

FutureNow. The Hospitality Industry

FutureNow is an independent body that provides industry informed advice to influence skills development strategies across the creative and leisure sectors. Our work assists Western Australia to be prepared with the new order skills required by the evolving economy and our changing society.

The Hospitality Industry encompasses a broad group of workers that provide service to customers primarily in the Food & Beverage and Accommodation sectors. Workers in hospitality 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. Workers engaged in the accommodation sector provide services to visitors in hotels, serviced apartments, resorts and caravan parks, as well as for workers in the resources sector.

Where is the sector now?

Western Australia's hospitality industry recovered well in 2023, generating heightened demand for experienced workers. Industry report that due to the return of working holiday makers and international students, venues are receiving sufficient applicants for entry level positions however there is a strong demand for management level employees and these roles are difficult to fill. Several large hospitality venues have opened in 2023 with more scheduled for opening in 2024. All these venues require experienced supervisors and managers and industry reports that there are insufficient applicants with the required experience and skills to fill these roles. The hospitality market in Western Australia is highly competitive and businesses must maintain a high standard of customer service in addition to monitoring the costs of running a business where profit margins are slim considering the current higher labour and material costs.

Hotels

A combination of pent-up demand for travel and high prices has allowed hoteliers to register a healthy recovery in revenue and profitability. International tourism has started to rebound from the pandemic. Occupancy rates at hotels and resorts are recovering as international travellers return to Australia. Luxury tourism's burgeoning popularity has created investments in new hotels. As these hotels open, a larger share of the industry will focus on the luxury market, which will require well-trained and highly skilled staff. Tourism WA has conducted a feasibility study as a first step towards the possibility of attracting a world class tourism and hospitality management school to operate in WA to support the growth in the industry. This strategy aims to emulate Europe, Asia and the US where employees in the hotel industry are very well trained and highly respected.

Housekeeping

There is currently a shortage of commercial housekeepers (room attendants) in Western Australia and the planned opening of more hotels throughout the state in the next five years is expected to drive further demand. Most housekeeping services in Western Australian hotel/motel properties are outsourced to dedicated housekeeping agencies. The biggest issue facing these companies is the recruitment and retention of staff. Hotels that conduct their housekeeping services inhouse are finding that room attendants are the hardest (and largest) roles to fill. Housekeeping staff are also in demand at mine sites. Industry reports that there is a shortage of candidates expressing interest in employment as room attendants primarily due to the demanding physical nature of the job. Due to the low skill level required as a room

attendant, hotels and housekeeping agencies often recruit international students, backpackers, people with limited or no experience and underrepresented groups. Currently, 84% of commercial housekeepers are female. There is an opportunity to promote this occupation to the male population to increase the number of applicants and increase the gender balance in the occupation¹.

Emerging Industry Developments

Delivery Orders

A survey of Australian hospitality owners and customers has revealed that take away and delivery orders are increasing in popularity with young people (16-24yrs) spending the highest percentage of their monthly salary on takeaway and delivery².

Sustainable initiatives

Sustainable food sourcing was the most popular food trend with diners in 2023 (100% of operators are implementing at least one environmentally friendly initiative in their food and beverage business) followed by alcohol free beverages².

Cost of Living Crisis

Operators report that menu prices have increased by one-third as operators battle inflation. Venues have also had to change menu items, reduce staff hours and renegotiate with suppliers to combat rising prices².

Workforce Challenges

Commercial Cookery

There has been a serious shortage of chefs in Western Australia for many years. Attraction and retention remain issues for this occupation. Industry report that there is a shortage of candidates expressing interest in employment within the hospitality sector in general and in kitchens in particular. Data from Tourism WA has identified that chefs and cooks continue to be the most in demand hospitality jobs.

There has been an increase in the required number of chefs in the state as a result of several large venues opening post the West Australian border re-opening following COVID. More hospitality venues are planned to open over the next 5 years and it is expected that the demand for chefs will increase. In addition to these new hospitality venues, there will be increased demand for chefs in the mining sector, hospitals, school camp facilities and the aged care sector.

Due to the lack of trained chefs in the industry, some hospitality outlets are employing unqualified cooks instead of chefs and altering their menus to alleviate the need for the preparation of complicated dishes. Some venues are purchasing commercially available pre-prepared dishes that only require heating rather than preparation from scratch in the kitchen.

Workforce Solutions

Government and Industry Partnerships

The Federal Government has committed \$10 million funding for a hospitality and tourism industry digital careers hub. It connects mentors, training programs, jobs and employers³.

Launched in February 2024, Tourism WA developed a program as part of the federally funded (Austrade), "Choose Tourism" campaign. The campaign focuses on school leavers and young people living in WA (aged 18-25), First Nations Australians and cohorts underrepresented in the tourism and hospitality industry, to promote the value of working in the visitor economy⁴.

The Australian Hotels Association WA (AHA)WA in partnership with Tourism WA (TWA) and Regional Chamber of Commerce and Industry WA (RCCIWA) is running a series of Regional Workforce Development Programs of job ready hospitality skill workshops, combined with an employer connect event, in Albany, Exmouth, Broome, Bunbury, Margaret River, Geraldton, Kalgoorlie, and Esperance⁵.

