



19 October 2011

Mr Tony Windsor MP  
Chair  
House Standing Committee on Regional Australia  
via email: [ra.reps@aph.gov.au](mailto:ra.reps@aph.gov.au)

Dear Mr Windsor

**Inquiry into the use 'fly-in, fly-out' (FIFO) workforce practices in regional Australia**

I write in response to the above-named inquiry, on behalf of the Board and members of the National Tourism Alliance (NTA). The NTA is the forum that unites Australian tourism, providing a single voice to Federal Government on issues of common interest. Membership comprises the main associations within tourism including the Australian Tourism Export Council, AAA Tourism, Australian Federation of Travel Agents, the Victorian Employers Chamber of Commerce and Industry, Business Events Council of Australia, Restaurant & Catering Australia, Accommodation Association of Australia, Board of Airline Representatives, Bus Industry Confederation, Australasian Casinos Association, Caravan, RV & Accommodation Association of Australia, Tourism & Transport Forum, Tourism Accommodation Australia, Winemakers' Federation of Australia, the Australian Regional Tourism Network, as well as all of the state Tourism Industry Councils.

While it is inarguable that the mining, energy and resources sector is vital to the nation's economic strength, we submit to the Committee that it is just as vital to recognise the ongoing and, in the long-term, sustainable contribution that the tourism sector makes to the nation's economic, social and environmental well-being. Below are some brief statistics as to tourism's economic contribution<sup>1</sup>:

- Tourism contributes \$34 billion, or 2.6%, to Australia's GDP;
- Tourism generates almost \$23 billion in export earnings – representing over 9% of total exports;
- Tourism makes a valuable contribution to regional Australia, with 46 cents in every dollar of tourism expenditure being spent in regional Australia;
- Tourism employs over 500,000 Australians directly and over 320,000 indirectly – with direct employment accounting for 4.5% of total employment;
- Tourism related employment in regional areas generated over 220,000 jobs;
- Tourism provides more jobs in Australia than mining and agriculture, forestry, and fishing;
- Tourism and hospitality generates almost \$7bn in tax revenue, including over \$4.4bn in GST going to State Governments.



There are approximately 60,000 businesses in Australia that rely on tourism for a large proportion of their income, and 42% of these are in regional areas. There are around 290,000 businesses that have a strong connection with tourism, and 38% of these are in the regions<sup>ii</sup>.

As well as the significant economic benefits detailed above, tourism and hospitality businesses play an important role in supporting and developing communities across Australia in ways such as:

- The tourism and hospitality workforce comprises a large proportion of female workers, and provides many flexible and alternative options in addition to the regular 9-5 workplace, enabling them to re-enter the workforce as well as build careers.
- Tourism and hospitality businesses provide valuable employment and training opportunities for young people;
- Tourism and hospitality provides a range of entry level and semi-skilled occupations that provide a valuable entry point to the workforce for disadvantaged people;
- Tourism and hospitality businesses are significant employers in rural and regional areas;
- Tourism and hospitality brings financial viability and cultural vibrancy to many of our regional communities;
- Tourism and hospitality provides unique opportunities to maintain and develop Indigenous culture, and employ Indigenous employees. In addition, tourism has enabled the development of Indigenous owned and operated businesses, often in unique locations and destinations that empower, train and employ local Indigenous employees;
- International business tourism, incentives, events and conferences, aside from the delegates' expenditure, contribute to Australia's research and innovation capacity, business links, academic standing, trade links and international prestige. This sector provides professional development, international links, education opportunities and future business development opportunities to all sectors of Australia's business, association and not-for-profit communities.

In the context of the current resources boom, there are several ways in which the increasing use of "fly-in, fly-out" (FIFO) arrangements is having a negative impact on the tourism sector.

### **1. Exacerbating staff shortages**

- a) As service industries, restaurants, hotels and cafés feel the effects of staff shortages acutely, as well as other sectors such as coach tours and boat/cruise operators who are losing drivers, engineers and other technical staff to mining operations.
- b) A recent Deloitte Access Economics Report on the Australian tourism labour force found that there are 35,800 tourism job vacancies in Australia, with modelling highlighting that kitchen hands, waiters, café and restaurant managers and chefs will be the tourism



occupations in greatest demand to 2015. Businesses are also reporting difficulty in recruiting and retaining housekeeping staff.

- c) Recruitment and retention difficulties are noted most acutely in NT and WA, but nationally as well 57% of tourism businesses identify recruitment difficulties, and 46% identify retention difficulties.
- d) The attraction for FIFO is such that the practice is also drawing labour out of non-mining areas, such as Margaret River in south west WA.

## **2. Negative impact on airline capacity and prices**

- a) FIFO arrangements distort aviation capacity and movements for non-mining areas. Whilst capacity may appear to be growing in certain areas overall, it is often at the cost of air capacity into a tourism area, leaving a net reduction in tourism seats.
- b) Flights are usually based around shift changes during the week, making it difficult to get seats that suit tourism operators around weekends.
- c) Prices for airline seats are increasing as the demand from the mining and related businesses increases. In addition, consequent airport pricing also pushes up prices overall as they try to deal with the logistics of crowding, passenger facilitation, parking, etc., at specific times.

## **3. Loss of infrastructure**

- a) Tourism is losing accommodation and product capacity as bed stock is taken over by corporate and FIFO along with accompanying price rises. In some cases, destinations have become virtually off-limits to leisure tour operators as all available accommodation has been contracted to mining operators, for up to 6 to 10 years in some cases.
- b) Small or less viable tourism businesses are closing or selling up to work in what they perceive are higher income mining jobs.

## **4. Social Fabric**

- a) A good place to live is a good place to visit. Tourism is reliant on vibrant, sustainable communities. FIFO changes the routines and sense of community within regional destinations, which is part of the attraction for visitors.



NTA members urge the Committee to consider the needs of the tourism sector in forming their recommendations to the Government. It is vital that the long-term, sustainable contribution that the tourism sector makes to the nation's economic, social and environmental well-being is considered alongside the labour force needs of the mining, energy and resources sector.

NTA members appreciate the opportunity to provide feedback to this inquiry.

Yours sincerely

**JULIANA PAYNE**  
**Chief Executive Officer**

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<sup>i</sup> Tourism Research Australia; Australian Bureau of Statistics

<sup>ii</sup> Bureau of Tourism Research 2003; Australian Bureau of Statistics