

16 August 2006

The Secretary

House of Representatives Standing Committee on Employment,
Workplace Relations and Workforce Participation
Parliament House
PO Box 6021
CANBERRA ACT 2600

To Whom It May Concern,

On behalf of the School of Sport, Tourism and Hospitality Management at La Trobe University, it gives me great pleasure to be able to contribute to the inquiry into workforce challenges in the Australian Tourism Sector. Having consulted widely amongst the expert staff members in the School, the following is an overview of matters that were considered important and should therefore be forwarded to the Government, in order to be in a better position to meet the workforce challenges in the tourism sector through policy design and programming. I have addressed these matters under the terms of reference outlined in your letter. Let me, however, first preface our contribution.

Because of its specific role in the tourism value chain, the School has chosen to provide input into the inquiry, largely from the perspective and viewpoint of tertiary education and research. Rather than present the Committee with an overview of relevant research and literature, it seemed much more appropriate to interpret available information from a strategic perspective, and share these views with the Committee. After all, this stage of the inquiry is not about an inventory of available research, but rather, to collect the views of industry experts about the workforce challenges that Australian tourism is facing. Having noted our perspective we can offer the following information to the inquiry.

Current and future employment trends in the industry

In general the School feels that the prospects for tourism in Australia are positive. Irrespective of the threat of rising fuel prices, international conflict and terrorism activity, technological advancement of transport and communication will continue to lead to growth in the tourism trade and hence, more employment opportunities for well qualified industry professionals and lower skilled hospitality workers will materialize. In the 2005 FutureBrand rankings (<http://www.futurebrand.com>) of most valuable country brands, Australia ranks second behind Italy, and it ranks third in the list of most improved country brands behind China and South Korea. In short, Australia is in high demand and will require significant growth in its tourism workforce during the next decade.

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

In light of our remarks in the previous section it seems odd that at the tertiary level in Australia, a number of Universities are quite dramatically rationalising their tourism (management) programs, largely in response to decreasing student demand. At the same time, it can be observed that other higher education providers such as TAFE institutions are gearing up to deliver associate degrees and full degree programs in Tourism and Hospitality (Management). It is the opinion of the School of Sport, Tourism and Hospitality Management that the dual pathway towards qualifications in Tourism (Management) – one through the TAFE system and the other through Universities – is a system that has proven its value and should be continued. However, the increasing overlap between TAFE and University offerings is a matter of concern. The tourism industry requires highly qualified managers, who are to be educated by universities with business-emphasis programs that have specialised industry knowledge. TAFE institutions are much better prepared and equipped (and should remain so) to deliver vocational education and rapidly respond to changing skills sets that are required in the industry, predominantly at the level of hospitality provision. To not distinguish between these two vastly different (operational versus strategic) skills sets is not only confusing students, but employers alike and will bring down the overall level of professional quality that can be delivered by Australian tourism operators. This in turn will have a negative effect on the attractiveness of the industry as a career opportunity and on the word-of-mouth marketing that will take place by visiting international tourists.

In terms of specific skills that are required in light of Australian tourism competitiveness, it seems that educational tracks that include 'entrepreneurship' and 'yield management' elements are valuable for graduates choosing to start their own tourism business and employers who require creative and business savvy professionals to operate in ever increasing competitive markets.

Labour shortages and strategies to meet seasonal fluctuations in workforce demands and strategies to ensure employment in regional and remote areas

Having observed the increasing lack of coordination in education and training, it also needs to be noted that turnover in the industry remains comparatively high, remuneration comparatively low, and hence, retention of quality staff is difficult. In regional Australia the first two issues combine into even bigger retention problems and hence, irrespective of Australia's high international reputation, without the capacity to deliver, this will hurt Australian tourism in the long term. The tourism industry itself has proven to be incapable of providing appropriate progression pathways for high achievers who consequently will leave the industry and seek better rewarded and higher potential employment.

Retention strategies could include; (previously trialled and tested) tax incentives for tourism employers; tax incentives for tourism employees and in particular for those committing long term to regional tourism employment; seasonal worker exchange programs with Northern hemisphere governments to allow for continuous employment in climate dependent tourism ventures (such as Alpine tourism); and government owned and subsidised tourism infrastructure (theme parks, heritage sites etc.) that supports and ensures continuity for local (regional) tourism supply businesses (such as accommodation and restaurants).

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

The 'real' costs of doing business in tourism in the future will largely be dependent on how federal policy will drive tourism positioning of Australia as a destination. In other words, for example, is the Brand Australia going to be associated with low value, low yield, high impact backpacker tourism, or will Australia position itself as a classy, exciting and high added value destination where people are required (and prepared) to pay for five star tourism experiences. The latter will lead to relatively lower costs of provision, higher yield, in turn improving the overall brand value of destination Australia. This can only be achieved if the overall level of quality provided by operators in the industry continues to improve, and this in turn, is driven by quality of (lifelong) education. In that regard education should also extend to current operators and the Australian population as a whole, to ensure environmental awareness and preservation of what is one of the few remaining tourism destinations that offer access to a variety of wilderness, in often pristine condition, but under threat of unsustainable exploitation. Brand Australia will only retain its high value if the primary attraction, its unspoiled beauty and remoteness, accessed through modern cities with vibrant cultures, combine into sustainable tourism practice, preserved by smart, environmentally aware and ethical managers, and operated by skilled and concerned professionals.

Please do not hesitate to contact me if you require further information.

For and on behalf of the School of Sport, Tourism and Hospitality Management,



Associate Professor Hans Westerbeek PhD
Head of School
School of Sport, Tourism and Hospitality Management