

**REPORT BY THE HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON EMPLOYMENT, WORKPLACE RELATIONS AND
WORKFORCE PARTICIPATION:**

***'Inquiry into workforce challenges facing the
Australian tourism sector'***

THE GOVERNMENT RESPONSE TO THE REPORT

PREAMBLE

The Australian Government welcomes the opportunity to respond to the report of the House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation: Inquiry into workforce challenges facing the Australian tourism sector.

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

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

The committee tabled its report *Current vacancies: workforce challenges facing the Australian tourism sector* on 18 June 2007.

The Australian Government agrees with the committee that the tourism industry makes a major contribution to Australia on a number of levels. It is a major export earner, it contributes to Australia's identity on the world stage, enhances our reputation and is a large employer of Australians across all states and territories and in many regional locations.

The Australian Government also agrees with the committee's findings that a range of factors including the strength of the local economy, shifts in market composition, the effectiveness of domestic and international marketing activities as well as demographic, health and security developments directly impact on tourism industry employment.

Over the last decade, Australia has recorded strong economic and labour market performance. More recently, however, the global financial crisis has deepened and Australia will not be immune from its impact.

Despite the likely slowdown in activity, skill and labour shortages are still evident across many occupations and industries. Against this backdrop, it is important that tourism industry employers implement recruitment, training and retention strategies to ensure they have the skilled staff who will enable them to service their customers and grow their businesses. The Government will continue to work closely with the industry to assist it to achieve this objective.

The Australian Government, led by the Department of Resources, Energy and Tourism (RET), will develop a National Long-term Tourism Strategy (NTS) aimed at maximising the net economic benefits of tourism to the Australian economy. The Minister for Tourism, the Hon Martin Ferguson MP, announced the development of the NTS on 8 May 2008. The NTS will strengthen the tourism industry's supply-side capacity, with greater attention being paid to issues such as investment, labour and skills, climate change and infrastructure. The development of the NTS signals a whole-of-government approach, ensuring a coherent policy response consistent with all related policy areas including labour, skills, workforce and immigration. The Strategy will be developed by mid-2009.

Data collection and analysis are important steps in enabling the tourism industry to develop workforce planning strategies. This industry faces particular challenges when defining the scope of tourism and it has been difficult for stakeholders to reach consensus on this matter. There are a number of difficulties associated with examining employment in the tourism industry. Tourism is not separately identified in the Australian and New Zealand Standard Industrial Classification (ANZSIC). Accordingly, unlike industries such as mining and accommodation, cafés and restaurants for which employment data are readily available (based directly on Australian Bureau of Statistics (ABS) Labour Force Survey results), estimates of tourism employment are produced synthetically by the ABS, based on a number of underlying assumptions.¹ The Australian Government will use the ABS method of deriving tourism employment for the purposes of conducting labour market research for this sector. Those using these data are encouraged to familiarise themselves with the benefits and limitations of the ABS methodology which is referred to in this response as the ABS Satellite Account definition for tourism.

The Australian Government's response to the recommendations made by the Committee follows.

¹ For instance, the ABS assumes that employment in tourism is proportional to the gross value added generated by the tourism industry. For more details on the assumptions underpinning the methodology used by the ABS, and the methodology itself, see the explanatory notes in the *ABS Tourism Satellite Account 2004-05* (Cat No: 5249.0).

TABLE OF ACRONYMS

ABS	Australian Bureau of Statistics
ACCI	Australian Chamber of Commerce and Industry
AHA	Australian Hotels Association
AHC	Annual Hours Curriculum
AIM	Australian Institute of Management
ANZSIC	Australian and New Zealand Standard Industrial Classification
BRPIT	Business Ready Program for Indigenous Tourism
CAA	Careers Advice Australia
COAG	Council of Australian Governments
DEEWR	Department of Education, Employment and Workplace Relations
DIAC	Department of Immigration and Citizenship
DMP	Destination Management Planning
FBT	Fringe Benefits Tax
GSM	General Skilled Migration
IBA	Indigenous Business Australia
ISC	Industry Skills Council
ITSP	Industry Training Strategies Program
MODL	Migration Occupations in Demand List
NICS	National Industry Career Specialists
NSSS	National Skills Shortages Strategy
NTIS	National Tourism Investment Strategy
NTS	National Long-term Tourism Strategy
R&CA	Restaurant & Catering Australia
RET	Department of Resources, Energy and Tourism
RPL	Recognition of Prior Learning
RTO	Registered Training Organisation
SATO	Senior Australians Tax Offset
SERA	Survey of Employers who Have Recently Advertised
SOL	Skilled Occupations List
SSA	Service Skills Australia
TAFE	Technical and Further Education
VET	Vocational Education and Training
WH	Working Holiday

RESPONSE TO RECOMMENDATIONS

Recommendation 1

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

Noted

The Australian Government agrees that the collection and analysis of data is important in assisting the tourism industry undertake workforce planning.

The Government notes there is already a wide range of data and information sources the tourism industry can access which will assist with workforce planning. These include:

- the SkillsInfo website which has an extensive set of data on employment trends, characteristics and prospects for industries and regions, including Accommodation, Cafés and Restaurants (www.skillsinfo.gov.au);
- the Labour Market Information Portal which has a range of regional data, including by industry (www.workplace.gov.au/lmip);
- regional reports on the recruitment experiences of employers, produced by the Department of Education, Employment and Workplace Relations (DEEWR), which provide overviews of regional labour markets and detailed analyses of the results of employer surveys which are regionally based:
 - This analysis includes industry distribution of surveyed employers, recruitment experiences of employers over the previous 12 months and their future recruitment expectations. Over 100 surveys have been completed over the past three years and a further 40 are planned for 2008-09 (www.workplace.gov.au/regionalreports and www.workplace.gov.au/bcw).
 - Between November 2006 and April 2007, DEEWR carried out in-depth research into the recruitment experiences of employers in the tourism sector (as defined by the Tourism Satellite Account) in Far North Queensland, the Victorian Goldfields and Perth. This research collected information on the recruitment experiences of 720 employers, including information about recruitment activity, difficult to fill occupations, level of competition for vacancies and applicant quality. It should be noted that the results of these three surveys may not be representative of the tourism industry as a whole. The report is available at www.workplace.gov.au/regionalreports.
- occupational skill shortage research is undertaken by DEEWR. The research focuses on professions, associate professions and trades, although a number of occupations in the management group are also included in the program. This work forms the basis of the Migration Occupations in Demand List (MODL) and the National Skills Needs List (NSNL). This research program captures qualitative, indicative information through a Survey of Employers who have Recently Advertised (SERA) to determine the recruitment experience of employers for each occupation being assessed. Account is also taken of trends in supply and demand. Occupational reports are available at www.workplace.gov.au/skillshortages. In 2007-08, a number of occupations relevant to the tourism industry were assessed, including chef/cook, restaurant and catering manager, hotel service supervisor, waiter and hotel and motel manager. It is also anticipated that these occupations will be assessed in 2008-09.

