

Food and Beverage

Signs of recovery are evident in a sector that has experienced challenges in recent years.

Current Industry Environment

Western Australia's food and beverage offering is unique. The professionals that work in this industry provide unparalleled experiences for customers and are a crucial element in attracting visitors to our State.

Operators in Western Australia's food and drinks sector have been affected by evolving consumer trends over the past five years. Industry report that consumers are eating out at restaurants less frequently than five years ago, and diners are regularly making cost-conscious menu selections, where they are spending less on high-margin menu items such as beverages, entrees, and desserts.

Consumers are increasingly visiting cafes and coffee shops, often outside of traditional mealtimes, for example, at brunch, high tea or morning tea. This has led to a boost for jobs such as baristas, servers, cooks, chefs and pastry cooks in cafés and coffee shops.

Alcohol consumption is also steadily on the decline.¹ Public awareness of alcohol-related harm has increased, cost considerations have heightened, and the responsible service of alcohol (RSA) is widely enforced.

At the same time, consumer sophistication and knowledge of food and beverage is at an all-time high and there is an expectation for high-quality gourmet food or drinks, sustainable food options, and ethical practices across the entire 'farm to plate' or food and beverage preparation process.

As the consumer market has matured, there has been significant growth in distilleries, cideries, craft breweries, and wineries whose offering is based on also offer high-quality food options in family-friendly establishments, appealing to certain segments of the foodie culture, and giving rise to jobs that may not have existed several years ago.

Overall, the sophistication of our food and beverage sector is reflected in the increase of premium, world-class venues that operate across WA.

Wage Underpayment

The incidence of underpayment or noncompliance with Australian workplace laws in the hospitality industry has been highly publicised in 2019. During the 2018-19 financial year, the Fair Work Ombudsman (FWO) recovered more than \$40 million for 18,000 underpaid employees.²

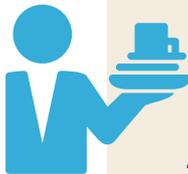
In June 2019, the FWO announced that the restaurant and café sector is one of the priority sectors in its compliance and enforcement work for 2019-20, urging employers to check they are paying their staff correctly.³

In September 2019, the Australian Government released a discussion paper '*Improving protections of employees' wages and entitlements: strengthening penalties for non-compliance*' to undertake a review of the industrial relations system and where issues that affect employers and employees might be occurring.⁴

The long-term effects on the restaurant workforce resulting from the FWO's investigations, as well as cases of self-reporting, is yet to be determined. Industry believes that the civil penalties associated with high profile cases will result in greater levels of compliance and guaranteed improvements in conditions for employees.

A snapshot of Hospitality - Food & Beverage

Restaurants and Cafés | Pubs, Bars, Taverns and Nightclubs | Clubs |
Catering Services | Casinos



33.3% of WA total tourism employment is in Hospitality*

workers employed in WA in 2017-18*:
20,300 in cafes, restaurants
4,100 in clubs, pubs, taverns, bars

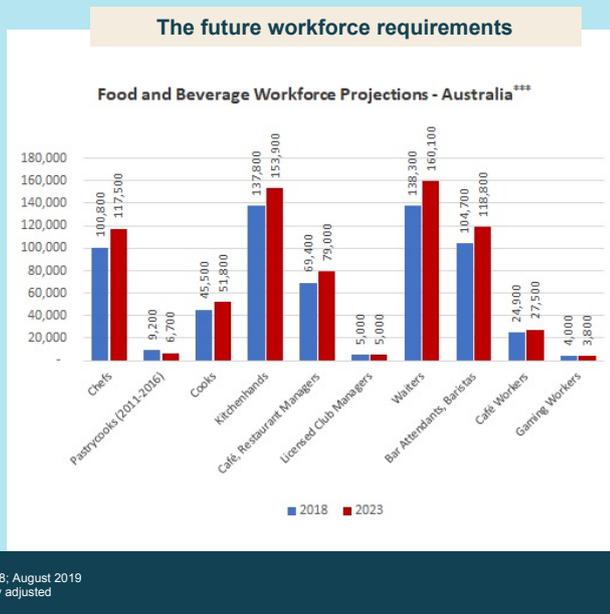
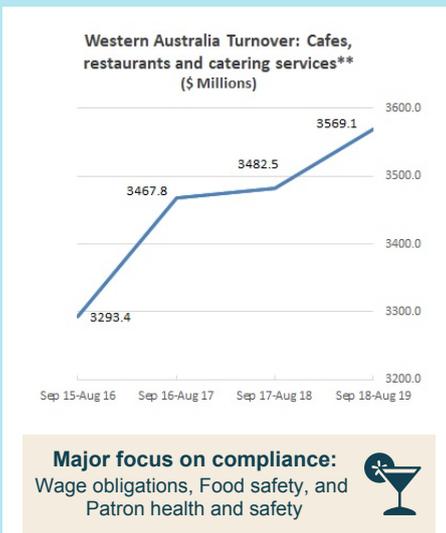
Diverse job roles
such as waiter, barista, chef, cook, sommelier, restaurant manager, club manager, and patissier

