

Tourism and Travel Industry Snapshot

FutureNow is an independent body that provides industry informed advice to influence skills development strategies across the Creative, Leisure and Technologies sectors. Our work assists Western Australia to be prepared with the new order skills required by the evolving economy and our changing society.

What has happened and where is the sector now?

Domestic Tourism

Domestic tourism in Western Australia has rebounded to above pre-pandemic levels but is not yet sufficient to cover the lack of international visitors, particularly from China, which was the country's biggest visitor market.

Labour shortages are continuing to take a toll, but research suggests that that international student numbers will increase over the next few years. Many people who worked in the Travel and Tourism industry prior to the pandemic have found work elsewhere in the past couple of years and it has been challenging to find replacement staff.

The return of working holiday makers and student visa holders will increase demand for tourism services, however they will likely alleviate labour shortages as they take jobs in the sector. Industry suggest domestic tourism demand may decline if the general, existing preference for overseas continues to travel increase, however rising cost of living pressures and high international airfares could affect overseas travel becoming the top preference.¹

In bound Tourism

Tourism Research Australia expects the recovery of international tourism to take some time. It is likely to be uneven across markets and purpose of travel. They forecast visitor arrivals to move higher than pre-pandemic levels in 2025 and total 11.0 million by 2027. International spend will return to pre-pandemic levels earlier, in 2024.

Pre-pandemic, India was Australia's fastest growing visitor market and was dominated by VFR (visiting friends and relatives) and education travel. The start-up of new direct flight services between India and Australia, coupled with the visitor mix, has been influential in seeing Indian arrivals return at a faster rate than any market thus far in 2022.

Leading into the pandemic, visitor growth from the United Kingdom had stagnated for many years. However, with new direct flights to London, increasing aviation supply through the Singapore and Middle East gateways and renewed VFR travel, the United Kingdom has had a faster rate of return for visitor arrivals in 2022 than most markets.²

Aboriginal Tourism

Visitors to Western Australia consistently express enthusiasm for undertaking authentic Aboriginal cultural experiences when in the state. The Western Australian Indigenous Tourism Operators Council's (WAITOC) new charitable arm, Aboriginal Tourism Western Australia (ATWA), has sourced inaugural funding of \$3.9 million over the next four years. The historic four-year funding agreement, provided through the support of philanthropists and Lotterywest, will see ATWA receive \$975,000 a year over the next four years, to develop new Aboriginal tourism initiatives in the state. Working in close partnership with the WAITOC, ATWA will build business capacity, deliver mentoring, and support emerging Aboriginal businesses at the grassroots level.³

Regional Tourism

The Mid West/Coral Coast

On April 20, 2023, visitors to Exmouth will witness a Total Solar Eclipse. At 11:27am, the sun, moon and the earth's discs will all align for this significant 1 minute, 16 second event. The shadow of the moon will graze the tip of Western Australia in a 40-kilometre wide track, as it travels over the World Heritage-listed Ningaloo region near Exmouth, making it the most accessible land-based place on Earth to view the spectacle. This remote region will be on the world stage as up to 50,000 visitors are expected to descend on the region.⁴ The State Government has committed \$21.1 million funding for the Total Solar Eclipse infrastructure including Gascoyne and Pilbara businesses which will receive more than \$837,400 for the 2023 Total Solar Eclipse preparations.⁵

Collie

Due to global trends towards renewable energy, customer demands and new technologies, Collie's economy is moving away from being solely dependent on coal-fired power as it adapts and attracts new industries, one of which is tourism. Tourists have been attracted to the biggest dam mural in the world, painted on the Wellington Dam, the \$10 million Collie mountain bike and bushwalking adventure trails and a new campground and picnic area was officially opened in January this year at Lake Kewpuri, completing a \$5.8 million transformation to lure tourists to Collie.⁶

Kimberley Region

The State Government announced a \$6 million Tourism Flood Recovery Package to support Kimberley tourism businesses affected by the January 2023 flooding in the region. The assistance package includes discounted flights, holiday voucher incentives and a national marketing campaign to send the message that the region is open for tourism. The package is aimed at driving visitors to the Kimberley this year while supporting the local tourism sector as it responds to the recent flooding.⁷

In November 2022 the G'day Group announced a new chapter for the El Questro Resort in with more accommodation and new cultural experiences to be created in partnership with Traditional Owners.