Employment data from the 2006 Census are now available and tourism industry information can be generated using the ABS Satellite Account definition of tourism. This also provides opportunities for stakeholders to produce regional profiles, including employment change between 2001 and 2006 and worker characteristics such as age and education. A range of ABS labour market data that allow for analysis by industry and occupation is also available. Further details on ABS data sources are at **Attachment A**.

Service Skills Australia (SSA) is the Industry Skills Council (ISC) responsible for a variety of service industries, which includes the tourism and hospitality sector. It is charged with the task of providing integrated industry intelligence and advice which informs its annual environmental scan. These data provide additional information on current and emerging skills needs in the tourism sector.

DEEWR is currently funding a project under the National Skills Shortages Strategy (NSSS) that is identifying data sources for the tourism and hospitality sector in regional areas, and considering how that information may be used. It is anticipated that, once finalised, the results of the project will be made available to SSA.

However, as indicated by Government submissions to the inquiry and by witnesses who appeared before the committee, the tourism sector crosses many industries as defined by the Australian and New Zealand Standard Industrial Classification. Consequently, there is a limit on the level of detail in regional data collections of interest to the tourism industry. In particular, projecting employment needs for the tourism industry particularly at the regional level is very difficult.

Recommendation 2

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

Supported in principle

The Australian Government supports this recommendation in principle. A meeting will be convened between relevant Government departments and tourism industry organisations to consider the data currently available to the industry and investigate whether further data, particularly at the regional level, can be produced.

DEEWR conducts regular surveys into the recruitment experiences of employers across all industries. These surveys are conducted in metropolitan, rural and regional areas across Australia. The findings from these surveys can be used to develop a time series analysis of tourism-related recruitment issues. An example is provided at **Attachment B**.

A standardised methodology is already available in the form of a common survey instrument, developed by the ABS, and available at www.skillsinfo.gov.au. This instrument allows organisations to run their own surveys to collect information on labour and skill shortages. The instrument contains a set of core or universal questions to be asked in skill shortage surveys and provides a survey methodology but allows organisations to amend it to meet their specific needs.

Recommendation 3

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

Supported

Seasonal workforce management is best addressed as one of several factors to be considered in the context of overall workforce planning activities.

The response to Recommendation 4 (which also addresses workforce planning) describes actions taken by the Government to develop a National Framework for Best Practice Destination Management Planning (DMP), aimed at creating a holistic approach to planning within a destination. Amongst a range of issues affecting destinations in general, the DMP framework highlights the need for effective workforce planning to ensure that there are adequate workers to service demand within a destination.

Recommendation 4

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

Supported in principle

At its 49th meeting in 2006, the Tourism Ministers' Council agreed to convene a Taskforce to develop an Action Plan that Australian, state and territory tourism agencies could implement to address issues affecting domestic tourism.

The Department of Resources, Energy and Tourism (RET), in its capacity as the secretariat of the National Taskforce on Domestic Tourism, has worked with the states and territories to develop best practice in this area in the form of a 'National Framework for Best Practice Destination Management Planning' (DMP). The framework is based on a holistic approach to cooperation and collaboration with local industry, and strengthening partnerships with regional economic development agencies/boards and education and training providers. Among a range of economic, social and environmental issues, the Framework highlights the need for effective workforce planning to ensure there are adequate workers to service demand.

As the states, territories and regions have prime responsibility for tourism planning and development within their jurisdictions, decisions relating to the implementation of the DMP framework also rest with those agencies.

Recommendation 5

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

Not supported

The Government acknowledges the economic contribution short-term rental accommodation can make to local economies by supplementing the stock of local commercial (holiday) rental accommodation available to people visiting or temporarily working in regional Australia in particular.

It also acknowledges that such accommodation is ordinarily subject to regulations and requirements such as local zoning and planning regulations, which are the primary responsibility of local governments which fall under the responsibility of state and territory governments.

The Furnished Property Industry Association released a draft national short-term rental accommodation code of conduct in September 2006. The code of conduct is designed to assist property managers and occupants to better meet the expectations of local communities and local councils and was issued in response to concerns raised by local councils and local communities about the impact of short-stay residential properties. The Real Estate Institute of New South Wales has now taken on the task of completing the development of the code of conduct and it is expected that it will be released at the end of 2008. If successful, there is potential for the code of conduct to be adopted nationally by the Real Estate Institute of Australia. While the Government welcomes this development, it does not consider it appropriate to intervene in, or to facilitate, this process.

The Government invites state and territory governments to consider playing this facilitative role, as and where required, in collaboration with the Furnished Property Industry Association, the Real Estate Institute of New South Wales, and the Australian Local Government Association.

Recommendation 6

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

Supported

The Department of Immigration and Citizenship (DIAC) will implement a process of reporting to its Minister when process times exceed the service standards in line with the committee's recommendation.

Recommendation 7

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

Not supported

The recommendation to amend the MODL to include lower skilled tourism occupations such as those involving front of house skills, such as hotel service supervisors, luggage porters and doorpersons is not supported. These less skilled occupations provide an opportunity to help a wide range of Australians, including benefit recipients, trainees and mature age Australians, to participate in the Australian workforce and improve social inclusion and cohesion.

