

Food and Beverage

The food and beverage sector has seen strong economic growth in the second half of 2020, but faces an uncertain future due to a severe labour and skills shortage.

What has happened and where is the sector now?

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

The sector makes a significant contribution to the Western Australian economy as the largest individual workforce in Western Australia's tourism industry, working not only within fine dining restaurants, cafes, casual restaurants, patisseries, pubs, bars, clubs, or catering businesses, but also in hotels, tourist attractions, passenger transport (airlines, cruise ships, etc) and event venues. In 2018-19, the sector employed 24,500 people in Western Australia's tourism industry and contributed \$909 million to the state's Gross Value Added (GVA).

This sector has been one of the most extensively disrupted industries in 2020, as Government responses to the COVID-19 pandemic effectively shut the sector down between March and June, resulting in an abrupt stand down or dismissal of tens of thousands of workers in WA.

The food and beverage sector has supported WA's economic recovery

There has been a surge in consumer demand particularly in the traditional hospitality sector, due to a desire to socialise and an unprecedented increase in West Australians travelling within the state. WA cafes, restaurants and catering services reported \$309.6 million in turnover in August 2020, increasing 4.3 per cent on August 2019.

In addition, food and beverage services within care facilities (hospitals, childcare, and aged care homes) and mine sites continued operating throughout government restrictions, albeit with heightened hygiene requirements. This provided employment opportunities for unemployed food and beverage workers.

The sector's current challenges

Operators have welcomed the positive consumer response, although a new challenge has emerged in the second half of 2020, where numbers of available workers in Western Australia are significantly less than the sector requires. This ensuing labour shortage is placing pressure on sustainable operations and future growth.

The industry shut-down, followed by border closures and government wage subsidies reduced the availability of experienced food and beverage workers in Western Australia. These measures profoundly affected the key hospitality employee groups of international and casual workers, who are unlikely to become available again in the short term to meet current industry needs.

The casual workforce

Many hospitality casuals did not meet requirements and were ineligible for JobKeeper. This emphasised the precariousness of casual work, with thousands of people losing their jobs and subsequently applying for the JobSeeker allowance. In turn, operators now report JobSeeker payments are deterring prospective workers from returning to the sector or applying for the many vacant food and beverage jobs across Western Australia.

The international workforce

Hospitality workers from overseas, ineligible for both JobKeeper and JobSeeker, were the first to lose their jobs, and have mostly departed Western Australia, leaving hundreds of vacancies unfilled.

Apprentices and Trainees

In line with historic levels of consumer demand for food and drinks, an absence of international workers, and a lack of locally skilled workers, operators are now seeking apprentice chefs at record levels. However, training providers are challenged by capacity constraints and attraction of new apprentices to meet demand.

Impacts on operators in regional Western Australia

The exceptional level of current consumer demand is widespread across Western Australia. Operators reportedly have forward bookings to April 2021, including in regions that are operating during their traditional off-peak season. These circumstances combined with the lack of international workers indicates an acute shortage of workers in regional food and beverage businesses to serve the record volume of customers. Operators have indicated that the lack of workers poses the greatest risk to the ongoing viability of their businesses.

Where to from here?

Emerging Industry Developments

Prospects and areas of opportunity

Sector growth

The sector expects continued growth due to ongoing consumer demand, which will peak during the summer holidays and festive season. Accommodation bookings across the state suggest a proportionate increase in visits to cafes, coffee shops, bars, pubs and restaurants. As interstate borders reopen, demand of the food and beverage sector will intensify, as travel to Western Australia increases for family reunions.

The resources, health and education sectors will support growth of the overall food and beverage sector through sustained operations, thus contributing to the requirement for chefs, servers and cleaners.

Hygiene and infection control

Minimising the spread of infections and protecting staff and customer health has become inherent for food or drinks venues. Rigorous cleaning and hygiene practices, and ongoing training for all staff will remain the norm.

Managing mandatory contact registers in Western Australian food and beverage venues for the purposes of COVID-19 contact tracing will have implications for staff training in relation to matters of customer privacy and secure record keeping as well as technological aspects if using QR codes.

The sector's projected areas of focus

Filling job vacancies and accommodating workers in regional centres

As indicated earlier, the food and beverage sector's decline in available workers while reporting elevated customer demand is a major challenge to ongoing sector viability.