It is a significant economic contributor to WA's tourism GVA*

\$552m
by cafes and restaurants in 2017-18*



\$339m
by clubs, pubs, taverns, and bars in 2017-18*

References:
* Tourism WA; Economic Contribution of Tourism to Western Australia 2017-18; August 2019
**ABS; 8501.0 Retail Trade, Australia, State by Industry Subgroup, Seasonally adjusted
***Australian Government JobOutlook

Industry Developments and Prospects

Restaurants and Cafés

Changes in consumer spending, in combination with high operating costs and difficulties in negotiating rents, have resulted in restaurant closures in Perth in the past few years. However, turnover has improved and there are signs the industry is experiencing a recovery.

Operators, particularly in the full-service restaurant sector, have needed to innovate to maintain profitability. This has included reducing menu offerings and portion sizes. Some restaurants are exploring takeaway menus to support profit margins. These establishments are now increasingly competing with the mid-range restaurant market, although premium restaurants still generally differentiate themselves on service and ambience.⁵

Cafes are opening in tasting rooms and cellar doors as small-batch and craft drink venues continually explore food and drink matching. Collaborations between chefs and distillers or brewers are growing, which is creating innovative jobs for chefs.

Pubs, Bars, Taverns and Nightclubs

Several bars or nightclubs including Laneway Lounge, Clarendon Wine Bar, Peaky Bodega, Five Bar and Voyeur Bar have closed in 2019. In addition, The Subiaco Hotel and The Vic Hotel, both in Subiaco were put on the market in 2019, after the closure of Subiaco Oval resulted in a decline in customers.

It appears, however, that this segment is evolving. While the format of the traditional pub endures, there has been an accelerated growth in smaller, innovative brewers or distillers, often specialising in one type of drink. Many of these venues offer onsite tastings and operate cafes that prepare food to pair with the drink. According to jobs website Indeed, the number of bartender jobs in Australia increased 289 per cent over the past four years. In Western Australia, 57 breweries are listed on the Western Australian Brewers Association website.⁶

Patron and staff safety in bars and nightclubs

The treatment of women – including staff and patrons – in some bars and nightclubs in Perth has magnified the need for improved safety initiatives and equality in employment conditions for staff. Two nightclubs have been criticised for their responses to claims of harassment or discrimination in their venues.

A move that aims to improve the safety in WA's live music venues, involves the State Government funding community sector organisation, Safer Venues WA to work with venues, audiences, artists and the music industry to improve inclusivity and personal safety, develop resources to create awareness and provide valuable training and educational tools.⁷

Community sporting and social Clubs

Western Australia's community sporting and social clubs that have a hospitality offering are performing particularly well, where in some cases a club's commercial focus is shifting to more of a hospitality offering. Club members enjoy food and drinks that are cheaper than in restaurants and bars, and can bring the whole family, thanks to the focus in recent years on modifying offerings to cater for families. Many aging clubs have been refurbished and provisions now include disabled access, children's menus and dedicated play areas for children of different ages.

Themed members' events are popular as they combine socialising with entertainment and hospitality. These events are profitable for the clubs and are a boost for membership, as invited guests often apply for membership.

Migration in the hospitality industry

The hospitality industry is an active user of overseas workers as a highly suitable supply channel for a range of occupations. Changes in skilled migration pathways have negatively impacted the supply of workers into hospitality

roles. Employers report that current sponsorship obligations make it unviable to employ more than one overseas worker concurrently, although several roles within a single venue may require workers.

With respect to the Café or Restaurant Manager occupation, which is included on the Short-term Skilled Occupation List, there is a two-year limit to work in Australia. Without access to permanent residency, which continues to be a deterrent for many applicants.

Despite the occupation of Chef being included on the Medium to Long-term Strategic Skills List, it can be expensive and time consuming to nominate an overseas chef.

As of 16 November 2019, Perth will be reinstated as a regional area for the purposes of nominating international skilled workers and students to fill occupations facing shortages.

Current and Future opportunities

Community sporting and social Clubs

Clubs regularly employ young people in entry level positions, providing the opportunity to gain work experience in hospitality. In general, there is minimal staff turnover within clubs, possibly due to the community nature of the sector.

Skills gaps

The skills gaps in hospitality include managing and leading people, rostering staff, managing conflict, and in some instances processing payroll and managing budgets.