The MODL is used to target the General Skilled Migration (GSM) categories of the Migration Program to “highly skilled occupations” in national demand and with sustained good job prospects. The focus on “highly skilled occupations” is consistent with economic and social research that confirms it is young migrants with high levels of English proficiency and recognised occupation-specific qualifications requiring at least three years full-time post-secondary study, who perform best in the Australian labour market and contribute to its economic well-being.

Recommendation 8

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

Not supported

The purpose of the Working Holiday (WH) visa is to encourage cultural exchange and closer ties between countries by allowing young people to have an extended holiday supplemented by employment. The program also provides supplementary labour for industries needing short-term casual workers. The number of WH visa holders has more than doubled in the past 10 years, with an estimated 155 000 visas granted in 2007-08 compared with 134 612 in 2006-07.

From 1 November 2005, a second WH visa was made available to WH visa holders who completed three months work with a regional primary industry employer. While this concession has been expanded to include other sectors with substantial regional employment – most recently in February 2008 to include the construction sector – its expansion to include service sectors could disadvantage the primary industries and major infrastructure projects in regional and remote Australia.

On 1 July 2006, the then Government extended the period of time WH visa holders could work with any one employer from three to six months. This was a response to requests from the tourism and hospitality industries, concerned that they train staff and lose them after only three months. This change in response to the tourism and hospitality industry allows employers to employ staff for up to six months on an initial WH visa. If the employee is

granted a second WH visa, they can work for a previous employer for a further six month period.

Recommendation 9

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

Not supported

The Government will continue to review temporary and permanent migration arrangements to ensure they reflect the genuine skill needs of Australian industry and do not represent an impost on the Australian economy.

In the case of employer-sponsored temporary and permanent migration arrangements, the Australian Government will continue to ensure these arrangements:

- comply with Australia's international commitments (including the movement of natural persons under General Agreement on Trades in Services);
- provide solutions to the genuine skill needs of Australian industry; and
- complement domestic recruitment and training initiatives and do not result in Australian job losses.

The focus of Australia's employer-sponsored temporary and permanent migration arrangements is on the recruitment of skilled overseas workers for employment in highly skilled (managerial, professional, associate professional and trade) occupations.

While provision exists for eligible employers in regional Australia to recruit overseas workers to fill genuine vacancies in a number of less-skilled occupations relevant to the tourism and hospitality sectors, Australia's migration arrangements and policy do not generally support the recruitment of overseas workers for low skilled occupations.

In addition to Australian nationals, the labour needs of regional and rural tourism businesses are supplemented by WH and overseas student visa holders.

Recommendation 10

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

Not supported

The Government will continue to review temporary and permanent migration arrangements to ensure they help meet the genuine skill needs of Australian industry and are appropriately targeted.

Employers are encouraged to utilise existing temporary and permanent migration programs to source staff for highly skilled positions such as hotel or motel manager and chef. As a general rule, well documented applications from reputable employers can be processed quickly.

The recommendation to extend opportunities for skilled migration to lower skilled occupations involving front of house skills, such as hotel service supervisors, luggage porters and doorpersons is not supported. As discussed in the response to Recommendation 7, these less skilled occupations are an opportunity for enabling benefit recipients, trainees and mature age Australians to participate in the workforce and to improve social inclusion and cohesion.

The Government has, however, taken measures to supplement the broader labour force through enhancements to the Working Holiday Maker scheme which will be of particular benefit to regional areas and to certain industry sectors (see Recommendation 8).

The Government does not play a role in identifying countries that can meet Australian industry demand for labour. Employers are best placed to assess which countries can provide job applicants to meet their business needs on a case-by-case basis. Alternatively, industry associations are encouraged to play a role in gathering relevant information on the international labour market to assist their members.

Recommendation 11

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

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

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

Supported in part

Changes to the GSM categories of the Migration Program were implemented from 1 September 2007 to provide a pathway to permanent residence for former overseas students of Australian educational institutions.

These changes include the introduction of the new 18 month Skilled-Graduate (Temporary) visa to enable former overseas students to build on their skills and work experience. This visa, which has unrestricted work rights, aims to ensure that former overseas students will be more competitive in their chosen vocation and will, through the completion of Australian professional membership and/or licensing standards, meet the skill needs of Australian industry better.

While it does not provide the level of concession proposed, the new Skilled-Graduate (Temporary) visa will provide a pathway for overseas students completing post-secondary tourism studies appropriate to Skilled Occupation List (SOL) occupations to remain in Australia and undertake work placements and professional skills development.

Recommendation 12

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

Supported in part

The Government supports the Committee's recommendation that tourism industry leaders take responsibility for the development of a campaign to promote the career choices available and the benefits of working in the tourism industry, while also ensuring that there are pathways available that allow tourism workers to gather credentials across a range of employers. The Government considers, however, that the industry is best placed to determine the most appropriate way in which this is achieved: by establishing a new industry leaders' forum or by working collaboratively across existing industry associations and organisations.

Some sectors of the tourism industry, such as the restaurant and catering industry, have taken action to address career choices and the benefits of working in this part of the tourism industry. For example, Restaurant & Catering Australia (R&CA) implemented a mentoring model to up-skill staff. The model is underpinned by R&CA's own Certification and Accreditation Scheme.

R&CA has sought to address the high attrition rate of students, especially in Vocational Education and Training (VET)-in-School programs, by developing an aptitude assessment tool to screen students for their suitability before they undertake more advanced study. A successful pilot of such a tool was undertaken in Queensland. This is currently being developed further under a DEEWR funded project through the NSSS initiative.

The Government considers that much could also be gained from the dissemination of existing better practice case studies and other material throughout the tourism industry.

In taking on this task of disseminating existing better practice case studies, the industry is encouraged to work collaboratively with relevant Australian, state and territory government agencies, with SSA and with Careers Advice Australia (CAA).