Although many strategies and employee attraction tools have been tried, operators are reporting difficulties with filling positions, particularly in regional areas where a widespread absence of staff accommodation, taxing weather conditions and a lack of travel assistance create significant barriers for many prospective workers.

Operators in both metro and regional areas also warn that JobSeeker payments with the additional COVID-19 supplement, which can be equal to or more than a hospitality wage, is contributing to a shortage of applicants. Opening hours are minimised because businesses do not have sufficient staff to provide the necessary service.

Complying with Employment Law

Widely publicised incidents of long-term wage underpayment and non-compliance of labour laws in food and beverage have highlighted the complexity of employee wage structures in hospitality, as well as a lack of support for vulnerable workers. The WA Department of Mines, Industry Regulation and Safety report that more than 80 per cent of Perth cafes and restaurants, which were operating and employing staff, breached Western

Australia's wage and entitlement laws by underpaying staff in 2019-20.

This issue may make attracting workers to the sector challenging, particularly while JobSeeker payments are available. However, the attention this has received may lead to improved compliance and greater job security.

Adapted business models

As a strategy to reduce the costs of customer no-shows, restaurant operators are increasingly requesting that customers pre-pay, which has led to criticism from some customers. However, owners assert that customers should be aware of the importance of their booking to the operator's productivity and that their upfront commitment helps businesses avoid financial loss.

The changing landscape in hospitality is seeing growth in the phenomenon of 'dark kitchens' or restaurants with no onsite customer interactions for the purposes of food delivery services. Food and beverage business owners need enhanced business management and communication skills and must be cognisant of their responsibilities as well as implications for their brand reputation in the local community when partnering with dark kitchens or food delivery platforms.

What will future growth look like?

Workforce Drivers – Priority job roles in the Food and Beverage Industry

Chefs

Chefs remain one of the most crucial roles within a food and beverage operation. Smaller operators may require a single chef to work across all aspects of the food preparation function. In larger operations, brigades or teams of cooks or chefs perform specialist duties.

The chef occupation has undergone widely fluctuating changes in 2020. The COVID-19 pandemic caused venues to shut down and employers stood down or dismissed chefs. When it was possible, some chefs returned to work thanks to JobKeeper, but under altered conditions, offering take away or ready meals only. During this time, chefs that did not qualify for JobKeeper departed the State if they were on temporary visa, suspended their training contract if undertaking an apprenticeship, or applied for JobSeeker if an Australian resident.

Since lifting of restrictions, the rise in customer demand for food and beverage has created increased demand for chefs. The chef apprenticeship has gone from falling commencements in recent years to seeing record levels of interest from employers trying to address the lack of available workers in the immediate term.

While the sector supports the continuation of JobKeeper, sentiment is that the ongoing JobSeeker payment is delaying people applying for chef jobs and apprenticeships. The challenge now lies with promoting the chef apprenticeship – as a pathway to a stable, long term career – to prospective apprentices. Alternatively, industry would be supportive of a recruitment campaign of international chefs.

Hospitality 'All-rounders'

Front of house hospitality workers, such as bar staff, baristas, servers or waiters, cleaners or kitchen stewards and floor supervisors are vital to the smooth operation of a food and beverage venue.

Many of these roles offer casual employment, traditionally performed by temporary workers from overseas or locals doing a 'stopgap' job in hospitality, both largely absent in Western Australia presently. The diminished ability to employ such workers may impact a venue's viability to serve customers in a safe and hospitable way and may lead to reputational damage for the state when visitors from outside WA will return.

Workforce Drivers – Essential skills required to work in the Food and Beverage sector

The intensity of skills required in the food and beverage sector varies from business to business and according to job role. Food and beverage workers generally require high-level skills in customer service, advanced infection control and hygiene practices, as well as human resourcing, and management of mental health.

Technical skills (cookery)

Chefs need a wide range and high level of technical skills to perform their role to meet the wide variety of food and beverage offerings and to meet industry standards. As such, a complete qualification and experience is a minimum for a chef. Short courses addressing cookery are not an option for employers due to the need for chefs to gain holistic cookery skills.

