

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.

Food and beverage workers are the creators of memorable customer experiences in public social spaces, or providers of sustenance for people in aged care, childcare, and hospitals; students in the education sector; and workers in the resources sector.

What has happened and where is the sector now?

The sector's current challenges

The continuing hard border closures in Western Australia has caused the lack of backpackers, international students, and interstate workers during 2021 which has resulted in dramatic staff shortages in the hospitality sector. Data received from the Australian Hotel Association AHA(WA) member survey of 21 October 2021 advised that there were 12,814 total staff shortages in the hospitality Services Industry.¹

Shortages by Position

Position	Shortages
Qualified Chefs	1864
Experienced Cooks	1196
General Kitchen Staff	1464
Food and Beverage	6023
Supervisors/Managers	1324
Housekeepers/Gardeners	1168
Others/All rounders	775

Shortages by Location

Region	Shortages
Perth metropolitan region	9857
South West	2553
Coral Coast	348
Golden Outback	627
Northwest	429

In October 2021, Wes Lambert the CEO of Restaurant and Caterers Association advised that the workforce shortage in hospitality in Western Australia remains the worst in the country.

The Chamber of Commerce and Industry WA, (CCIWA) shared from their most recent released business confidence survey.²

- 85% of hospitality businesses cited skilled labour shortages as a barrier to growing their business over the coming year
- Long term business confidence outlook has dropped to lowest levels since September 2020
- Driving that, is the struggle to find staff and increased costs that comes from that
- The top three occupations in demand in the hospitality industry are Chefs, Floor Staff, Managers

Seek reported that Western Australia has 61.0% more job advertisements now than two years ago. During the month of October 2021, Seek posted the highest number of job advertisements in a month in their 23-year history.³

Industry Reputation

Constant bad press about the current state of the Hospitality industry has had a negative impact on recruiting staff to fill roles. Reports of exhausted chefs and restaurants closing down is making it more difficult to attract staff to the hospitality industry.

Clubs

Due to the lack of available paid staff, volunteers at sporting and social clubs are filling in gaps and suffering from volunteer burnout. Clubs WA have been providing assistance for recruiting new volunteers and general club operations through their Kickstarter Recovery Program.

Functions and events staff are suffering from mental health issues due to industry pressure. Potential employees are often reluctant to work in this industry because of rescheduling and job insecurity (due to potential lock downs).

Mandatory vaccination policy

On the 20th of October 2021, The State Government introduced a mandatory vaccination policy for workers in restaurants, pubs, bars, and cafes. The first dose had to be administered by 31 December, and the workers must be fully vaccinated by 31 January 2022.

Other issues

There are competing pressures for employment from mining and resources sectors. Mental health and OH & S issues are concerns for the hospitality industry with unprecedented demand pressures.

Where to from here?

Emerging Industry Developments

Regional Challenges

Tourism WA (TWA) Launched in June, the *'Wander out Yonder'* campaign which followed most regional travel restrictions being lifted on Friday, May 29. This intrastate campaign targeted residents from all over WA, the campaign aimed to inspire locals to take a different type of holiday, by exploring locations they had never been and embarking on experiences they had never had. ⁴

The Regional chambers of Commerce and Industry WA (RCCIWA) reported that the *'Wander Out Yonder'* campaign had been highly successful for the regions. However, the unprecedented demand caused restaurants to restrict trading hours and orders taking a long time to prepare and serve all due to the lack of staff.

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 addition to accommodation 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.

The uptake of people undertaking TAFE courses to upskill has been high, however in regional areas the TAFE's have had difficulty sourcing lecturers to run the courses.

The RCCIWA is concerned about the mental health issues of business owners in the regions due to the stress of staffing issues. Many thought that if they survived the Christmas season of 2020 there would be a reprieve, however their members report that there has been just as much stress in 2021.⁵

The State Government's introduction of mandatory vaccinations for workers in the hospitality industry, has resulted in workers in the Margaret River region leaving jobs in the Hospitality industry and gaining employment in the fruit picking/farming industry, thereby creating job vacancies in hospitality venues.

The *'Ctrl your summer job'* campaign was launched online in early November, ahead of the peak summer tourism season in the Busselton-Margaret River region. It was geared at encouraging South-West teenagers aged 14 to 17 years to take up summer jobs in the region. The campaign aimed to make it easy for junior job seekers to register their interest in employment opportunities by eliminating the need for a traditional resume using an online form to apply for jobs.