CAA supports young Australians aged 13 to 19 years to make successful transitions through school and from school to further education, training and work. CAA provides access to career information and advice, meaningful work experience and quality information about opportunities in industries to help young people make informed decisions about their futures.

A feature of this initiative is a network of National Industry Career Specialists (NICS) who work with national employers and associations to distribute industry sector specific information on emerging skills needs, training pathways and career opportunities to young Australians. The Australian Chamber of Commerce and Industry (ACCI) has been contracted as the NICS for the service industries sector, which includes tourism-related industries.

Any industry leaders' forum established to take responsibility for the development of a careers campaign for the service industries sector, should consult with CAA and the NICS to develop strategies for promoting tourism-specific career information through the CAA

network. The NICS are able to advise on models for engaging the tourism industry in CAA programs designed to improve young people's understanding of the broad range of job opportunities and benefits of pursuing a career in tourism.

Under the NSSS strategy, DEEWR is currently also funding a project that is considering the VET information needed by tourism and hospitality industries to promote skills and training best practice by employers. The project will make recommendations on possible further work to develop, maintain and distribute the VET information required by the tourism and hospitality sectors.

Another NSSS project is looking at increasing the number of qualified chefs by working with industry to have experienced but unqualified cooks fast-tracked through skills recognition processes. A number of models are being tested including one targeting the skills needs of regional businesses. Regional hospitality businesses will provide complementary on-the-job training opportunities by having their existing workers move between businesses allowing individuals to demonstrate their competency in the full range of skills required to achieve their trade qualification.

Recommendation 13

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

Noted

The Australian Government has conducted research into the barriers to workforce participation of older workers and is continually updating these data. The Melbourne Institute of Applied Economic and Social Research, through a Social Policy Research contract with DEEWR, undertook research on employment issues, including those relating to the workforce participation of older workers. Research for 'Labour force outcomes for the mature age population' commenced in 2005 and was published in July 2007.

National research undertaken during 2006-07 by Tony Charters and Associates, in collaboration with the Campervan and Motorhome Club of Australia, the Queensland Department of Employment and Training and Tourism Queensland indicated that 60 per cent of 'grey nomad' respondents were interested in paid work while travelling. 'Grey nomads' tend to travel at least twice a year, for an average of three to four weeks at a time and often to regional and remote areas. This indicates mature age people are interested in short-term work and that seasonal work may be a good option for them to engage in the workforce. Further work has been undertaken which identified that two key barriers are the identification of employment opportunities in a location and the connection of grey nomads to these opportunities. An Australian Government funded pilot project to develop strategies to address these barriers was conducted in the Townsville region and the results of this project may help the tourism industry develop processes to make these connections.

Additionally, the Australian Government is seeking to increase workforce participation, including older workers, under the Skilling Australia for the Future initiative. This initiative directly addresses skill shortages, driving productivity growth and increasing workforce participation, through providing training opportunities for workers and those currently outside the labour force, including older people.

Skilling Australia for the Future includes:

- establishing the independent Skills Australia advisory body to address Australia's workforce skills and development needs to identify, and respond to, training priorities; identify and address skills shortages; and promote the development of a highly skilled workforce;
- expanding the role of the ISCs to provide integrated industry intelligence and advice to Skills Australia, government and enterprises on workforce development and skills needs. ISCs will also actively support the development, research, implementation and continuous improvement of high quality training and workforce development products and services, including training packages; and
- providing 701 000 new training places over five years, including 309 000 for job seekers.

Skills needs in the mature age workforce that can affect the participation of older workers are a focus of a number of existing Australian Government programs:

- support for mid-career apprentices encourages mature age Australians aged 30 years or over to undertake and complete apprenticeships in trades experiencing skills shortages. In the tourism and hospitality sector, this has included support for the occupations of cook and pastrycook;
- \$500 each year for Australian Apprentices (without age restriction) for their Technical and Further Education or other training fees;
- a range of other direct financial incentives under the Support for Australian Apprenticeships program, including:
 - o employer incentives for commencing, supporting and training Australian Apprentices;
 - o the mature age worker Australian Apprenticeships incentive for employers of disadvantaged mature age workers; and
 - o the \$1000 Commonwealth Trade Learning Scholarships.

Steps have also been taken to alleviate the financial disincentives for mature age Australians to engage in work, through pension arrangements and the Senior Australians Tax Offset (SATO).

While the pension income test serves the prime purpose of targeting social security assistance, it is already designed to encourage age pensioners to supplement their income support payments with other income. This is because of the operation of the income test free areas and taper rates. The effects of the free area and taper rates means that pensioners are always better off receiving additional income.

A pensioner can receive some income before their pension starts to be reduced. This amount covers income from all sources, including investments and earnings, and is known as the income free area. A single pensioner can have other income up to \$138 per fortnight before the pension starts to be reduced. For each dollar of income over this amount, the pension is reduced by 40 cents. A pensioner couple can have other income up to \$240 a fortnight (combined) before the pension starts to be reduced. For each dollar of income over the income test free area the couple's combined pensions are reduced by 40 cents.

Further, under the pension income test, in some circumstances, income earned over a short-term period may be assessed over 12 months.

The Government seeks to provide incentives to Australians of all ages to participate in the workforce. It is committed to increasing resources provided for education and skills training.

In respect of older Australians, the Government recognises that their skills, experience and ongoing contribution to the labour force will play a vital part in securing Australia's future economic strength.

The Government provides significant tax concessions for older Australians. When combined with the low income tax offset (LITO), single senior Australians who are eligible for the SATO can earn up to \$28 867 (for 2008-09) without paying any income tax or the Medicare levy. Similarly, a senior Australian who is a member of a couple can earn up to \$24 680 (for 2008-09) without paying income tax or the Medicare levy.

From 1 July 2007, superannuation benefits paid from a taxed source (that is, where tax has been paid on contributions and earnings) either as an income stream or as a lump sum have been tax free for people aged 60 and over. This provides an incentive to remain in the workforce until at least that age. Moreover, as superannuation benefits from a taxed source are no longer included in assessable income from age 60, people may also pay less tax on their work (or other) income. This increases the incentive for people aged 60 and over to undertake some work while drawing on their superannuation.

