



QUEENSLAND  
TOURISM INDUSTRY  
COUNCIL

*The Voice of Tourism*

**SUBMISSION TO THE DEPARTMENT OF JOBS  
AND SMALL BUSINESS**

ON THE

**TRAFFIC LIGHT BULLETIN – REQUEST  
ADDITION OF TRAVEL AGENCY MANAGERS**

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## OVERVIEW

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The Queensland Tourism Industry Council (QTIC) welcomes the opportunity to respond to the Department of Jobs and Small Business regarding the Traffic Light Bulletin, June release.

As the peak body for tourism, QTIC supports initiatives to growth in visitation and skilled migration across Australia. QTIC represents its members' views across all levels of government and is advocating on behalf of its members to reintroduce the occupation of *Travel Agency Managers* to the skilled occupations list in order to reduce a skills gap in the travel sector.

## QUEENSLAND TOURISM INDUSTRY COUNCIL

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QTIC is the state peak body for tourism in Queensland. QTIC is an independent private sector, membership-based tourism industry organisation.

All of Queensland's 13 Regional Tourism Organisations (RTOs) are members of QTIC, as are 20 industry sector associations and in excess of 3,000 regional members, operating in all sectors of the tourism industry.

QTIC works in partnership with government agencies and industry bodies at a local, state and national level and is a member of the Australian Tourism Industry Council (ATIC).

## TOURISM IN QUEENSLAND

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The tourism industry in Queensland contributed \$25.4 billion to Queensland's Gross State Product (GSP), representing 7.8% of total GSP and generated \$7.4 billion in exports in the year ending June 2017<sup>1</sup>, making it one of the state's largest export industries only behind coal and food.

In recent years, government and business communities have recognised tourism is contributing significantly to economic growth in Queensland and generating significant numbers of new jobs. Due to a slowdown in the resource industry, tourism has experienced resurgence and is flourishing against a relatively soft economic backdrop. In Deloitte's *Tourism and Hotel Market Outlook*<sup>2</sup>, it is reported that international arrivals to Australia grew at twice the rate of global outbound travel and international visitation "continues to outshine broader economic performance". Forecasts to 2020 indicate tourism will continue to grow faster than the wider economy.

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<sup>1</sup> Tourism Research Australia, State Tourism Satellite Accounts 2016-17

<sup>2</sup> Deloitte, Tourism and Hotel Market Outlook, Edition 1, 2017

The World Travel and Tourism Council<sup>3</sup> (WTTC) project travel and tourism employment will grow 5.8% (compound annual growth) over the next decade in the Asia Pacific region. In contrast, total economy growth is projected at 4.1% per annum and other industries such as mining and agriculture are forecast to grow at 1.8% and 2.2% per annum respectively.

The five-year average growth rate for total visitor nights in Queensland is projected to be 4.0% over 2014–15 to 2019–20, or 3.9% over 10 years. This compares to 4.4% total five-year average annual growth for Australia, or 3.8% over 10 years.

## Tourism and Employment

Tourism is a key economic driver in regional Queensland. There are over 54,000 tourism businesses operating across Queensland in sectors including, but not limited to, accommodation, transportation, tour operators, travel agencies and marine operations. One in ten businesses in tourism is a small or medium sized enterprise. The industry supports employment and community growth, employing more than 217,000 people directly and indirectly, or 9.1% of all people employed in Queensland<sup>1</sup>. This is substantially more than mining (2.5% of employment) or agriculture, forestry and fishing combined (2.2% of employment). There is a diversity of jobs within the tourism industry with 11 occupations representing the majority of workers in the industry<sup>4</sup>. Of those directly employed in tourism, two thirds are employed outside of Brisbane, highlighting the value of tourism in regional Queensland<sup>5</sup>.

On average around 79% of tourism employees are sourced from the local region, of the remaining, 11% are from interstate or intrastate and 4% are working holiday makers<sup>6</sup>. Temporary visitors to Queensland play an integral role in the provision of tourism experiences and are vital to an industry with a skills shortage (see box 1).

### Box 1: Queensland tourism labour shortage

Tourism Research Australia and Deloitte Access Economics estimate an implied current shortage of **10,388** employed persons in the Queensland tourism industry. With strong projected growth for the tourism industry it is anticipated that there will be an accumulated demand for **23,481 new workers by 2020**<sup>7</sup>.