Food handling and preparation

Although the complete skills of a chef are required in most food and beverage businesses, basic food preparation skills with an emphasis on hygiene, will enable a person to work in some venues, or may provide a pre-apprenticeship pathway to further cookery training for the role of a chef.

Infection control and hygiene

Hygiene and infection control skills have become critically important to continual operations in food and beverage. These skills have become the focus of training programs designed for the hospitality industry.

Customer service

A food and beverage operator's commercial success is based on customers having an enjoyable experience leading to return visits and positive word-of-mouth recommendations. The food and beverage workforce must be able to deliver a high standard of customer service.

The effects of COVID-19 have made customer service skills more important than ever before. Food and beverage venues are continually adjusting their service delivery, such as enforcing social distancing, modifying menu offerings. Redefined customer service in food and beverage venues requires workers to be able to manage customer expectations within the new service model.

Human resourcing

Staffing rosters in hospitality have changed with short notice across the year. Managing these evolving changes and the personal impact they may have had has elevated the importance of sophisticated human resources skills, including overseeing complex payroll functions, complying with employee entitlement regulations.

Self-care and mental health

Working in hospitality can be stressful and overwhelming; the working conditions can be challenging while high levels of personal interaction require workers to be engaging and professional. COVID-19 has elevated the importance of resilience, managing mental health and employee self-care skills for hospitality workers.

Soft skills of communication and empathy are essential for supervisors and managers in supporting mental wellbeing in the sector, and providing resources or tools to assist employees when necessary.

How will the Food and Beverage sector get there?

Employment initiatives and Industrial Relations updates

Details of economic and jobs stimulus measures introduced at all levels of government are as follows.

Commonwealth wage subsidies

- [JobKeeper 2.0](#)
- [JobSeeker 2.0](#)

Amendments to the Hospitality Industry (General) Award

- Flexibility in terms of classification of duties performed, hours of work, and annual leave, which expired on 27 September 2020 in line with the end of the Jobkeeper 1.0.
- Introduction of unpaid pandemic leave, to operate until 28 March 2021 in line with Jobkeeper 2.0.

Adjustment to minimum wage

The Fair Work Commission announced a 1.75 per cent increase to the minimum wage. The implementation date

for hospitality staff has been deferred to February 2021, a move supported by industry associations.

Filling regional job vacancies

Although the 'Work and Wander out Yonder' campaign has seen high levels of interest, some reports indicate this is not converting to applications or acceptance of job offers. The food and beverage sector would welcome relocation assistance similar to the 'Take up a Job' in the agriculture sector.

Skills and Training Options

Jobs and Skills Skills Ready - half price and fee-free courses⁴

In addition to individual training providers developing specific training courses to meet local industry needs, the following courses are included in the Lower fees local skills Package:

Free courses	Half price courses
Hospitality Service Skill Set	Certificate II in Kitchen Operations
Work in Hospitality Skill Set	Certificate III in Commercial Cookery
Commercial Kitchen Skill Set	Certificate III in Hospitality
Customer Service Skill Set	
Infection Control Skill Set	

Infection control and hygiene training for reopening

In addition to all businesses completing a COVID plan for return to the workplace, the AHA(WA) Hospitality and Tourism COVID-19 Hygiene course was mandatory for all staff working in hospitality venues in Western Australia.

Apprenticeship Support

- JobMaker Hiring Credit – Eligible employers will receive \$200 per week if they hire an eligible employee aged 16-29 years or \$100 per week if they hire an eligible employee aged 30-35 years.
- Boosting apprenticeships wage subsidy – From 5 October 2020 to 30 September 2021, businesses of any size can claim up to half of the wages of new apprentices or trainees who commence during this period.

We would like to hear from you

FutureNow is continually seeking input from stakeholders in the WA Food & Beverage sector. If you are interested in providing further information about the workforce in this sector, please get in touch with the Industry Manager:

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References

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3. Government of Western Australia; Department of Mines, Industry Regulation and Safety; Announcements; 2 November 2020 <https://www.commerce.wa.gov.au/announcements/wage-audit-finds-four-out-five-inspected-cafes-and-restaurants-not-complying-wa>
4. Jobs & Skills WA, Skills Ready Boost your skills for the future, Hospitality, Retail, Tourism and Events, <https://www.jobsandskills.wa.gov.au/hospitality-retail-tourism-and-events>