Fast Food/Take Away Industry

Many bricks and mortar restaurants and cafes relied on delivery food services during lockdowns in 2020 and early 2021, to survive. These services have continued to be extremely popular with the public and they have experienced continued growth. Uber Eats accounts for around 50 per cent of the food delivery business, Menulog 25% and the remaining 25% from other services such as DoorDash and others.⁶

This increase in use of these platforms has been a missed blessing for hospitality businesses. Some venues are happy with the increase in sales due to the platforms, however as the services charge approximately 20 - 30 per cent plus GST of each transaction, it can mean that business are losing

income in comparison to customers dining in person at the venues or collecting their own take away.

Shortages of 'drivers' for the delivery platforms has resulted in some companies not having enough drivers to fulfil orders they accept. This results in dissatisfaction from consumers, resulting in irate calls and negative online reviews about food not coming or arriving cold. Consumers find it it's easier to vent at a restaurant than an app, adding to the stress of restaurant staff.⁷

Uber Eats (and other food delivery services) are attempting to reduce costs further through the use of "dark kitchens" or "Cloud Kitchens", which are set up by restaurants in locations with less expensive rent costs and only focus on delivery. Uber recently announced it would stop providing the real-estate for these kitchens, however Deliveroo are expanding their facilities. The Kitchen hub restaurants using the space pay a commission on the food orders rather than rent. Many chain restaurants are starting to use them.^{8,9}

Price Increases

Some businesses have already introduced price hikes due to the rising costs of goods, combined with businesses struggling to find staff because of ongoing border issues. Industry predicts this will get worse and more widespread soon. Restaurant and Catering Industry Association chief executive Wes Lambert said people could expect to pay up to 20 per cent more than what they have in the past. For some of the positions, the wages are about 15 per cent higher than usual. Many hospitality business feel that it is a workers' market at the moment. Employees are coming to employers and are dictating their terms rather than the other way around.¹⁰

The CCIWA reported that:

- Just under half (46%) of business are boosting their existing employees base wage
- The majority of WA businesses are upskilling their employees and investing in training new employees, when time permits.
- 16% of businesses are providing sign-on bonuses or other incentives to new employees.¹¹

Supply Chain Issues

The Omicron Covid 19 variant has resulted in a shortage of logistic workers in the Eastern Sates due to isolation requirements. This has had the flow on effect of some raw material shortages in Western Australian hospitality business, such as chicken.

COVID 19 regulations

The introduction of the Service WA app (checking ID and vaccination status) and the compulsory wearing of masks indoors has resulted in hospitality businesses needing to train their staff to carry out these extra duties: the manning café/restaurant doors, requesting customers put on their masks, and asking patrons to show their vaccination certificates.

Employment initiatives and Industrial Relations updates

International Workers

The Department of Primary Industries Workforce and Business Capability reported that flights are being arranged from Tonga and other Pacific nations and seats on these flights are being offered to Hospitality workers however there has been a low uptake and the flights have not been at capacity. This is due to the costs that are incurred for the business owners. For example, the cost for one worker for their compulsory quarantine is \$2,500. The federal government is investigating the possibility of less expensive quarantine measures. 151 Pacific Islanders have entered WA (8.5% of the total) to work in the Hospitality sector. There are flights from Vanuatu and Samoa scheduled in the first quarter of 2022.¹²

Skills Training Programs

FutureNow Career Pathways Project

A suite of occupational and pathway guides and a website (<https://www.thecareers.guide/>) were produced by FutureNow to present career pathways information to prospective learners interested in employment in the hospitality field. These were co-developed by Tourism WA and FutureNow and were used during the Skills West expo in August 2021.

FutureNow and TWA have also collaborated on a career promotion program through the appointment of a Hospitality, Tourism and Events Career Advisor. This will involve visits to a number of High schools to promote careers in these industries.

FutureNow and TWA are working with Hospitality Group Training (HGT) to deliver a Chef Ambassador Program – young chefs visit high schools and present to students who are currently studying hospitality courses to help inspire them into undertaking a career as a chef.

The overarching aim of the three projects is to impact the decision makers in a young person's life to consider occupations in this sector.