The 2017 *Tourism Workforce Plan*<sup>6</sup> explores opportunities to develop the tourism workforce to address the deficit of skilled workers. A key outcome of the workforce plan is assessing how the tourism and hospitality industry can build the pipeline of foreign workers by better

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<sup>3</sup> World Travel and Tourism Council. 2017. Travel & Tourism Economic Impact 2017 Asia Pacific

<sup>4</sup> Queensland Government Department of Tourism Education and Small Business (DETESB) identified occupations: Tourism Workforce profiling: Accommodation and hospitality managers; Housekeepers and Cleaners; Fast Food Cooks and Kitchen Hands; Receptionists; Waiters; Bar attendants and Baristas; Chefs; Cooks; Café workers; Travel and Tourism Advisers; Air Transport professionals

<sup>5</sup> Tourism Research Australia, 2015-16, Queensland Tourism Satellite Account

<sup>6</sup> Jobs Skills, 2017, Queensland Tourism Workforce Plan 2017-20

<sup>7</sup> Tourism Research Australia and Deloitte Access Economics, 2015 *Australian Tourism Labour Force Report: 2015-2020*,

using migration programs. Any changes to the visa system must support regions and industries that require temporary workers to function effectively.

## FEDERAL TOURISM INITIATIVES

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### Tourism 2020

In December 2011, the Federal Government announced its national strategy *Tourism 2020*, with a goal of doubling the value of tourism to \$140 billion by 2020. One of the key factors that will dictate the success or failure of Australia's tourism industry to meet its global potential is to meet the expected surge in demand with sufficient increases from the supply side of the tourism industry, such as tourism, aviation capacity and transport infrastructure.

The *Tourism 2020* action plan identifies simplifying the 457 visa guidelines and the development of a template labour agreement for the tourism and hospitality industry as a key outcome alongside initiatives to grow demand from Asia. The ability to achieve the determined outcomes of the Tourism 2020 plan, an accessible, simple and affordable visa system is required to encourage visitation. Any changes to occupations outlined in the new visa system should be designed to support the growth goals that the federal government has set.

The *2017 Travel and Tourism Competitiveness Index* rates Australia at 36th out of 136 countries regarding visa systems. The report identifies that travellers have high expectations for visa systems efficiencies and low tolerance for barriers to mobility, indicating that poor visa systems can deter visitation. Furthermore, the World Economic Forum identifies that visa systems are currently hindering growth, job creation and tolerance between cultures.

## STATE TOURISM INITIATIVES

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The Queensland Government and the Queensland tourism industry share an ambition to restore Queensland's leadership position as Australia's premier tourism state. The former government supported a **goal of doubling visitor expenditure, to \$30 billion by 2020**, in line with Commonwealth ambitions. The current Queensland Government has committed to maintaining these goals and to continue working with industry leaders to develop a prosperous and sustainable tourism industry. QTIC remains committed to working with government and industry to achieve training and employment outcomes through the following strategies:

### Advancing Tourism

*Advancing Tourism 2016–20* is the Queensland Government's plan to capitalise on the significant tourism growth in Queensland. It targets key areas, identified by industry, to increase market share and boost tourism jobs.

## Queensland Tourism Workforce Plan 2017-20 - Jobs Queensland

The *Queensland Tourism Workforce Plan* explores opportunities to address workforce challenges felt by the tourism and hospitality industry. Tourism directly and indirectly accounts for around 9.1% of employment in the State. With an ageing population, rapid changes in technology and competition from other industries, attracting, training and retaining committed and skilled people in tourism, hospitality and events is a critical issue.

The plan states, "*While only comprising 6% of the tourism workforce, industry stakeholders report that overseas workers can make a significant difference to a business' ability to serve their visitor markets during seasonal peaks. The projected industry growth will place pressure on the ability of the labour market to meet demand. By 2020, around 20,000 additional skilled and unskilled tourism workers will be needed in Queensland. The extent of the shortfall will depend on how many can be filled within the existing labour supply*".

## RESPONSE TO TRAFFIC LIGHT BULLETIN

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### ***142116 Travel Agency Managers***

QTIC is advocating on behalf of members for the reintroduction of *142116 Travel Agent Managers* to the Skilled Occupations List.

