Manager • Food and Beverage Manager • Rooms Division Manager 	<ul style="list-style-type: none"> • Lead by your actions and your expertise • Enjoy your potential for promotion and career advancement • Become a progressive and respected leader • Synergise your career and life • Be recognised for your contributions and passion
<p>Diploma of Hotel Management The Diploma introduces business management principles vital to all Managers within our properties. The course includes Risk Management, Workplace Relations, Sales and Marketing, Services Management and Financial Control.</p>	<ul style="list-style-type: none"> • Restaurant Manager • Bar Manager • Front Office Manager • Reservations Manager • Accounts Manager • Housekeeping Manager • Sous Chef • Head Chef • Duty Manager • Personal Assistant • Functions Manager • Human Resources Manager 	<ul style="list-style-type: none"> • Mould your own career path • Consider management opportunities that become available • Be challenged but not consumed by your work • Be well regarded by your peers for your abilities and focus • Be valued by the community and the industry
<p>Supervision (Certificate IV) This qualification will provide you with a comprehensive study of front line management and the critical role a supervisor plays within our Broadwater group. The course content includes Human Resource Principles, Food and Beverage Management, Business Techniques and Financial Management.</p>	<ul style="list-style-type: none"> • Restaurant Supervisor • Bar Supervisor • Function Supervisor • Front Office Supervisor • Demi Chef • Chef de Partie • Housekeeping Supervisor 	<ul style="list-style-type: none"> • Develop your leadership skills • Learn about people, situations and lifestyles • Experience new settings and locations • Build your network of professional contacts • Enjoy career and personal growth • Balance your life with your career
<p>Traineeship & Apprenticeship (Certificate III) Broadwater traineeships and cooking apprenticeships are both nationally recognised and accredited qualifications designed to introduce a range of skills and knowledge in your chosen career pathway. They also provide you a start to a pathway for further studies and qualifications.</p>	<ul style="list-style-type: none"> • Restaurant Waitperson • Barperson • Apprentice Chef • Function Waitperson • Commis Chef • Front Office Receptionist • Reservations Clerk • Room Attendant • Cleaner • Maintenance Person • Accounts Clerk 	<ul style="list-style-type: none"> • Meet new people • Learn new skills • Be part of an active team • Work in a range of departments • Communicate with a broad range of people • Choose the department that best suits you • Enjoy an upmarket and relaxed environment • Earn while you learn





Tourism Western Australia

9th Floor, 2 Mill Street
Perth 6000, Western Australia
P: 08 9262 1700
F: 08 9262 1702

westernaustralia.com