

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

Inquiry into workforce challenges in the Australian tourism sector

Submission by

Tourism Whitsundays

For the tourism Sector in the Whitsunday region

Executive Summary:

Tourism in the Whitsundays is a major component in the local economy accounting for approximately 6.1% of the regions Gross Regional Product (GRP) and employing around 34.4% of the total workforce. Certain factors exist that impact the tourism industry's ability to grow within the region and deliver a consistent and reliable level of service to visitors. A major contributing factor to this is the emerging skills shortages within tourism and hospitality related employment. The reasons behind these shortages are complex and varied, and while many are industry wide issues, many are also unique to the Whitsunday region.

Due to the nature of these challenges, the process of change requires strategies that recognise the significance of a collaborative industry approach to addressing these issues. One such method is through the Skills Formation Strategies, which are Queensland Government initiatives aimed at addressing the reasons behind skills shortages in particular industry sectors. The Tourism industry in the Whitsunday region has a Skills Formation Strategy which focuses on change by process of collaboration between industry, the community and other key stakeholders. It has been identified that within the tourism industry in the Whitsunday region, every sector also faces a unique set of challenges in order to address the skills shortage situation.

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1.0 Introduction

The Whitsundays is located about 1,100 km north of Brisbane in the heart of the World Heritage Listed Great Barrier Reef. The region includes the coastal towns of Airlie Beach, Cannonvale, Bowen and Proserpine as well as the 74 Islands in the Whitsunday Passage. The Whitsundays is widely recognised as one of Australia's most desirable domestic holiday destinations, and becoming increasingly more popular with the international market. In an extremely competitive marketplace, the Whitsundays has a number of challenges in providing a world class product that has the capacity to effectively compete with other domestic and international tourist destinations. One such challenge involves creating and sustaining a means of successful workforce development both within the industry and the region. There are certain characteristics of both these variables that impact on our ability as a tourist destination to effectively grow and provide a consistent and excellent quality of service.

2.0 Background

Tourism is a vital component of the local economy contributing \$314 million or 6.1% of the regions GRP in the year ended December 2005 (Tourism Queensland, 2005). Tourism is also responsible for directly employing around 2,856 or 34.4% of the Shires total workforce (Tourism and Transport Forum, 2004). This figure does not include the many others employed in separate industries with the region that are dependent on tourism. These include supporting industries such as retail and others within the service sector.

Staff turnover in the region is extremely high, with island resort staff averaging approximately 6 months. This creates a situation whereby staff training and development is insufficient and incomplete, with many operators not prepared to invest in employees as they will more than likely leave the company (and the region) within a short period of time. As a consequence, our ability as a region to consistently deliver quality of service is considerably affected.

The contributing factors to the skill shortages in the region are varied and complex, and while many are industry wide issues, many are also very specific to the Whitsunday region. These reasons include:

- A Poor Industry image
- A lack of clear and well defined Career paths
- A Lack of industry knowledge and understanding
- Employment conditions and remuneration
- Insufficient investment in training
- Insufficient and incomplete training
- Work and rosters not being compatible with desired lifestyle
- Geographical remoteness – especially on islands
- Resort lifestyle – Perception of all play, no work.
- Low unemployment rate – With the unemployment rate under 5%, it is difficult to attract staff
- High living costs – lack of affordable housing

3.0 Addressing Terms of Reference

Tourism Queensland and the Queensland Tourism Industry Council have forecasted that with the current workforce development growth rates, tourism in Queensland will employ 149,000 people statewide by the year 2010-11 and 166,000 by the year 2015-16. In order to match the growth rate of tourism demand, the statewide targets for a tourism workforce in Queensland are 153,000 by 2010-11 and 177,000 by 2015-16.

This leaves the industry with a situation whereby there is a gap between the growth of a tourism workforce and the growth of tourism demand. As this gap has the potential to seriously affect the industry and the quality of the tourism product, and given the economic significance of tourism in Queensland, industry must address the issues causing skill shortages. There are both current and emerging strategies of recruitment, training and retention aimed at addressing tourism skills shortages.

Skills Formation Strategies are a Queensland State Government Department of Employment and Training initiative aimed at addressing the reasons for skill shortages and issues of workforce development. These strategies provide a process of collaboration between industry, the community and key government stakeholders to address the reasons for skills shortages and develop strategies to overcome them.

Within Tourism, Queensland has 6 strategies currently in place, the Whitsunday region being one of these. The purpose of the Whitsunday Tourism Skills Formation Strategy is to support and encourage industry within the region to adopt effective workforce development practices, hence being of benefit to individual viability and regional economic growth. This strategy aims to do so through three objectives:

- To place the significance of skill development into the context of collaborative practice by both industry and the region.
- To create responsive and sustainable training systems.
- To develop an effective and sustainable model of engagement whereby industry can liaise with stakeholders.