The *Australia's Future Tax System* review, due to report by the end of December 2009, will consider recommendations ensuring there are appropriate incentives for workforce participation and skill formation.

Recommendation 14

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

Supported in principle, noting that the Government is engaged in a wide range of policy initiatives and programs to improve Indigenous employment outcomes and will be issuing a policy statement on Indigenous Economic Development in 2009.

The Government has been actively engaged with key national, state and territory agencies and stakeholders on economic development opportunities for Indigenous people. The tourism industry has been identified as an industry with wide-ranging opportunities for Indigenous people, both for employment and to own and/or operate a business.

The focus of Indigenous tourism policy through the Business Ready Program for Indigenous Tourism (BRPIT) has been on the development of capacity and business skills of Indigenous people to operate their own tourism businesses. Increasing the number of Indigenous tourism businesses and ensuring their long term sustainability will provide increased employment opportunities for Indigenous people, particularly in regional areas where Indigenous tourism is a strong attraction.

RET is engaged in ongoing consultations with DEEWR and Indigenous Business Australia (IBA) on future Indigenous tourism initiatives. Furthermore, the Tourism Division of RET will continue to engage with industry through relevant stakeholder forums.

Addressing the barriers to entry to the tourism industry, as identified in the Committee's Report, is at the core of these discussions.

Recommendation 15

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

Not supported

The significance of staff turnover in the tourism industry is well understood. A great deal of work has already been undertaken by government and industry to both identify the cost and nature of the issue of staff recruitment and retention in the tourism and hospitality sectors and to develop effective responses to the phenomenon.

The Australian Institute of Management (AIM) in its 2007 National Salary Survey pointed to staff turnover as a significant issue for small companies. It found that voluntary staff turnover was 13.6 per cent - higher than the 10.3 per cent reported in the previous year. As almost 92 per cent of tourism businesses employ fewer than 20 persons, and nearly 70 per cent employ fewer than five persons (*National Tourism Investment Strategy (NTIS) Research Report* – the then Department of Industry, Tourism and Resources, July 2006), high rates of staff turnover impose a considerable cost on tourism businesses.

Chapter seven of the NTIS Report identified staff turnover as a feature of the tourism industry. Employees were seen to generally exhibit a higher tendency to switch between jobs both within and outside the industry compared with other workers. This reflects the casual and part-time nature of many jobs, the seasonality of the industry, the competition for good staff and the high proportion of jobs that do not require formal qualifications.

The Tourism Transport Forum Australia found in its November 2006 report entitled *Labour Turnover & Costs in the Australian Accommodation Industry* that in four to five star hotels in Australia, the incidence and costs of turnover are significant. It found the overall turnover rate was 48.6 per cent and that the average annual cost for replacing managerial and supervisory staff was \$109 909 per hotel, while the replacement of each operational staff cost \$9591.

Regional labour surveys conducted between November 2006 and April 2007 in Far North Queensland, the Victorian Goldfields and Perth to measure the difficulties in recruiting and retaining staff found that staff turnover rates in these three regions were higher than the all-industry average.

DEEWR has funded a number of projects to address recruitment and retention issues within the tourism industry over recent years. These projects have been conducted in association with various industry bodies including R&CA, ACCI and the Australian Hotels Association (AHA).

The Waiting is Over report, funded under the NSSS and released in 2005, was the result of collaboration between the ACCI, R&CA and AHA. The report recommended that:

- employers be educated on the value of adopting more contemporary human resources practices through the development and distribution of case studies (in 2006, DEEWR

published the *Serving up Flexibility* case studies developed in collaboration with R&CA and the AHA)

- the use of aptitude screening and/or aptitude development for job seekers be promoted (R&CA and AHA are currently developing a recruitment tool to be customised specifically for the hospitality industry with the assistance of NSSS funding)
- the number of suitable applicants presenting to employers for job vacancies be increased. (the R&CA has been involved with pilots in Adelaide and the Sunshine Coast in collaboration with employment service providers to work towards addressing this issue).

DEEWR also conducted a number of Employer Demand Demonstration Projects to address the attraction and retention of staff. These projects highlighted opportunities to implement flexible work arrangements for the benefit of tourism businesses and staff, while accommodating the needs of both workers and employers.

Recommendation 16

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

Noted

The Australian Government will work with state and territory governments to develop nationally consistent long service leave entitlements.

Recommendation 17

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

Supported

Currently the Australian Government funds eleven ISCs to develop and maintain national, industry-endorsed training packages. The ISC that has coverage for tourism and hospitality is SSA.

ISCs develop and design training packages in consultation with industry to ensure consistency in competency development and qualifications across Australia. The Australian Government's funding arrangements with the ISCs require that they regularly review training packages to ensure they remain current to industry's needs and address emerging workforce skills issues.

The Tourism, Hospitality and Events Training Package was endorsed by the National Quality Council on 13 December 2007. It was approved by Ministers for placement on the National Training Information Service on 18 January 2008. The package is available for delivery by private training organisations and is being implemented by the states and territories utilising public funding.

Recommendation 18

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

Noted

The committee's report discusses the funding model in terms of 'student contact hours'. The funding model is based on 'Annual Hours Curriculum' (AHC). AHC is used as a measure of training hours delivered by the states and territories and is calculated by the sum of nominal hours per unit of competency multiplied by student enrolments.

The states and territories are the main contributors of funding to their own training systems and are, under the Australian Constitution, responsible for the management and administration of VET within their jurisdictions, operating within the framework of national policies. Their responsibilities include state-level planning, regulation of training providers, allocation of funds to public and private providers, setting student fees and charges and managing the Technical and Further Education (TAFE) institutes.

Funding under the *Skilling Australia's Workforce Act 2005* and the *2005-2008 Commonwealth State Agreement for Skilling Australia's Workforce* (the Agreement) supports training delivery by the states and territories, infrastructure projects and agreed national projects of significance. Australian, state and territory funding for training delivery is distributed by states and territories to training providers. Some funds are distributed through competitive funding arrangements.