Skills gaps can be exacerbated in smaller operations, particularly in small cafes in regional areas where staffing numbers and overall support structure is smaller. In addition, operators in regional towns where only a few venues operate, can struggle to attract workers due to the lack of opportunity they are able to provide. There is a finite number of positions within the business and upskilling can be difficult. Training can be prohibitively costly to access in regional WA, and there is recognition that staff can only go so far in the town. In response, employers use various tactics to reward and retain staff. For example, the owners of Blanche Bar in Karratha aim to bring the whole team to Perth to attend the AHA Awards for Excellence.

Management positions

Pathways into management in food and beverage services are predominantly through experience gained over several years, across all levels of service and supervision. Training is largely provided informally on-the-job, varying from venue to venue.

Recruiting for a manager can be challenging. Many candidates are unsuitable because they do not have hospitality experience. Other applicants may have hospitality industry experience, but not at a managerial level. As result, positions are often filled through internal promotions of service staff into supervisory positions and then into managerial positions. This requires substantial support to meet the supervisory requirements of the job and expectations of the venue.

Progression from lower level hospitality positions into a management role is also impacted by the ongoing issues affecting the broader hospitality industry, including job casualisation and transience. Competition for staff from other venues help drive people to seek higher wages and improved working conditions. This may impact on workers being able to develop higher-level skills. Consequently, the professionalism of the industry is affected.

Chefs

The occupation of chef continues to face shortages and thus presents significant job opportunities. Issues in

relation to chefs is driven by three main factors; the breadth and diversity of WA's culinary sector, the enduring low completion rate of the Chef apprenticeship, and the range of establishments in WA requiring chefs, such as the health care, aged care and resources industries.

Chefs' skill requirements are dependent on the type of restaurant, café, club or pub, (or mine site or care facility). Within traditional hospitality, the menu offerings, type of cuisine, menu complexity, and service level varies substantially across venues and reflects the type of chef needed.

Recruitment of chefs is time consuming and costly given the importance of finding a chef with skills, experience and attitude that match the specialised needs of the venue. Recruiters are reportedly experiencing issues related to the suitability of applicants. Less than 5% of applicants are suitably qualified to be interviewed, and many do not pass the skills test. As a result, employers use word-of-mouth and direct 'head hunting' approaches instead of advertising chef positions online.

Skills and training strategies

Training for Front of house workers and management

Significant emphasis is placed on workers gaining industry experience. While there is extensive use of the Certificate III in Hospitality, there is no delivery of the Certificate III in Hospitality (Restaurant Front of House) and minimal use of Certificate IV in Hospitality the Diploma of Hospitality Management and Advanced Diploma of Hospitality Management. In particular, the Diploma of Hospitality Management is viewed to be lengthy, expensive and addresses elements that many hospitality managers do not require.

In certain circumstances, short courses are used for restaurant or café supervisors or managers to address specific skills. Industry feedback to FutureNow supports a desire for an increase in training related specifically to leadership, management of others, and the regulatory requirements of food and beverage operation and management.

Training for Chefs

The Certificate III in Commercial Cookery addresses technical culinary skills common across the culinary sector. It does not address the varied and specialised skills across the culinary spectrum, which are usually gained through experience in each kitchen. This reiterates the importance of apprenticeships across commercial cookery, Asian cookery and patisserie where specialised skills are learnt in the workplace. Multi-food and beverage operators are ideal venues to host apprenticeships, as apprentice chefs can be rotated between food and beverage sites, or between hotels within the same group. This provides the apprentice chef with new experiences, exposure to a wider variety of cuisines and cooking styles, and the opportunity to pursue a cooking style of their choice.

Resources for the Hospitality industry

The Fair Work Ombudsman has developed a suite of interactive tools for the hospitality sector to provide easy access to information included in the Hospitality Industry (General) Award 2010 and the Restaurant Industry Award 2010, about workplace rights and obligations including key entitlements of pay, hours worked, allowances, leave and termination.⁸

Course fee reductions

Priority qualifications addressing training in hospitality and cookery will have course fees reduced by half. From January 2020 to December 2021, the Department of Training and Workforce Development's Lower fees, local skills program will see students paying half the standard fee for Certificate III in Commercial Cookery, Certificate III in Hospitality, and Certificate III in Events.⁹

Training Product review

Consultation has commenced on proposed changes to Training Package Products related to cookery, catering and kitchen operations. The project is updating 10 qualifications to better reflect current and emerging skills needs.

SkillsIQ, have prepared a Case for Change to update training products relating to the responsible service of alcohol (RSA). This review will work toward establishing an RSA Unit of Competency that can be used across all jurisdictions to address the current differences in state and territory legislation and regulation regarding RSA.

Please get in touch

FutureNow is seeking regular input from stakeholders about workforce matters in the Western Australian Accommodation Industry. If you are interested in providing further information about the workforce in this sector, the Industry Manager would like to hear from you.

Contact: Tracey Farrow, Industry Manager – Hospitality and Cookery

Email: tfarrow@futurenow.org.au

Ph: 0497 799 990 or (08) 9285 8555

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