The removal of this category from the Skilled Occupation List in 2017 has left an insufficient supply of appropriately qualified workers available or willing to work under existing market conditions. Thereby, a skills shortage in this sector is identified. Travel Agent Managers require a combination of work experience within the industry, a strong sales history, and leadership and business management skills. It is this combination of skills required that create recruitment challenges across the state.

The *Queensland Tourism Workforce Plan* identifies, "*attracting the right staff is an ongoing challenge for employers dealing with seasonality and high turnover, particularly in regional communities with small labour pools. Recruitment costs alone can be a large impost for small businesses. Comprising of 6% of the tourism workforce, industry stakeholders report that overseas workers can make a significant difference to a business's ability to serve their visitor markets during seasonal peaks. These workers include skilled migrants on temporary visas who have come to Queensland to work for an approved business. Maintaining Australia's competitiveness as a destination for overseas workers is fundamental, particularly for regional areas struggling to attract labour*". Removing a stream of employees has put the sector into an increasingly difficult position and alters the benefits and potential career opportunities of such a role. The same plan also acknowledges the need for government to work together with industry to break through the challenges and create an industry that is a desired employment of choice, offering benefits and skills development opportunities. By reducing opportunity for international movement and job growth opportunities the government is inhibiting one of the core attracting factors the industry.

Data from the December 2017 *Quarterly Report* indicate that managers remain a key gap in the Queensland workforce, accounting for over 18% of skilled migrants. For the past two years, demand for advertised travel agency managers has surpassed 145 and 106 in 2017 and 2018 respectively.

Viewing demand for 142116 Travel Agency Manager across skilled visas, there was a strong growth in demand since 2010. Between September 2010 and September 2016 there was a 214% increase in the demand for skilled migration under the Travel Agency Manager role. This access to skilled overseas talent pools would promote a short and medium-term solution to the high vacancy rate as the sector continues to promote internal development opportunities.

Skills shortages undermine the capacity of businesses to provide essential and desirable services, negatively impacting on economic development and industry growth. At the same time, the demand for travel services is growing. Some of the major travel agency brands are planning significant expansion over the 2018/19 financial year to meet the growing consumer demand. The ability to meet the estimated growth, in addition to the natural attrition rate, and the changing consumer needs is dependent upon the capacity of the sector to find appropriately skilled staff. Further problems such as a lack of motivation among staff, ineffective problem solving, high turnover rates and negative impacts on the brand name may also come from having vacant management positions. This can cause a snowball effect on the willingness of employees taking on management positions and therefore the vacancy rate.

Whilst it is evidenced that travel agencies invest heavily in internal staff development and strongly advocate for promotion within, finding suitably skilled staff to promote for the extensive opportunities remains a challenge for these groups. It is anticipated that over 800 new roles will be in the Australian market within the next five years, ensuring appropriate management across the country is integral to ensure job creation and security within the industry.

QTIC acknowledges the importance of building a strong and sustainable domestic workforce and continues to work with the Department of Education, Training and Employment and the Department of Innovation, Tourism Industry Development and the Commonwealth Games to address current challenges and work towards a sustainable domestic workforce with the appropriate skills and experience to meet future demands, however, in the interim there are opportunities to leverage skilled international workers as a short to medium term alternative to supplement current and short term demands and to assist in training the future workforce.

### ***141211 Caravan Park and Camping Ground Manager***

Whilst it is acknowledged that there is not a current shortage of Caravan Park and Camping Ground Managers, the changing nature of the industry is seeing the demands of the managers changing. With more resort style properties and corporate ownerships, there are greater requirements being placed on these managers. As such, local recruitment is becoming more of a challenge, particularly in regional and remote Queensland/Australia. As we see a drive for more sophisticated product and higher quality across this sector it is likely that we will also see a greater challenge in recruiting suitable managers for this position. At this time QTIC

recommends that Caravan Park and Camping Ground Managers continue to be left off the STSOL in this round, but are reassessed in the next round.

## **RECOMMENDATIONS**

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- Reintroduce 142116 Travel Agency Manager to the skilled list to relieve skills gaps across the sector.
- Create greater transparency in the methodology for determining which occupations remain and which are removed or downgraded.

## **FURTHER ENQUIRIES**

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QTIC welcomes the opportunity for further discussion regarding the points raised in this submission. For all enquiries, please contact QTIC Policy Team on (07) 3236 1445 or email [policy@qtic.com.au](mailto:policy@qtic.com.au).