Options to move away from the focus on delivery hours are currently being explored as part of work requested by the Ministerial Council for Vocational and Technical Education in their June 2006 meeting.

Recommendation 19

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

Noted

The Australian Government acknowledges that a quicker and more simple process is needed to recognise existing skills of individuals and notes that the implementation of recognition of prior learning (RPL) arrangements is managed by each state and territory within its jurisdiction. A provision for states and territories to claim up to 100 per cent of the nominal hours for each unit of competency awarded to students through RPL was included in the *2005-2008 Commonwealth-State Agreement for Skilling Australia's Workforce*. Previous agreements discounted the nominal hours associated with RPL activity.

The Council of Australian Governments (COAG) has put in place arrangements that ensure that RPL processes are more widely available to industry and individuals. COAG agreed in February 2006 to establish a major three-year RPL initiative to build the training system's capacity to deliver quality RPL. As a first step of the COAG initiative, states and territories

introduced a contractual obligation for all Registered Training Organisations (RTOs) and assessment centres in receipt of public funding, from 1 January 2007, to offer a quick and simple process to recognise the existing skills of all workers entering training. This initiative will benefit workers as they will no longer need to undertake unnecessary training to gain a qualification, thus improving their employment prospects.

Recommendation 20

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

Supported

Under the RPL three-year program (discussed in response to Recommendation 19), states and territories are undertaking projects aimed at addressing the barriers to achieving improved practice and take up of RPL.

Recommendation 21

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

Supported

There are significant and diverse initiatives underway that promote and assist industry's use of competency-based training pathways, including for occupations identified by the Committee as being in shortage in the tourism industry.

Funding is available under the Fast-Track Apprenticeships Program to help RTOs to take advantage of new flexibilities that have removed time-based restrictions on completing apprenticeships.

The overall objective of the Fast-Track Apprenticeships Program is to increase the number of qualified tradespeople in industries experiencing skill shortages. Program funding is helping RTOs to work with industry and local employers to develop and implement apprenticeship pathways that reduce the amount of time taken to complete entire apprenticeships (not only the off-the-job components) in a way that ensures quality and meets the needs of industry, employers and apprentices.

Since March 2006, amendments to the *Workplace Relations Act* have removed any award provisions that operated to restrict the range or duration of apprenticeships. This means that award provisions that previously prevented the operation of part-time or school-based apprenticeships or that prevented the introduction of shorter, competency-based training arrangements have ceased to have any effect.

COAG has endorsed a competency based approach to the completion of apprenticeships. COAG agreed that by December 2006 all governments will put in place arrangements that allow apprentices to work as qualified tradespersons as soon as they have demonstrated

competency to industry standards, without having to wait out a set time period or make special application.

Specifically, state and territory governments agreed to apprentices being certified as competent without special application to state training authorities through the amendment of training legislation and administrative procedures, and by working with industry to facilitate the removal of references to fixed durations from awards in all jurisdictions where such awards prevent early sign-off of apprentices based on competence.

There are a number of existing Certificate III and IV level qualifications in the tourism, events and hospitality sectors which lend themselves to apprenticeship pathways, such as the Certificate III in Events. Some of these qualifications have been declared as apprenticeship pathways in some states.

A range of incentives is available to encourage the take-up of Australian Apprenticeships and acquisition of vocational and trade skills by Australians across the age and capability spectrums. A number of these incentives target training in industries with skills needs including hospitality and tourism.

Under the Australian Apprenticeships Incentives Program, employers of Australian Apprentices may be eligible to receive both commencement and completion incentives as well as additional special incentives for employers of Australian Apprentices who are mature aged, disabled or training in areas of skills shortage in rural and regional areas.

There are also incentives and financial assistance available for eligible Australian Apprentices undertaking a qualification leading to a skills shortage trade qualification. These include Living Away From Home Allowance, Commonwealth Trade Learning Scholarships, Apprenticeships Wage Top-Up and Support for Mid-Career Apprentices.

Australian Apprenticeships are underpinned by a training agreement to which both the employer and the Australian Apprentice sign up. This training agreement identifies a nominal training duration only and does not prescribe the date of completion of the training arrangement.

The Australian Government Industry Pathfinders initiative which is conducted as part of the Industry Training Strategies Program (ITSP) works directly with industry, Australian Apprenticeships Centres and RTOs ensuring advice is provided to industry about how best to use the national training system to address their workforce skills development needs. This advice focuses on Australian Apprenticeships pathways and the use of national training packages.

The ITSP aims to increase employer confidence in, and understanding of, the flexibilities offered within the national training system while addressing skills and training needs in specific industry sectors, occupations or regions. ITSP helps industry/employers to develop, implement and evaluate models and pilots to improve access to, and take-up of, Australian Apprenticeships and the use of training packages to address their skills and training needs.

SSA undertook a Fast Track Cookery project in 2005-06 developing new models for fast track apprenticeships. R&CA worked in partnership with SSA on the project, with strong support from organisations in the education, industry and government sectors. The models developed under the Fast Track Cookery project continue to be promoted to state training authorities

through the Hospitality Training Association. The Association is a chef recruitment, employment and training specialist organisation based in south-east Queensland.

DEEWR has funded projects under the NSSS to test fast track achievement of qualifications in a range of industries, relying on participants being able to demonstrate existing competency and industry experience. The NSSS project, *Skilling for Success*, which is currently being run in Western Australia, is testing three models for increasing the number of qualified chefs. This project is working with industry to have their experienced, unqualified cooks fast tracked through skills recognition and training processes. One of the models being tested is targeting the skills needs of regional businesses. This project will be completed by the end of 2008.