Essentially, this strategy is a process of change whereby industry is challenged to adopt a different approach to the skill shortage issue and in doing so, re-think certain policies and practices involving matters of workforce development and job design. This strategy seeks to address these issues by placing an emphasis on functions of human resource management such as:

- Employee Attraction
- Training and Development
- Employee Retention

Projects currently being developed under the Skills Formation Strategy include:

▪ **Background Research**

Research was conducted into a number of specific issues impacting the regions ability to consistently deliver quality visitor experiences. The focus of this study was on the issues surrounding workforce development, including attracting, retaining and training skilled employees. This study was undertaken through (50) one-on-one industry interviews, (33) employee surveys and other networking engagements.

▪ **Business Breakfast Training program**

The Business Breakfast program is an initiative aimed at encouraging good business practices through the means of a motivational presentation from an expert in any given area or field. It is a means of providing industry with access to information on a number of topics aimed at improving organisational cultures and creating a dynamic and collaborated industry approach to recruitment, training, development and retention.

▪ **Regional HR Committee**

A collaborative approach was required in addressing the issues surrounding skills shortages in the tourism industry within the region. This committee comprising of most HR managers of major

operators in the region has been formed, and now lines of communication have been opened between these operators. It is a positive step in addressing the problems associated with attracting, retaining and developing skilled employees within the Whitsunday region.

- **Joint Recruitment Initiatives –**

Over the past 12 months TW has been involved in facilitating a number of joint recruitment campaigns for operators within the Whitsunday region. These projects have two desired outcomes, firstly creating a means of recruitment for the region and secondly encouraging the collaborative approach to workforce development.

- **Training and Development programs –**

The strategy has recognised the need for more targeted and specific training systems that address the needs of local industry through a collaboration from the VET sector and industry. It is hoped that through TAFE and local operators, the region can develop a training system that will provide employees with the knowledge, skills, abilities and competencies required to develop a career in hospitality and tourism, and the operators with employees who are well trained in overarching industry required skills as well as local industry requirements. This program would serve to address all of three desired outcomes of the strategy. This program would attract employees and graduates wanting to develop a career in hospitality and tourism; it would train and develop employees; and it would retain employees as this program would both require a set period of time commitment by the employees and send a positive message that the industry or operator is investing the employees/individuals future.

- **TAFE Open day/Industry Careers Market –**

TW with TAFE is to develop and deliver a TAFE open day at Barrier Reef Institute of TAFE. It will be themed “Careers in Tourism” and include an open day from the education sector, followed by a local Industry Careers market. This project is aimed at encouraging more public interest and local support of the TAFE system; building a stronger relationship between TAFE, TW and Industry; providing the community with an opportunity to gain a better understanding of tourism in the region and encouraging the community to get more involved with the industry and the local TAFE.

- **Facilitation of Information Sessions –**

One example of this would be the facilitation of a Skilled Migration Information Session and the distribution of information packages to provide operators with information on sponsoring skilled employees. The facilitation of sessions of this nature will be a continued commitment as part of the Skills Formation Strategy.

One characteristic of tourism especially in a region like the Whitsundays, is the seasonal nature of both supply and demand. The higher occupancy rates occur in and around school holiday periods and tend to peak around the months of October and November and drop off around February every year. For this reason, workforce demand tends to be seasonal and requires an influx of employees just before the summer months. Many recruitment strategies used by the regions employers have addressed this requirement for seasonality in workforce demand. These have included actions such as recruitment campaigns at the end of the snow season in an effort to capture the seasonal hospitality workforce moving north and the collaborated distribution of employment flyers at Universities throughout Australia for Holiday period workers. However, there are problems with this nature of employment. One such problem is the resort lifestyle perception of the region. The Whitsundays becomes a great place to party and play, not necessarily build a career, therefore service quality suffers. Also, much of the time, the 3 month commitment made by employees the over summer period is not sufficient nor economically viable to conduct extensive training and development. For this reason, it could be said that different

approaches are required to ensure the service quality we provide guests over this period remains at a high standard.

One such strategy involves a proposed school based work experience program. This involves local school aged employees interested in a career in tourism undertaking one day a week work experience with one the regions operators as part of their studies. Then, over the school holiday periods they are offered paid employment with the host company. This is of benefit to all stakeholders as it provides the students with holiday employment and extensive work experience and the operators and region with a supply of well trained, enthusiastic and sustainable employees over the peak periods.

4.0 Contributing factors – Housing

Another major contributor to the problem in the region is the situation caused by the high cost of living. Again, because of the relatively low remuneration characterized by the tourism industry, high living costs are causing situations where many people are unable to afford the desired lifestyle in this region, hence opting to pursue a career in other industries or other geographical locations.

