

Travel

Travel remains a popular activity among Australians and international visitors, which has supported demand for travel arrangement services.

Current Industry Environment

Workers in the Travel sector can be described as spending their time adding value to other peoples' lives. They help turn travel dreams into reality, plan business trips to run smoothly and offer peace of mind for a purchase that can have unpredictable outcomes.

The travel sector is innately linked to the tourism sector and there is a high level of cross over where travel workers sell, arrange or make reservations on behalf of businesses in the broader tourism industry such as airlines, cars, hotels and restaurants. The distinction is that travel workers perform mainly administrative services, within an office, shopfront, or online or mobile setting.

Industry contribution

When combined, travel agency and tour operator services employed 8,100 people, 11% of the broader tourism workforce in Western Australia and contributed \$1.13 billion to WA's direct tourism GVA (or Gross Value Added), the largest single contributor in 2017-18.

Transport (rail, road, air and water) and car hire accounts for an additional 6,200 workers employed in Western Australia's tourism industry and contributed \$1.19 billion to WA's direct tourism GVA.

Demand for Travel arrangement services

Several developments in specific sectors of the travel arrangement industry have taken place in the past year. For example, the baby boomer generation is nearing retirement age and travelling more. At the same time, however, health issues are becoming more prevalent and complex travel insurance is more commonly required.

Demand for bespoke, customised travel experiences is also on the rise. Travellers in general are seeking unique experiences and are increasingly visiting new or less-developed destinations, or undertaking uncommon activities.

These changes reflect an increased requirement for workers that book travel and arrange tourist activities for visitors, whether it is bringing international or interstate tourists to Western Australia (through services supplied by Inbound Tour Operators), providing travel assistance and booking services for Western Australians travelling intrastate, or arranging outbound travel for Western Australians travelling overseas.

A snapshot of Travel

Travel Agents | Wholesalers | Online Travel Agents (OTAs) | Inbound
Tour Operators | Cruising | Aviation | Car Hire | Road and Rail



11.1% of WA total tourism employment is in Travel and Tourism*

8,100 workers employed in Travel and Tourism in WA in 2017-18*

6,200 workers in rail, road, air, water and other transport, and transport equipment rental (car hire)*

It was a significant economic contributor to WA's direct tourism GVA in 2017-18*

\$1.13b contributed by Travel agency & tour operators 

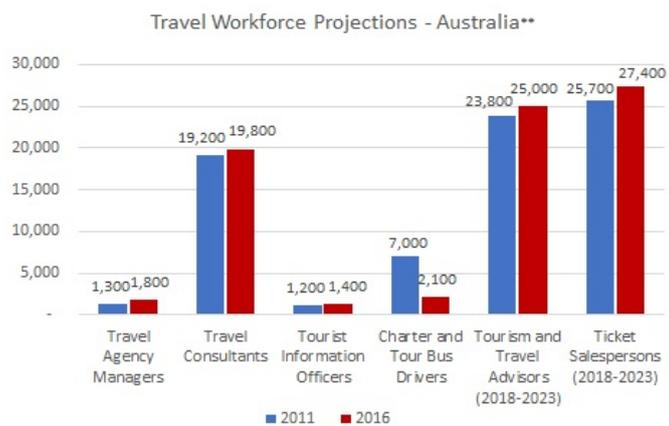
\$1.19b contributed by Transport and car hire 

Travel Agents offer:

- Peace of mind
- + Expertise with complicated bookings
- + Customised, bespoke bookings
- + One-stop-shop, saving travellers time
- + Customer support and protection



The future workforce requirements



References:
* Tourism WA; Economic Contribution of Tourism to Western Australia 2017-18; August 2019
** Australian Government JobOutlook

Industry Developments

Aviation

The development of aviation access to Perth and key regional Western Australian centres continues to play a major role in growing tourism in WA. Several developments in aviation have occurred in the past twelve months, including:

- *All Nippon Airways (ANA)* commenced daily flights between Perth and Tokyo on 1 September 2019.
- Discounted flights between Perth and regional centres Broome, Exmouth, Monkey Mia and Carnarvon were introduced in 2019.
- *Alliance Airlines* in codeshare with *Virgin Australia* will operate direct flights between Melbourne and Kununurra from May 2020.
- *Jetstar* will commence a Melbourne-Busselton service from March 2020.