Recommendation 22

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

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

Supported in principle

The National Reform Agenda actions referred to in this recommendation relate (based on the context provided by the Committee's report) to the COAG initiative focussed on mutual recognition of occupational licenses across jurisdictions. While this initiative does not facilitate the portability of qualifications across jurisdictions, it does seek to improve the portability of occupational licences. As part of this initiative, the COAG Skills Recognition Steering Committee has investigated all vocationally trained licensed occupations across states and territories, and facilitated the development of transparent mutual recognition arrangements for a range of occupational licences. Occupations in the tourism industry were investigated as part of this initiative – tour guides and travel agents. Tour guides were found to be licensed in only three jurisdictions, and the diversity of activity covered by licences means that mutual recognition issues are unlikely to arise. It was also found that travel agents, while registered in all jurisdictions, are regulated through business licences and are therefore outside the scope of the COAG decision on occupational licences.

The recommendation makes reference to “portability of qualifications between jurisdictions” and “national recognition” of training which has been legislated as mandatory. The Government does not have a role in the formal assessment and recognition of individual's achievements. This is the responsibility of RTOs. This issue is discussed in further detail in the response to Recommendation 23.

The Government's role in facilitating the “national recognition” of qualifications is through funding the development of national training packages by ISCs. National training packages deliver national qualifications that are portable across jurisdictions, including qualifications relating to business operational requirements legislated as mandatory. The reference in the recommendation to “training which has been legislated as mandatory for employment in the tourism industry” appears to refer to operational requirements proscribed by state and territory business licensing authorities.

ISCs consult with a variety of stakeholders, including state and territory business licensing authorities, as part of the process for developing national training packages. This enables the ISC to develop training packages with the units of competency and qualifications required to meet the core needs of a variety of stakeholders.

SSA is responsible for developing the training package that contains nationally recognised units of competency and qualifications for the tourism sector. It undertakes a comprehensive consultation and validation process with relevant bodies and authorities including those associated with licensing and regulatory requirements in each state and territory. SSA's role is to ensure that these units of competency and qualifications are compliant with legislation and relevant standards.

SSA engages relevant authorities to facilitate the recognition of competency in units such as the responsible service of alcohol and responsible conduct of gaming without the need for further accreditation processes where possible. Some legislative requirements and knowledge differ across borders. In some cases, state or territory authorities may require units of competency to be contextualised or training providers to be accredited to deliver those units to address these differences.

Recommendation 23

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

Not supported

The Australian Government considers adding a further formal regulatory layer of recognition is unnecessary and that it could add confusion and uncertainty to the formal issuing of qualifications.

National competency based training package qualifications in this sector are developed by SSA and endorsed by state and territory ministers for vocational education and by the Minister for Education. The development process for these qualifications involves extensive consultation with industry stakeholders.

Under the nationally agreed Australian Quality Training Framework 2007, RTOs are responsible for the formal assessment and recognition of an individual's achievements. Successful demonstration of competency by an individual results in the RTO issuing an Australian Qualifications Framework qualification or Statement of Attainment. All RTOs are subject to rigorous quality assurance under their registration through the Australian Quality Training Framework 2007.

Recommendation 24

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

Noted

Fringe Benefits Tax (FBT) plays an important role in maintaining the fairness and integrity of Australia's taxation system. It places employees with access to fringe benefits on a more even footing with employees whose remuneration consists entirely of salary or wages. The introduction of FBT was designed to remove a serious gap in the income tax law and ensure that all forms of remuneration paid to employees bear a fair measure of tax.

The Government appreciates the special circumstances, including higher costs, which can be faced by employers in remote areas in attracting and retaining staff. A number of FBT concessions are available to employers in remote areas in recognition of this, including an FBT exemption for remote area housing and reduction in taxable values for other benefits including holiday travel for employees and their families living and working in remote areas.

From 1 April 2000, the FBT exemption for remote area housing that was available to primary producers was extended to all employers in remote areas. This exemption has subsequently been extended, effective from 1 April 2006, to provide better access for small business, by removing the requirement for businesses to establish that such housing benefits are 'customary' in a particular industry.

In addition, from 1 April 2007, the remote area concessions recognise the special circumstances of employees who work in locations isolated from populated areas by a body of water, as it is generally more difficult and inconvenient to travel by water than to travel by land. For the purposes of determining whether an employment location is remote, where the shortest practicable surface route between the employment location and the eligible urban area includes a route by water, the total number of kilometres of the surface route that are by water are doubled. This means that more islands will be considered remote for the purpose of the FBT concessions.

These measures highlight the Government's commitment to the promotion of development and employment in rural and regional Australia.

Recommendation 25

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

Not supported

The report notes that seasonal work often involves extended hours in peak periods, followed by long down times. Submissions to the inquiry supported the National Tourism Investment Strategy recommendation that tax averaging arrangements be introduced for rural and remote tourism operators, similar to arrangements available to primary producers. This would

“ensure the tax paid by these operators is comparable to tax paid by those on similar but regular incomes”.

The income tax averaging system is designed to ensure that primary producers with fluctuating incomes do not pay more tax over a number of years than taxpayers on comparable but steady incomes.

Primary producers are particularly susceptible to fluctuating income flows over a cycle of multiple years, due to uncontrollable factors, such as drought. Tourism operators whose income is cyclical on an annual basis do not require relief from a system of annual tax assessment.

Any extension of the averaging provisions beyond primary producers would set an undesirable precedent and could lead to substantial threats to revenue.

AUSTRALIAN BUREAU OF STATISTICS LABOUR MARKET DATA

ABS collects a range of labour market information that allows analysis by industry and occupation, and as such is relevant to workforce planning. The key data sources are listed below under a number of themes.

Employment and industry

Labour Force Survey

The Labour Force Survey collects a wide range of information including industry and occupation in main job and, for unemployed people, in their last job. This industry and occupation information is collected quarterly. Other key data items include socio-demographic information (e.g. sex, age) and labour force status. Data are available at the Labour Force Survey region level.

Census

The Census of Population and Housing provides information on industry and occupation of employment, labour force status, socio-demographic characteristics, and educational participation and attainment by small area. The census is conducted every five years and was last run in August 2006. Employment data from the 2006 Census are now available and allow detailed industry and occupation analysis at the small area and regional level.

Earnings and industry

The following ABS surveys provide information on remuneration for different industries.