The announcement was made in partnership with the Wilinggin Aboriginal Corporation (WAC) and the Western Australian Government, with a deal struck between the parties for G'day Group to lease back part of the 165,000 hectare parcel of El Questro land, which was handed back to the Wanjina Wungurr Wilinggin people by the WA Government 120 years after the area was originally established as a cattle station.⁸

Emerging Industry Developments

Caravan Parks

After 2 years of lockdowns and travel restrictions, the caravan industry is booming. Caravanning provides Australians with an affordable way to travel domestically, bringing economic benefits to many regional areas. Encouraging Australians to travel and spend domestically as they would overseas, is one of the actions of THRIVE 2030, the national strategy for the sustainable growth of the visitor economy. As Australia heads into a golden age for caravanning, the industry is responding with innovative products and improved facilities. The G'Day Group is investing in the infrastructure needed to support electric vehicles. This includes electric vehicle-charging stations throughout the Group's portfolio of caravan parks.⁹

In October 2022, Austrade announced grants totalling \$10 million to swiftly upgrade or create new infrastructure in caravan parks. This included visitor facilities to enhance the visitor experience. The program provided funding to privately-owned caravan parks to help them undertake infrastructure upgrades. Grants between \$10,000 and \$100,000 were available to successful applicants and the grants were to be matched on a dollar-for-dollar basis for successful applicants.¹⁰

Cruise tourism

Passenger volume is expected to recover and surpass 2019 levels by the end of 2023.¹¹ Fremantle passenger terminal undertook significant upgrades in preparation for the return of cruise ships, including the replacement of escalators and lifts at the Fremantle Passenger Terminal. At the end of 2022 the Coral Princess, returned to Fremantle and it is anticipated that visits from Cunard's Queen Elizabeth, Oceania Cruises' Regatta, Holland America Line's Noordam, Silversea Cruises' Silver Muse and Azamara Cruises' Azamara Quest will all visit Fremantle during 2023. Ports in Broome, Fremantle, Busselton, Albany, Geraldton, Exmouth and Esperance are all expected to welcome large cruise ships throughout the cruise season.¹²

Travel

Many travel agents (particularly corporate agents) are finding it difficult to recruit staff as many left the industry following the initial COVID 19 shutdowns. However more people are seeking the guidance of travel agents, whose job it is to be up to date with changing regulations, cancellation clauses and to troubleshoot issues for their clients. In July 2022 Qantas announced it was cutting agent commissions from five percent to one percent with most other major airlines following. It is expected this change will likely accelerate the growing industry trend towards a "fee for service" model that has already taken place in many markets overseas and among several agency chains in Australia. This compensates travel agents for the added value and bespoke service they provide customers beyond the logistics of booking, particularly for managing complex itineraries.¹³

Workforce in the Sector

Government and Industry Partnerships

In September, the federal government announced that Home Affairs were to be given a \$36 million funding boost to hire 500 surge staff over the next nine months to process Australia's crippling backlog of active non-humanitarian visa applications to clear Australia's significant visa backlog. This should assist with working holiday makers and international students returning to the state.¹⁴

In August 2022 the state government committed \$3.9 million over the next two years to develop workforce skills for the tourism and hospitality industries. The Tourism Workforce Development Program will fund short-term programs to address the current shortage of workers while also building a pipeline of talent for the future. Many of the programs have a focus on connecting local people with local jobs across the State. This will include longer-term initiatives aimed at encouraging young people to consider careers in tourism and hospitality.

Bespoke job-ready training and accredited micro modules including bar and barista skills will be delivered in partnership with regional TAFE campuses and through initiatives connecting prospective workers directly with local employers.

Jobs Website

A dedicated tourism and hospitality jobs, training and careers workforce portal, westernaustralia.jobs, has been created and will be the central call to action for Tourism WA workforce initiatives and continue to be funded through the Package. The site, developed in partnership with the Australian Hotels Association WA, has attracted more than 420 employers and 350 job seekers since its launch in May 2022, connecting them with more than 500 jobs.¹⁵ In addition, a campaign was launched to promote tourism and hospitality job opportunities to interstate and New Zealand workers called 'Discover the Other Side'. The Discover the Other Side campaign has been used to entice interstate and New Zealand workers to move to Western Australia and work in Western Australia's hospitality and tourism industries.¹⁶

Regional Tourism Workforce

A new initiative to attract international students to live, work and study at Western Australia's regional TAFE colleges and help alleviate shortages in priority skill shortage areas in regional areas will begin in 2023. A \$5,000 bursary will be provided for up to 200 students in selected courses (including Hospitality and Tourism) across the State's three regional TAFE colleges (South Regional, Central Regional, North Regional), as well as provide support to find part time work and accommodation. Some students are anticipated to commence in February 2023, with the majority expected in Semester 2. On graduation, international students may be able to access migration pathways to extend their stay in Australia.¹⁷ The three regional TAFE colleges are however suffering from a chronic shortage of suitably qualified lecturers which restricts which courses they can offer.

