



FROM CLASSROOMS TO CAREERS

16th June 2021

The Hon Martin Ferguson AM MP (Former Tourism Minister)
Head of the Expert Team,
Reimagining the Visitor Economy Project
Canberra, ACT

Dear Martin,

Report on our recent industry research

Firstly please allow me to reintroduce myself.

I'm Rick Myatt, CEO of the Australian Travel Careers Council (ATCC). I have had the pleasure of knowing you through the late Bill Galvin who was my family friend and a mentor. I was also awarded with the Travel Industry Training Legend Award by you in 2009 which was one of my cherished achievements (photo attached).

The Australian Travel Careers Council (ATCC) is an organisation which encourages and supports careers in the travel industry. The ATCC is represented by several key industry employers, including, Qantas, Avis Group, PHT travel network, Council of Tour Operators Association (CATO), Travel Industry Mentoring Enterprise (TIME), UTS Business School, etc. ATCC oversees the **Travel Trainee Scheme** and the **Travel Ambassador Program** as well as involving on both NSW and National Industry Reference Committees overseeing the National Training Package (Curriculum) for Travel, Tourism and Hospitality (SIT)

Through our recent research over a large number of industry players and a selected number of schools/RTOs, (over 500 businesses) we arrive at the following list of key issues as **the reasons related to lack of interest in travel & tourism careers by students.**



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Here are issues or concerns accumulated from this research that are similar to some of the points mentioned in the report and some others which might of interest to you.

ATCC is well-positioned to tackle these issues, but our efforts can be more effective with your kind support and collaboration in dealing with these matters.

- 1. Lack of market visibility of travel & tourism careers:** Before fixing this, the industry itself must improve its recent negative image regarding refunds and cancellations to ensure that the dealings with consumers are fair and equitable upon both parties going forward. Unfortunately, border restrictions have been and it is still extremely hard upon the travel sector as our industry businesses are going through an unprecedented hardship. Despite that, great efforts were shown by many of the travel providers to recover customer refunds from their suppliers. This fact was obscured by a few cases of mishaps which were publicized in the mainstream media about how consumers were left high and dry and were forced to comply with the terms & conditions of their travel agents that were set up before pandemic situation and as such public felt cheated. Financial hardship due to not receiving refunds for the cancellations (although it was not the agents fault) has caused a negative image about our travel agents nationally. This negative sentiment has unfortunately driven many career seekers or their parents/guardians to form a wrong opinion about our industry.

Recommendation: We must expediently fix this through strategically targeted publicity about many success stories on how travel agents have assisted consumers to receive their refunds without any pay for their time. Equally important for our industry players are to review and to "rejuvenate" their industry Code of Conduct to ensure it serves today's consumers fairly and effectively. As it stands currently, COD appears to be one-sided and arguably biased against consumers.

- 2. Insufficient demand for new (inexperienced) staff**

This has been a pattern for many years as there are only limited opportunities available in our industry due to the small size of businesses. An average travel agent employs 3.5 FTE prior to pandemic and this has been further

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declined over the pandemic period. The priority now is to stabilize the businesses as soon as the international borders are fully re-opened or more Green Lanes are added to the NZ Bubble. Then the next priority will be to reengage (as appropriate) displaced employees with experience if their skills aligned well with the industry's future needs. Only then, a concerted effort may be made to engage Trainees or employ new breeds into the system. It was discovered that those students who have had chances to do their work placements/ internships during their school years tend to join the company smoothly and last longer in the industry as they know what to expect.

Recommendation: Travel businesses should be encouraged to consider increasing work placement/internship opportunities for students before their graduation. This way, both parties get an opportunity to "taste" each other's expectations and determine if they are the right fit for each other.

3. Travel & tourism industry not perceived as a serious career option by students and their parents

Our industry has not done effectively in influencing career advisors at educational institutions and/or promoting travel/tourism industry success stories directly to the public at large and high lighting about various roles and opportunities existing in the sector, such as. travel counseling, travel designing, tour wholesaling, tour guiding, tour escorting, etc. As a result, most students only know about a few generally well-known positions. Ignorance of the opportunities in existence is one of the key factors for students/parents not considering the travel & tourism sector as a good career path. Recent retrenchments caused by Corvid-19 have also exaggerated this concern. Until the industry resettles after the border restrictions are lifted, there is not going to be many opportunities available particularly in our travel sector, or rather, there is no room for Traineeship students in our travel sector at this stage except perhaps Flight Centre which can rotate Trainees within their organization.

Recommendation: Despite all the above challenges, it is not going to be superfluous for travel businesses to start " painting a brighter picture" by promoting a positive future targeting the new breeds to build their confidence rather than continuously morning on the obvious negativity as our collective concern at this point must be



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about how prepared will we be in terms of workforce and skills are concerned when the "doors" are finally opened.

4. Comparatively lower pay rates with longer working hours.

This has been the case traditionally. It was no obvious previously because the lack of pay levels was (somewhat) compensated by higher commissions, product based bonuses and numerous other opportunities such as, travel frequently to many countries on familiarization trips. All of these incentives have now declined or eradicated so the opportunity to earn extra income has become very limited over years despite the workload has increased as most travel agents' services are only utilized by consumers for booking complex travel itineraries. This situation will pose a serious concern to our sector when the world reopens as there could be an intense competition among tourism-oriented countries all scrambling for skilled workforce to increase their share of visitors from key source countries expediently and for that reason, labor & skills in this sector will post a monumental challenge for all of us.

Recommendation: While there is no immediate solution to this issue as things can get worsened in that regard due to an increased digitalization in shorter term, a commonsense approach would be to have industry-wide research carried out by a reputable third-party organization to highlight salary disparities transparently and find ways among the industry players to address this matter collaboratively.

