School of Leisure, Sport and Tourism

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House Standing Committee on Employment, Workplace Relations and Workforce Participation

Inquiry into workforce challenges in the Australian tourism sector

Please find attached a response to the Terms of Reference of the above inquiry prepared by tourism staff of the School of Leisure, Sport and Tourism at the University of Technology, Sydney.

I would be pleased to answer questions or provide further clarification on any matter contained within our submission.

Regards

Bruce Hayllar PhD
Associate Professor
Head, School of Leisure, Sport and Tourism

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

Inquiry into Workforce Challenges in the Australian Tourism Sector

Terms of Reference:

The House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation is to inquire into and report on workforce challenges in the Australian tourism sector, with particular reference to the following:

- Current and future employment trends in the industry;

- Current and emerging skill shortages and appropriate recruitment, coordinated training and retention strategies;

- Labour shortages and strategies to meet seasonal fluctuations in workforce demands;

- Strategies to ensure employment in regional and remote areas; and

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

Response to Terms of Reference

The School of Leisure, Sport and Tourism at the University of Technology, Sydney has been engaged in tourism education since 1983. It is one of one of the largest programs of its type in Australia with over 350 students enrolled in its cognate degrees. Currently the school has four teaching awards which have direct relevance to the inquiry, viz:

- Bachelor of Management in Tourism
- Bachelor of Management in Tourism and International Studies
- Bachelor of Management in Tourism and Hospitality
- Master of Management in Tourism

At the undergraduate level, it has the highest University Admissions Index (UAI) entry scores of any similar program in NSW.

Given our long term and sustained involvement in tourism education, it was our view that a 'providers' perspective might make a worthwhile contribution to the deliberations of the committee. Our responses are organised around each of the Terms of Reference as outlined above.

Current and Future Employment Trends in the Industry

Workforce casualisation
The increasing casualisation of the workforce in hospitality services, in combination with the increasing use of working visa tourists and AWAs, has the potential to negatively impact on the quality of service. A lot of this is rather short-sighted and reflects a narrow perception of the best way to stay competitive.

Skills development
There is a need for greater skills to be developed in relation to e-commerce applications in tourism.

Staff turnover and career development
There is a significant problem with the high turnover and lack of clear career paths for management level staff in the tourism and hospitality industries. This is especially significant in small and medium-sized enterprises (SMEs), which make up a large proportion of these industries.

Factors which contribute to the above problem include: the flat management structures in these firms; the relatively low wages and salaries for managerial staff in these industries compared to other industries which offer opportunities for staff with management skills; and the limited attention paid to career development in tourism and hospitality firms – a 'cannon fodder' attitude to such staff seems to prevail.

The overall result is that many highly trained/educated new managers are entering the industry from university programs, but not being able to make a more long term commitment because of the above problems.

Career enhancement
As a specific manifestation of the industry not paying sufficient attention to career development for its staff, it has generally not been supportive of staff seeking to improve their qualifications through higher education.

Contemporary impacts on employment
Tourism has suffered from a great deal of negative media coverage over the last few years as a result of international events such as: September 11 terrorist attack in New York and other terrorist activities; wars in the Middle East; SARS and the threatened bird flu pandemic. In respect of Australia, tourism is perceived to have been all down hill since the Sydney Olympics!

Unfortunately this overall negativity has created an impression that the industry is in decline, which in turn has led to a drop in the number of applicants for tourism and hospitality education programs.

Current and Emerging Skills Shortages and Appropriate Recruitment, Coordinated Training and Retention Strategies

The overall problem is that there is a distinct lack of such strategies in the industry, especially in SMEs.

Labour Shortages and Strategies to Meet Seasonal Fluctuations in Workforce Demand

There is a need for more cooperation or collaboration between individual industry organisations in regional destination areas to deal with seasonal workforce demands. Currently there is too much reliance on initiatives by individual enterprises which often fails to address collective issues such as accommodating the seasonal workforce.

Strategies to Ensure Employment in Regional and Remote Areas

Strategies could include:
- Using *events* to provide a greater continuity in the attractions base in regional and remote destinations
- Addressing deficiencies in *transport* access
- *Improving the information* about regional and remote areas that is provided in major tourist gateways
- Providing more *support for small businesses* in regional areas, where there are problems of high turnover/low commercial sustainability of such businesses. Support could take the form of providing more information about financial assistance available for new businesses, and providing better education and training for start-up businesses. The latter may be particularly important given that many new entrepreneurs may have limited knowledge and experience of the fundamentals of establishing and operating tourism businesses.

Innovative Workplace Measures

Nothing to offer here - we are not aware of any noteworthy examples.