



26 October 2011

Mr Tony Windsor MP
Chair
Standing Committee on Regional Australia
House of Representatives
PO Box 6021
CANBERRA ACT 2600

RE: Inquiry into 'fly-in, fly-out' (FIFO) workforce practices in regional Australia

Dear Mr Windsor,

The Tourism & Transport Forum (TTF) is a national not-for-profit CEO forum representing the leading corporations and institutions in the Australian tourism, transport, aviation and investment sectors. TTF develops and advocates industry policy for the sustainable long-term growth of Australian tourism.

TTF appreciates the opportunity to provide input for consideration by the Standing Committee on Regional Australia regarding the challenges impacting the tourism industry from 'fly-in, fly-out' (FIFO) workforce practices.

The considerable growth being experienced in the resources sector, including the development of FIFO workforce practices, is having a profound impact on the tourism industry, especially in regional areas.

As a result of the significant demand for labour from the resources sector, the tourism industry is experiencing difficulties attracting and retaining staff, which negatively affects existing tourism businesses' viability and growth potential. In fact, 30 per cent of tourism industry leaders have ranked the shortage of skilled labour among their top three business impediments in the latest TTF-MasterCard Tourism Industry Sentiment Survey¹.

State and federal tourism ministers have endorsed Tourism Australia's 2020 Tourism Industry Potential growth targets that aim to double overnight tourism expenditure within a decade. To achieve this potential, however, the tourism and hospitality sectors will require between 56,000 and 152,000 additional jobs. Framed in this context, labour and skills are seen among the greatest supply side challenges in meeting this potential.

The tourism industry will struggle to meet the growth potential outlined by the federal government without additional access to labour.

The release of the Australian Tourism Labour Force reports² by the Labour and Skills Working Group (LSWG) of the National Long Term Tourism Strategy (NLTTs) provide further evidence that the demands of the booming resource sector have created challenges for sectors in the rest of the Australian economy.

¹ TTF-MasterCard Tourism Industry Sentiment Survey, September 2011

² Deloitte Access Economics, Australian Tourism Labour Force Report, 2011

The industry has a job current vacancy rate of 9 per cent, more than four times the economy-wide average. There are currently 35,000 tourism and hospitality vacancies across Australia and this is expected to reach 56,000 by 2015.

The concern is acute in regional areas, where tourism operators are having difficulty finding and retaining skilled staff as they are unable to compete with the wages offered by other sectors such as resources. Western Australia and the Northern Territory, particularly, are experiencing higher turnover, recruitment difficulties and skill deficiencies.

While the recent announcement of the extension of the Pacific Seasonal Worker Scheme to tourism operators in Broome acknowledges that existing employment sources and programs are not meeting the needs of the hospitality and tourism sectors, TTF has advocated that the pilot be extended to include the many other regional areas struggling to fill tourism and hospitality positions.

TTF has also advocated a number of additional measures to address these issues, including changes to working holiday maker (WHM) visas by allowing those who work in tourism and hospitality in regional areas to qualify for a second year extension, increasing the age limits and allowing for subsequent visas.

It is critical for the federal government to recognise the impact that the two-speed economy resulting from the resources boom is having on the tourism sector and, specifically, on the ability of the recruitment and retention of hospitality and tourism staff, and to fast-track reforms and programs to address these challenges.

Regards,

John Lee
Chief Executive Officer