5. Lack of ongoing training opportunities (apart from product-oriented training) during the employment

A provision of an ongoing training opportunity to employees are rare (if at all) once employed (apart from the product-oriented training) and this is not due to reluctance or cost issue but more of lack of time issue to release anyone from the day-to-day operations due to a low number of FTE which necessitates a hands-on approach by all in the team, including, in most cases, the owners.

Recommendation: Increase industry education on HR management skills, cyber security skills through the Industry/Government joint initiative to promote continuous training of the existing business owners and managers. Industry workforce development programs such as Workforce Futures in 2013-14 would be effective

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and appropriate at this time especially as the pandemic has changed several ground rules in all areas of the business. These initiatives will refine our critical skills needs and better align them to the new suite of post pandemic skills.

6. Generational issue

Gen Z natives generally lack patience and tolerance when they are positioned at frontline activities. However, as they are better motivated by fairer business principles than a monetary incentive, by having a sound operational policy (Code of Ethics) will encourage Gen Z to perform better than others. Being energetic and emotionally driven, Gen Z s workforce can produce a stronger value return for the investment than others if tackled tactfully. Given the change of demographic in travel cohorts and the growth of multi-generational travel interest, having the Gen Z workforce segment in any organization can only improve an overall service on offer.

Recommendation: Include Gen Z personnel as a part of the team to develop ideas on how best to attract and retain the Gen Z team. (Case example, ATCC consciously engage Gen Z employees from the industry (on loan) to accompany our travel careers influencing team to visit schools in the metro and regional areas of NSW and allow them to promote directly to the students on the "cool" & "uncool" aspects of our industry. This action minimizes a general gap between the two parties so that the message that is given can better resonate with students of similar ages to the Gen Z career promoter.

7. An exceptionally low or no work opportunity exists for international students or WH visa holders from non-native English speaking countries in the outbound travel sector in Australia.

This is due to the nature of our outbound travel businesses where each sale can be from \$500 to \$30,000 depending upon the luck of the day. In regions, that may be the only sale opportunity one will see for the next 10 days. To close sales, one has to have a sound knowledge of destinations, customer empathy, and excellent communication skills (A good command of English). An international student will find it difficult to fit into this role and understandably his/her employer will not take a risk of losing sales which might well be a rare opportunity for the business.

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There are some odd cases where IT students from overseas are employed for programming company web pages or social media contents online. It seems that if they are not engaged in the sales frontline, there might be a small possibility. In the direct sales area, let alone being employed, it is not even easy for an international student to work as an intern in the business. However, in the case of an inbound sector, this is the opposite as international students or WH makers can be easily accepted into tour guiding, tour coordination, translations web/social media content writer, etc. Their language and cultural knowledge is an asset to us. However, the challenge there is that there is not enough time to recuperate a return of the training investment. Once trained, companies look forward to receiving that financial investment returned by at least a year of work. However, that has been a stumbling block due to visa limitations particularly for travel companies as continuity & longevity are values that consumers respect most..

Recommendation: Even as a temporary measure, say for 2 years from the removal of the border's restrictions, allow the Student Visa holders a chance to work longer hours and relax the rules re: WH visa holders by “conditionally” extending their visas so that they can remain longer in this country if they meet the criteria. This will be a relatively cost-effective measure to accommodate and monitor which will, in turn, allow us to be better prepared for to deal with an influx of tourists from key source countries. This policy could be structured with a strict criteria that only if those who are employed (with evidence from employers) at the point of applying for an extension to stay or perhaps an application to be made by their employers for a short-term extension of their visas. I am sure both the industry and the governments appreciate the downside risk for not adequately "stocking-up" our workforce can hinder our growth prospect, so it is only sensible to look into the possibility of adjusting the current policy to accommodate this initiative (even if it is applied only temporarily and review it again when things are relatively back to normal)

I would also like to inform you of a number of new tourism products and initiatives that have become available recently which are now seeking for staff as we slowly moving along at a recovery phase.

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- a) River cruising industry has increased several shallow draft vessels for luxury/health and wellness market and this is exceeding expectations in popularity
- b) A number of major cruise companies, including Carnival Cruises, Viking Cruises, Celebrity Cruises, have all planned to position their small – mid size vessels in Australia for coastal water and single port turn around cruising packages. They aim to start the process from September this year. Caledonian Sky which has only started selling for coastal cruising along the Eastern seaboard over a month ago is now fully booked. This will be followed by Celebrity Eclipse in October and more to come.
- c) Caravan park operators are now finding it hard to secure a reliable workforce as the demand for camping grows.
- d) Hot Balloon and kayak operators in Mid Qld and Northern NSW are also requiring more staff to cater for the demand
- e) Hospitality staff are in high demand for many locations both in regions and in major cities, we were informed of the critical shortage of both skills & labour (and general interest) at the industry forum in Ballina earlier this month.
- f) More scuba divers are needed for tropical North QLD.
- g) It is expected that there will be a major demand for air crew and cabin attendants as soon as either more Green lanes are opened or the international borders restriction is lifted. Virgin Australia is already well into its recruitment campaign
- h) The new role has formed by combining tour guiding and environmental knowledge known as “Story Tellers” which have been piloting in QLD but now this has spread to other States and is quite popular with multi generational travellers.

If I can elaborate any part of this letter please do not hesitate to contact me on rhnyatt@travelcareerscouncil.com.au or call me on 0407 410 839

Best regards,
Australian Travel Careers Council


Rick Myatt FAICD FAIM
Chief Executive Officer

Cc: Ian Carew Reid, Chair, ATCC