Car Hire

Developments include *Avis Car Hire's* partnership with Australia's Coral Coast regional tourism organisation that is trialling discounted relocation fees for travellers hiring a car to drive one-way between Perth and Exmouth.

Cruise Shipping

The Cruise tourism sector's annual *Economic Impact Assessment*, commissioned by Cruise Lines International Association (CLIA) and the Australian Cruise Association (ACA), has been released. The report indicates overall growth of the Australian cruise industry, driven by cruise passenger spend in hotels, restaurants, retailers and tour operators while on shore. Western Australia received \$109 million of direct expenditure from the cruise industry in 2018-19.

Online Travel Agencies

The consistent growth of Online Travel Agencies (OTAs) has had a significant effect on the Travel industry. Businesses that offer online-only services, and do not employ travel agents to interact with customers, have challenged the traditional travel agency model of high service fees and commissions. Global companies *Expedia* and *Booking.com* have experienced revenue growth in Australia over the past five years

Wholesalers

The Travel industry was considerably affected by the closure of *Tempo Holidays* and *Bentours* in September 2019. The closure has predominantly affected cruises booked with the cruise company *Hurtigruten* for travel between October and December 2019. In response, other agencies have committed to assisting affected clients and to offer support to Australian-based *Tempo Holidays* and *Bentours* travel consultants and staff.

Australian Pacific Touring (APT), which operates accommodation, coach vehicles and cruise ships in the Kimberley, will include the Melbourne – Kununurra flights in their tour packages from May 2020.

Event Tourism

The travel industry is instrumental in getting people, equipment and consumables to events, particularly in regional areas. As a result of growing popularity for events and their economic contribution to local communities, events are increasingly being held in unique locations, which creates demand for travel arrangement services.

To support this, the *Regional Events Scheme (RES)*, supported through Tourism WA and Royalties for Regions has provided funding to 68 regional events for 2019-20, including seven Aboriginal events.

Developments that relate to the travel industry include travel for the AFL season. AFL Travel is a dedicated tour arrangement business that partners with Virgin Australia to provide tailored packages for out-of-state visitors to attend football matches across Australia. The packages include Virgin Australia airfares, match tickets, accommodation and tours in cities where AFL matches are being played.

A marketing campaign was created in 2018 in a partnership between Optus Stadium Management, AFL, West Coast Eagles, Fremantle Dockers, Tourism Council WA, and the tourism industry. As a result of the campaign, almost 66,000 visitors from interstate and regional WA attended an AFL game in Perth in 2018.

Workforce Developments and Prospects

Travel requires a degree of personal investment from the traveller. Irrespective of whether the travel is for business or leisure, a cost of both time and money is involved. Therefore, customer expectations are high for travel plans to go off without a hitch. However, risks such as flight cancellations, natural disasters, political unrest, and unexpected health problems associated with travel are unpredictable and can have disastrous effects on an entire trip. Because of this, robust customer service skills, problem solving skills and the ability to respond to a customer in crisis are crucial in this sector. In this sense, travel agents are also seen to provide a 'safety net' or a point of contact for assistance when things do go wrong. It is routinely reported that these occupations are about attitude, as technical skills can be taught, but the worker must be a people person.

Except for OTAs, which do not employ customer-facing travel agents, job roles across the Travel industry's various sectors are relatively consistent, such as selling or booking travel products and services to customers. Work across the Travel industry is heavily associated with technology through booking and ticketing software, as well as data analytics tools that provide current insights as they happen.

Travel workers are increasingly expected to operate with a commercial mindset, performing more than transactional booking duties. Focus should be on business development and adopting strategic skills, such as relationship building and negotiation tactics that convert enquiries to sales and generate repeat business.