Department of Training and Workforce Development

The Department of Training and Workforce Development (DTWD) are currently working with the Education department to appoint 70 Career Practitioners in 2022 and are working on a year 9 Career Taster program in an effort to assist students with career choices earlier in their school journey.

Skill Sets

As a means of removing barriers from undertaking training, free skill set courses were designed to deliver fast track training for jobs that do not need a full qualification, to get young people ready for their first job, or re-skill quickly for jobs that are in demand. The skills sets were also designed to offer a pathway to further study. The following courses were offered free or 50% off the fees during 2021:

Free Skill Set Courses	Half Price Courses
Hospitality Service Skill Set Work in Hospitality Skill Set Commercial Kitchen Skill Set Customer Service Skill Set Infection Control Skill Set	Certificate II in Kitchen Operations Certificate III in Commercial Cookery Certificate IV in Commercial Cookery Certificate III in Hospitality

Tourism Western Australia

Tourism Western Australia (TWA) created Hospitality Job Connect programs from May 2021 – December 2021. A nationally accredited course providing participants with the basic skills and competencies to confidently secure a job in the hospitality industry. The short (5 day) programs were run in regional areas (Kununurra, Geraldton, Broome, Margaret River, Albany, Peel), drawing from local people (reducing accommodation impacts), through regional TAFES. The courses provided, customer services training, barista skills and safe food handling techniques, CV writing support and introductions to employers looking for workers in the area. TWA reported that 70% of participants in the courses achieved a work placement following the course.

TWA also designed the International Student Job Connect program designed to help address the current shortage of workers in the tourism industry by connecting prospective employers with international students who are living locally, and currently looking for work. The speed dating style event put an employer in front of a group of students looking for work to talk about their business and the type of employees they were looking for, with the aim of making successful connections between employers and workers. The first International Student Job Connect was held in December 2020 and second in early 2021.¹³

Department of Justice

The Department of Justice have identified that ex-offenders are an untapped group of potential employees. Many undertake Hospitality training whilst incarcerated and work with mentors (particularly at Crown Perth) to gain employment within the sector following their release.

Commonwealth Initiatives

Late November, the Department of Education, Skills and Employment (Federal Government) held a free National Tourism and Hospitality Virtual Jobs Fair, where job seekers, employers and employment service providers were able to chat and discuss the jobs on offer in the hospitality and tourism industries right across Australia. The event was designed to support the Tourism and Hospitality sectors to re-engage displaced workers.¹⁴

Adjustment to minimum wage and Superannuation

In mid-2021, the Fair Work Commission (FWC) announced an annual wage review included an increase to the national minimum wage and Modern Award minimum wages by 2.5 per cent.

Under recent changes to the Superannuation Guarantee (Administration) Act (1992), an employee's superannuation fund will now be 'stapled' to them. The concept of superannuation stapling is that the super arrangement is attached to the individual and therefore when they change employment, their superannuation arrangements go with them.¹⁵

National SIT Training Package

In November, draft 2 of the Tourism, Travel, Hospitality and Events, Training Package was released for stakeholder review. Key skill areas that were considered included business acumen, communication, data analytics and online and social media, as the hospitality sector has evolved significantly in line with technology trends (both at a consumer and business-operational level). It is anticipated that this will be endorsed by early 2022.

State Priority Occupation List (SPOL) for 2021

The SPOL has recognised the critical skills shortage in the following occupations. It is used to inform and guide workforce planning and development for Western Australia. It is a list of occupations rated according to their priority status for WA; it informs the WA State training plan, which guides the allocation of subsidised training programs into areas of prioritised need. It also informs WA workforce development planning and the Western Australian skilled migration occupation list (WASMOL).

Occupation	State Priority 1	State Priority 3
Cafe and Restaurant Managers	✓	
Bakers and Pastrycooks	✓	
Chefs	✓	
Cooks	✓	
Waiters		✓

FutureNow is currently undertaking work on The WA Jobs, Education and Training (WAJET) Industry Advice Reports and this will inform the 2022 State Priority Occupation List (SPOL) for 2022.

Please get in touch with FutureNow

FutureNow is continually seeking broad input from stakeholders and representatives in the Western Australian accommodation sector. If you would be interested in providing your perspective on this snapshot or related workforce matters for your sector, our Creative Industries Industry Manager would love to hear from you:

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