Average Weekly Earnings

The purpose of this survey is to measure average gross weekly earnings associated with employee jobs in Australia. Estimates of average weekly earnings, and changes in average weekly earnings, are produced each quarter and are available by state or territory, by industry, by sector and by sex.

Employee Earnings and Hours

This survey produces estimates of average weekly earnings, average hourly earnings, and distribution of earnings and hours. It also produces statistics on how pay is set. The data can be cross-classified by: industry; occupation; full-time/part-time status; managerial/non-managerial; state/territory; sex; and adult/junior.

Employee Earnings, Benefits and Trade Union Membership

This Labour Force supplementary survey was first conducted in 1975 and collects information about employees' weekly earnings and employment benefits by industry and occupation. It also includes all the Labour Force Survey data including socio-demographic characteristics.

Labour Price Index (LPI)

This index is designed to measure changes in the price of labour over time. The data are available by industry, occupation, sector and state.

Working arrangements and industry

The following ABS surveys provide data on types of jobs in different industries and occupations (for example, level of job security and use of flexible working arrangements). This information is of potential use in workforce planning as it allows analysis of how job flexibility, stability and patterns of work vary across and within industries and occupations. The availability of such working arrangements may make some jobs more attractive than others, particularly for those people who have family responsibilities or who are combining work and education.

Forms of Employment Survey

This supplementary survey was conducted for the first time in August 1998 and was subsequently conducted in 2001, 2004 and 2006. It provides information on the types of employment (e.g. employees, casuals, owner-managers) by occupation and industry.

Working Time Arrangements Survey

This survey was conducted in 2006 and collects information on industry and occupation, aspects of job stability (e.g. whether has a guaranteed number of minimum hours), job flexibility (e.g. whether has a say in start/finish times), work patterns, shift work and extra hours.

Survey of Employment Arrangements, Retirement and Superannuation - 2007

This household survey was first conducted in 2000 (as the Survey of Employment Arrangements and Superannuation). The 2007 survey has a retirement component added. Data available include indicators of job stability, job flexibility, work patterns, shift work, extra hours, earnings, work preferences, work and caring responsibilities, and retirement and retirement intentions, and occupation and industry of first, second, third and fourth job.

Overseas Arrivals and Departures

The ABS also releases information on persons arriving in, and departing from, Australia through its Overseas Arrivals and Departures collection. Information is obtained from incoming and outgoing passenger cards, as well as visa applications and other sources, available to DIAC.

Aggregate statistics are released by the ABS in the publication Overseas Arrivals and Departures, Australia (ABS Cat. No. 3401.0). The statistics in this publication relate to the number of movements of travellers rather than the number of travellers. Information relevant to the tourism industry includes monthly numbers of short-term visitor arrivals to Australia, in original, seasonally adjusted and trend terms, and numbers of short-term visitor departures, in original terms.

For short-term visitor arrivals the main published characteristics include: country of residence, reason for journey and intended length of stay in Australia. Additional characteristics are also available from unpublished data, see paragraph 28 of the Explanatory Notes of Overseas Arrivals and Departures, Australia (ABS Cat. No. 3401.0).

Tourism Satellite Account

The ABS also produces the Tourism Satellite Account (ABS Cat. No. 5249.0) and information on Tourism Accommodation (8635.0).

TIME SERIES ANALYSIS OF EMPLOYMENT DATA FOR THE TOURISM INDUSTRY BY THE DEPARTMENT OF EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS (DEEWR)

Between November 2006 and April 2007, DEEWR carried out in-depth research into the recruitment experiences of employers in the tourism sector (as defined by the tourism satellite account) in Far North Queensland, the Victorian Goldfields and Perth. This research collected information on the recruitment experiences of 720 employers, including information about recruitment activity, difficult to fill occupations, level of competition for vacancies and applicant quality. It should be noted that the results of these three surveys may not be representative of the tourism industry as a whole.

DEEWR also conducts regular surveys into the recruitment experiences of employers across all industries. These surveys are conducted in metropolitan, rural and regional areas across Australia. The findings from these surveys can be used to develop a time series analysis of tourism-related recruitment issues. Analysis has been limited to the Accommodation, Cafés and Restaurants and the Cultural and Recreation Services due to the difficulties in defining the tourism sector.

This research collects information on the recruitment experiences of more than 300 employers (on average) in the Accommodation, Cafés and Restaurants and the Cultural and Recreation Services industries per quarter. The information is collected using a standardised methodology that collects information on recruitment activity and expectations, difficult to fill occupations, level of competition for vacancies and applicant quality. The survey results show that recruitment activity has become more widespread in the tourism sector over the year to March 2008, whilst the level of difficulty recruiting has decreased. The proportion of employers who expect employment growth in their businesses decreased in the March 2008 quarter, while expectations of staff turnover increased in the same quarter.

	Tourism survey ²	Mar. quarter 2007	Jun. quarter 2007	Sept. quarter 2007	Dec. quarter 2007	Mar. quarter 2008
Proportion of employers who had recruited (in the 12 months preceding the survey)	57.9%	46.9%	49.0%	55.9%	54.2%	59.0%
Proportion of recruiting employers who had difficulty recruiting	60.7%	53.3%	54.4%	62.7%	62.7%	57.3%
Proportion of vacancies unfilled	4.2%	6.5%	8.6%	6.7%	6.0%	4.2%
Proportion of employers who expect to recruit (in the 12 months post survey)	40.3%	44.3%	43.7%	50.3%	47.8%	54.7%
Proportion of recruiting employers who expect employment growth	nc	52.9%	38.4%	37.2%	63.6%	58.6%
Proportion of recruiting employers who expect to have turnover of staff	nc	75.3%	75.6%	76.1%	61.5%	73.4%
Proportion of recruiting employers who expect to have difficulty recruiting	nc	54.1%	44.2%	52.7%	51.3%	48.4%
	(n = 720)	(n = 192)	(n = 394)	(n = 374)	(n = 395)	(n = 234)

² Tourism survey was conducted in three regions between November 2006 and April 2007.