Data privacy is a major concern for Travel workers, especially due to the reliance of computerised booking systems. A high volume of personal information is held in this sector, including passport details, itineraries and travel dates, credit card information, or personal health records. Travel workers must remain cognisant of the threats that confidentiality breaches pose and apply skills to protect consumer privacy.

As of June 2019, the International Air Transport Association (IATA) mandated that when booking flights, agents must seek the traveller's permission for their contact details of phone number and/ or email to be shared with the airline for the purposes of contact in an operational disruption.

Tourism and Hospitality Workforce Project

In recognition of the important contribution this industry makes to the Western Australian economy, the State Government is undertaking a project measuring the skills needs in the broader Tourism and Hospitality industry. The project will inform the State Government's Tourism and Hospitality Workforce Development Plan.

Current and Future opportunities

Cruise Shipping

Princess Cruises has revealed the 2,000-guest Sun Princess superliner will be home-ported in Fremantle in 2019-20, contributing to local tourism businesses and generating additional jobs for land-based visitor servicing workers.

Visitor Centres

In addition to providing extensive tourist and visitor information of a specific geographic region, these workers sell and book local suppliers' products and services. They require strong regional tourism knowledge, maintain relationships with tourism suppliers and participate in activities that market or advertise the destination.

OTA contribution to the workforce

A new global study, commissioned by Expedia, has shown that OTAs contribute significant economic value to

the Australian tourism industry. The report concluded that bookings through OTAs support one in four Australian tourism jobs. OTAs are visited by majority of consumers when they are in the research process of planning their travel. This enables tourism, accommodation and hospitality operators to promote their offerings to a much wider audience of travellers.

Skills and training strategies

The training division of the Australian Federation of Travel Agents, *AFTA Education and Training (AFTA E&T)*, aims to provide the highest quality training to meet the skills needs of the travel industry. AFTA E&T develops and sells a complete set of nationally accredited and industry-relevant training modules for Certificate III in Travel, as well as customised modules and short training courses for the travel industry.

Programs and strategies aimed at building capacity in the Travel workforce in Western Australia include:

- *TIME* (Travel Industry Mentoring Experience), which recommenced in Perth in 2019 with support from the Royal Aeronautical Society. This program pairs mid-level travel industry workers with a senior figure in the industry for a six-month formal mentorship.
- The *Avis Travel Agent Scholarship* which aims to reward customer service excellence in travel. The Scholarship is open to full-time travel agents in Australia and New Zealand, and carries a prize valued at over \$35,000.

Certificate IV in Travel and Tourism

The SIT Tourism, Travel and Hospitality Industry Reference Committee's 2019 Skills Forecast proposes the Certificate IV in Travel and Tourism be split into two separate qualifications. This is due to the diverse job roles that apply to each of the two disciplines. The result in Certificate IV in Travel separate to Certificate IV in Tourism.

Industry assert that for training associated with Travel skills at the Certificate IV level specifically, more attention should be given to developing skills in: relationship building; "closing the sale" or converting an enquiry into a sale; and customer follow-up to build repeat business.

Please get in touch

FutureNow is seeking regular input from stakeholders about workforce matters in the Western Australian Accommodation Industry. If you are interested in providing further information about the workforce in this sector, the Industry Manager would like to hear from you.

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References

1. Tourism WA, Economic Contribution of Tourism to Western Australia 2017-18, based on Tourism Research Australia's State Tourism Satellite Accounts 2017-18, August 2019
Note: as per Tourism WA, GVA or Tourism Gross Value Added is considered the most accurate measure of the contribution of the industry to the economy. It includes the total labour income and capital revenue received by the industry and the net taxes that government receives from the production, and is measured in basic prices. Direct and indirect flow-on GVA are measured separately using the Tourism Satellite Account framework and I-O modelling techniques, respectively. Combined, they provide an estimate of total tourism GVA.
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6. Tourism WA, Western Australia Cruising Snapshot 2017/18, AEC Group on behalf of Cruise Line Industry Association Australasia and Australian Cruise Association (2018)
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