The average income locally is around \$32,870 p.a. compared to the state average of \$37,500 p.a. In contrast, the Mackay region (Whitsundays included) has extremely high property prices and some of the highest rental prices in the State, only falling behind the inner suburbs of Brisbane, Cairns, the Gold coast and the Sunshine Coast in most rental categories (Rental Tenancies Authority, 2006).

5.0 Other tourism sectors

5.1 Restaurant

- Currently experiencing approx 40% of employee's tenures shortening to 3-6 months. Reason being; Abundance of employment opportunities – staff being head hunted, particularly from the more astute establishments.
- Desire by employees to travel whilst continually learning new skills.
- Employees continually searching for 'fun factor' in working environment, hence when position becomes mundane (for lack of a better word), they are yet again searching for stimulation.
- Current and emerging shortages include;
 - Middle to higher management (ageing population) Younger personnel not being experienced enough to manage busy restaurants.
 - Shortage of chefs, cooks, kitchen stewards & general cleaners.
- Recruitment Strategies include:
 - Interview strategies (marketing our restaurants to the right people, putting people where they want to be)
 - Marketing restaurants & region to key personnel, Australia wide.
 - Predominantly targeting particular cities for particular positions.
 - Co-recruiting with proven industry leaders.
 - Embracing apprenticeships & traineeships within our restaurants.
 - Follow through the recruitment process by 'Hands on, on the floor' management training of new personnel.

- Coordinated training strategies include:
 - Customer feedback surveys.
 - Identifying skill level of employee by 'hands on' application.
 - Utilizing highly skilled personnel to assist with evaluation, co-ordination, training & performance reviews and set training schedules (1 month training on a section & only then cross-trained in other sections).

- Retention Strategies Include:
 - Strict adherence to organizational & management structures (employees prefer working in establishments which are highly organized whereby goals & standards are clearly defined and met on a day to day basis.
 - Reducing stress by ensuring rostered staffing numbers clearly meet the demand of trade.
 - At every opportunity, supporting our employees in relation to customer/operational challenges.
 - Verbalize to employees 'how valued they are' & additionally wage rates to suit their level of value to the business.
 - Empower employees to make decisions for the business encouraging ownership and continually advocate they work with us (owners), not for us.
 - 3 month employee performance evaluations and daily feed-back on strengths & strengths to be gained.
 - Regular 'Change Management' decisions when operations are not working in the employees favour.
 - Substantial employee benefits offered (from the kitchen hands through to highest management) i.e Fully paid week-ends away etc.
 - Continually managing 'Lifestyle Choices' for all employees i.e flexibility in rosters making available long week-end etc not only for employees but also identifying partners needs in the working relationship.

- Pre-seasonal employment & training of high school students. Multi-skilling to meet demand. Avoid employing seasonal workers, such as industry workers who cover the snow season etc

- Innovative Workplace Measures include ensuring we provide and continue to provide first class facilities, personnel, products & services.

5.2 Retail

- There is a need for more career focused employees, with the intention of settling in the Whitsundays.
- Increased commercial space and the arrival of Multinationals signals a trend for a well trained, customer focused and service oriented workforce.
- There is a perception of low paid work with a focus on short term employment, most employees arrive with a mentality of only staying for a paid holiday.
- There are few retailers offering a career path with little, if any formal training or workplace coaching.
- On many occasions the lack of appropriate applicants for positions results in poor position appointments. This is damaging to business and the reputation of the region. When good employees are found we hold on to them right through the low season resulting in inflated labour costs.

- Retailers need to provide stimulation, fun, support, reasonable wages, additional benefits and an extended social base to allow for satisfaction by employees, many of whom are away from family & friends.
- Need flexibility in the workplace, and the need to reward and praise productivity.

5.3 Marine

The Whitsunday Marine Industry employs in excess of 650 staff on a fulltime, casual and contract basis at any one time.

The marine tourism sector is a significant employer and contributor to the local economy turning over in excess of \$100 million per annum. Additionally, for every dollar received from passengers approximately another \$4 is generated in the local economy from continued spend in the area by these tourists.

Staff are employed in the areas of:

- Onboard – crew (skippers, deckhands, hostesses, sail trainers etc)
- Shore based – Management, office, marketing, operational and reservations staff, as well as maintenance, provisioning and other support services.

Current and Emerging Shortages:

The Queensland Department of Employment and Training funded a Marine Skills Formation Strategy during 2003-4 which identified huge skills shortages currently and into the future across the entire marine industry.

Retention and recruitment, as well as reluctance by operators generally to invest in training, traineeships and apprenticeships due to staff transience, were key factors identified.