Workforce Barriers

Housing

The biggest barrier to increasing the workforce is the lack of suitable rentable accommodation in regional areas. The RCCIWA reported that there is a shortage of regional housing availability and rents are extremely high for the small number of rentals that are available. Some Local Government Authorities (LGA's) implemented solutions such as the Shire of Exmouth who have moved a local bylaw allowing short-term accommodation (enabling backyard caravan stays). In Dunsborough, a backpacker hostel has been booked out by labour-hire firm to house workers locally. The Dunsborough 54-bed hostel is now home to people from East Timor, Tonga and Fiji who are working at the region's vineyards and resorts as part of the Pacific Labour Hire Scheme. Dunsborough Yallingup Chamber of Commerce report that the accommodation problem is crippling businesses. A survey of nearly 200 businesses in the area found 76 per cent were struggling to find enough staff, blaming a lack of affordable housing.¹⁸

Long Term Solutions

A 13-hectare piece of land has been earmarked for a \$64 million development to tackle the housing crisis in Broome, with the shire seeking \$15 million from the state government to fast-track the process. The project comprises of a caravan park, an over 55s village, and worker accommodation on Sanctuary Road in Cable Beach.¹⁹

The McGowan Government is seeking registrations of interest (ROI) from suitably qualified proponents to acquire Crown land and develop a multi-user workforce accommodation facility in Kalbarri. Tourism is Kalbarri's most significant economic contributor with demand for services fluctuating throughout the year. This attracts a significant seasonal workforce which has flow-on effects to related sectors of the economy, including hospitality, accommodation and retail. Increased domestic tourism has placed significant pressure on accommodation supply within the town which was already a significant challenge during the peak tourism periods.²⁰

Childcare

In addition to housing shortages there is a shortage of childcare places in the regions which prevents some potential workers being able to accept job opportunities in regional areas. A recent report ranked Regional Western Australia as the worst in Australia for childcare availability. The biggest contributing factor to this problem is the chronic shortage of childcare staff.²¹

Long Term Succession Planning

Career Development

Tourism and hospitality will be promoted as a rewarding career through activity such as the Chef Ambassador in-school hospitality demonstration program delivered by Hospitality Group Training, and an annual program of in-school tourism career information sessions will also support longer-term initiatives aimed at encouraging young people to consider careers in tourism and hospitality and creating a sustainable pipeline of local skilled workers.

Year 9 Career Taster Program

The year 9 career taster program commenced in 2022, enabling students to discover potential careers in the hospitality industry either via incursions to TAFE campuses and/or visits to accommodation and hospitality venues. The program supports students to become 'career curious' and extend their thinking through practical activities and meaningful experiences with the world of work.²²

Career Promotion

A suite of occupational guides and case studies co-developed by Tourism WA and FutureNow continue to be used to present career pathways information to prospective learners interested in employment in the Tourism and Hospitality industries. FutureNow has distributed this collateral through industry and at various career expos and presentations as well as through the West Australian Jobs and Skills Network.

Skills Training Programs

In November 2022, the Australian and Western Australian Governments signed a 12-month Skills Agreement to address the current skills shortage. The course list, based on last year's enrolments, is estimated to see 1,400 places allocated to hospitality and tourism. The funding supports the new FREE IN '23 initiative, which is designed to reskill and upskill people for work and covers the Certificate III in Tourism which will be 100% course fee-free as of 1 January 2023.

The certificate III in Guiding is offered as a ½ price qualification. This qualification is directly aligned with priority industry areas where jobs are today, and into the future. As part of the state government Lower fees, local skills program, through to 31 December 2025. The students will pay half the tuition fees (plus resource fee) capped at \$1,200; or \$400 if the students are aged 15—24 or eligible for a concession.²³ In addition, North Metropolitan TAFE are offering a Tour Guiding Skill Set 1 day/week 10 weeks and the Tourism Council WA are offering a one day non accredited tour guiding workshop.

National SIT Training Package

In September 2022 upgrades to the Tourism, Travel, Hospitality and Events, Training Package were approved. Feedback received during the Case for Endorsement for Travel qualifications in the SIT training package identified that the Certificate IV in Travel and Tourism be retained as a combined qualification and that the training package developers look to consider options and the industry situation in 2025, as the industry recovers and adjusts to the travel landscape of the future.²⁴

Western Australian Jobs, Education and Training Survey

FutureNow is currently undertaking work on The Western Australian Jobs, Education and Training Survey (WAJET) Industry Advice Reports and this will inform the State Priority Occupation List (SPOL) for 2023. The occupations of Tour Guide and Travel Consultant will be surveyed for this report.

We would like to hear from you

FutureNow is continually seeking input from stakeholders in the Western Australian Tourism and Travel sectors. If you are interested in providing further information about the workforce in this sector, please get in touch with the Industry Development Manager:

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