

# STUDY: AUSTRALIAN TOURISM FACES PROBLEMS



Australia's tourism industry is out of money, out of rooms and having trouble finding and keeping workers. This makes competing with their Asian competition extremely difficult. This is the latest news, based on a national tourism study done by the Tourism and Transport Forum in Australia.

Even as a record number of tourists come to Australia, the tourism industry has a serious shortage of workers with the proper skills and experience. To make matters worse investors are getting little or no support in financing from Australian banks. In some cities, such as Brisbane, there is a shortage of rooms and the situation has existed too long already.

Queensland government records show that nearly three million travelers entered Australia via Queensland airports in the month of July. One problem is that almost sixty percent of tourism establishments claim the increased taxes and fees for international visitors are keeping additional business from coming to Australian shores. **The \$55 charge for non-Australian citizen movement has been specifically mentioned as a key problem.**

The high value of the Australian dollar is the second highest area of complaint, but Chinese tourists seem to be unaffected by currency rates that affect travelers from other countries. This is due to the pegged rate of the Chinese yuan that provides more money to Chinese travelers.

The tourism industry also states there are almost 36,000 vacancies in Australia, covering almost every imaginable type of position. Shortages exist in both unskilled and skilled positions. Wages are not favorable for the attraction of new workers when compared to pay available in the industrial and mining sector. This is probably why staff shortages, as well as room shortages are most critical in geographical areas with mining underway.

The Forum CEO Mr. John Lee states the problem of a financing shortage has increased markedly in the last six months. This has held investors back from investment for new rooms and refurbishment of older accommodations. Of great concern is the fact that all these problems are worsening, with no improvement in sight. Bookings are declining in some areas which put pressure on hiring and wages.

**The Tourism Forum states that all these factors have reduced the favorable competitiveness of Australia as a preferred tourist destination.** In areas where tourism is a major source of revenue these problems are especially worrisome. These are also the areas having the hardest time competing with Asian tourism gains.

Overall, the Tourism Forum expects results for tourism will be below average for the year. This is going to be the case despite slight gains in some areas, as much as ten percent, for domestic visitors, with international visits only up in the same areas by four percent. One bit of good news is that traveling is becoming more popular among Australians who are rediscovering their own country. There have been nine continuous months of growth in domestic tourism visits.

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