Most marine tourism operators, due to fluctuations in passenger numbers over each yearly period of operation, engage staff on a casual basis.

Generally, the industry suffers from a lack of appropriately skilled, experienced, and qualified staff, particularly in the areas of onboard crew (skippers) and marine support services.

Some of the Contributing Factors to these staff shortages:

- A requirement for onboard crew to be multi-skilled (marine, hospitality, customer service skills and a level of safety consciousness are requirements to perform duties effectively on charter vessels).
- Conversely, employment in the marine industry has been regarded as short term, not an opportunity for a career pathway, and a choice for only transient and unskilled labour.
- Maritime training has been offered in the region in an ad hoc manner; with an inflexible and expensive delivery method.
- Additionally, due to staff turnovers, operators have been unwilling to invest in staff's training, and therefore discourages staff from considering marine tourism as a long term employment option.
- There has been a level of 'burn out' in crew engaged in marine tourism, particularly in the overnight charter industry due to multi-skilled duties, and continual

rosters in an industry that previously had no industrial relations instrument to provide fair and equitable wage rates and conditions for crew. (The Whitsunday Charter Boat Industry Award was introduced in May 2005 to provide minimum conditions and rates for crew to ensure better standards in workplace and better employment opportunities.)

- Low yield for operators due to cost of compliance in a heavily regulated industry (recent calculations identified over 17 government and other agencies to whom operators are accountable) detracts from an operators ability to invest in employment and training incentives to commit staff to longer term employment contracts.
- Inflated commission structures in an extremely aggressive and competitive market also discourages operators from investing in above minimum standard employment inducements.
- Cost of living and availability of affordable housing (rental and ownership) is a deterrent for many to remain permanently in the Whitsunday region.
- Lack of support, social and specialist services including medical services is another deterrent to long term residency.
- As a regional centre, there is also a lack of diverse entertainment and cultural opportunities particularly for younger crew and staff.
- Employment in the marine tourism industry is regionally challenged by financial inducements offered by the mining industry which is booming in central Queensland.

Strategies to resolve Staff and Skills Shortages:

The recommendations outlined in the report “Regional Marine Industry Skills Formation Strategy – Mackay Bowen and Whitsundays” have been considered and are being implemented through the following groups and forums:

Whitsunday Charter Boat Industry Association (WCBIA) through development of a group traineeship model for school based students and participation on relevant industry and training forums at a regional and state level.

The Marine Safe Committee Airlie Beach (which implements a Pilot Project funded by Maritime Safety Queensland to raise safety awareness and maritime operational standards). Training and Crew Education and Awareness Programs are being continually implemented.

The Local Training Sub-Committee that comprises industry, trainers, crew and government is actively addressing marine tourism and other relevant training issues.

The development of a Marine Industry Induction Program and working with the local TAFE (Barrier Reef Institute of TAFE) to ensure delivery of a high level of training that is affordable, flexible, blended, appropriate and workplace related are two key objectives currently being addressed.

The Whitsunday Crew Committee is a grass roots forum that feeds into other relevant committees to address staffing and training issues in the marine tourism industry. The crew representative directly influence outcomes and strategies with a major objective being to grow a more professional industry that provides a career path of choice for new recruits and in particular, the local regional youth.

The Whitsundays Skills Formation Strategy Steering Committee. Marine is represented on this committee to ensure consistent and relevant strategies are engaged across the region to address staff attraction, recruitment, retention and training issues across the wider regional tourism sector.

The Whitsunday Marine House Concept is a major project from the Whitsunday 2015 Vision Strategy with the objective being to develop a Whitsunday's Flag Ship for all things pertaining to marine. A key component of this project is to provide resource, library, internet, conferencing and training facilities for marine crew, high school students undertaking marine and tourism related studies, and new recruits to the industry. It is hoped that this project will assist to raise the profile of marine as a career path of choice, with the Whitsunday regions becoming known as a centre for excellence for all marine and service standards.

6.0 Conclusion

The Tourism industry in the Whitsunday region faces a number of challenges and unique issues in the current and future areas of workforce development. These issues vary in the degree to which we can influence, through strategies for change, the impact they have on the local tourism industry.

As can be seen, these issues exist at an industry level, a regional level and a sector level within both industry and region, making a collaborative approach to addressing them necessary.

For the region to improve the level of service quality it delivers its visitors and continue to grow as a destination, an appropriate sized and trained workforce is required.

The Skills Formation Strategy is one initiative that recognises this need for a collaborative industry approach to addressing these issues, and therefore entails a number of projects aimed at changing organisational culture, workforce management practices and job design. These changes are required for the successful future of tourism in the Whitsundays.