TWA has also funded several courses for local governments in the metropolitan area and for some regional chamber of commerce associations. New hospitality training facilities have been built at the TAFE campuses in Broome, Kununurra, and Mandurah which will assist in attracting students to hospitality training.

TWA have funded a series of job-ready skills training courses for hospitality skills with StudyPerth for international students and working holiday makers to leverage the returning pool of workers in these markets. In addition, TWA are hosting a hospitality job fair for international students bringing together employers and students⁶.

Jobs Website

westernaustralia.jobs is the dedicated tourism and hospitality jobs, training and careers information portal developed in partnership between Tourism WA and the Australian Hotels Association WA. The free website connects jobs seekers and career seekers directly to industry employers and is the key call to action for Tourism Workforce Development Program initiatives. Since its launch in May 2022, the site has seen over 5,000 job seekers register and more than 2,400 job applications submitted⁷.

Regional Hospitality Workforce

Industry report that it is very challenging to attract suitably qualified and experienced hospitality workers to remote locations. Hospitality in regional locations in Western Australia is often a seasonal occupation and this creates an additional hurdle to attract staff as they are not guaranteed fulltime, year-round employment. Many hospitality businesses employ working holiday makers (WHMs). In December 2023 the Federal Government released its Migration Strategy⁸. Currently, hospitality businesses in remote areas benefit from a requirement of WHMs to undertake 88 days of eligible work in the regions to obtain a second year and six months of eligible work for a third year. There is a suggestion within the strategy of the removal of these requirements (making the WHM one year only without extensions) which could have negative consequences for hospitality industries relying on WHM's under the present arrangements. In May 2024 the UK Free Trade Agreement comes into force which will allow UK citizens a 3 year maximum WHM visa, with no eligibility criteria to work in the regions, many hospitality business in the regions fear this will affect their ability to attract staff.

Housing and Childcare

The biggest barrier to increasing the workforce in the regions is the lack of suitable rentable accommodation in regional areas. The Regional Chamber of Commerce and Industry WA (RCCIWA) reports that there is a shortage of regional housing availability, and rents are extremely high for the small number of available rentals. In addition to housing shortages, there is a shortage of childcare places in the regions which prevents some potential workers from being able to accept job opportunities in regional areas. Regional Western Australia has been ranked as the worst in Australia for childcare availability. The biggest contributing factor to this problem is the chronic shortage of childcare staff⁹.

Long Term Succession Planning

Career Development

Industry has found that given the challenges over the pandemic period, parents and school career advisors are not encouraging high school students to enter the hospitality sector, contributing to the undersupply of new entrants. The hospitality industry is being showcased as part of an annual program of in-school career information sessions run by Tourism WA, which will support longer-term initiatives aimed at encouraging young people to consider careers in the sector thereby creating a sustainable pipeline of local skilled workers.

Year 9 Career Taster Program

The year 9 career taster program enables students to discover potential careers in the hospitality industry either via excursions to TAFE campuses and/or visits to hotels and hospitality venues. The program supports students to become 'career curious' and extend their thinking through practical activities and meaningful experiences with the world of work. In 2023 there were 24 hospitality experiences offered as part of the career taster program¹⁰.

Career Promotion

There has been overwhelming feedback from industry stakeholders in the hospitality industry requesting that the sector be promoted in schools as sustainable and rewarding long term careers.

An updated occupational guide with case studies showcasing careers in the hospitality industry has been produced by Tourism WA (TWA) with input from FutureNow¹. This collateral has been placed on the westernaustralia.jobs website and distributed to schools, TAFE expos, the Department of Justice sites via career expos and presentations as well as through the West Australian Jobs and Skills Network.

The Chef Ambassador Program delivers a range of educational sessions and cooking demonstrations by young chefs, in secondary schools throughout Perth and the South West region². Supported by Tourism WA and delivered by Hospitality Group Training WA, the program is designed to inspire the next generation of WA's culinary stars while raising awareness of the opportunities and realities of working as a chef and in the hospitality industry. The program also includes professional development opportunities for teachers.

Skills Training Programs

Due to the ease of workers being able to find jobs in the hospitality sector, there is a lack of incentive for the candidate to complete any formal accredited training and most training is carried out via on-the-job training. Industry reports that this may contribute to the sometimes lack of professionalism in the hospitality workforce.

As a means of removing barriers from undertaking training, the WA Government continued funding of the "fee free" initiative which supports the reskilling and upskilling of Western Australians for work in the hospitality sector. Certificate III in Commercial Cookery and Certificates III & IV in Patisserie are offered fee free in '24. The Certificates III and IV in Hospitality are on the ½ price fee list³.

In addition, various free short skill set courses in hospitality are 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 are also designed to offer a pathway to further study.

Western Australian Jobs, Education and Training Survey

Annually, FutureNow undertakes work on The Western Australian Jobs, Education and Training Survey (WAJET) and this work informs the State Priority Occupation List (SPOL) for 2024. Eleven hospitality occupations have been surveyed for this report in 2024.

We would like to hear from you

FutureNow is continually seeking input from stakeholders in the Western Australian Events sector. If you are interested in providing further information about the workforce in this sector, please get in touch with the Industry Development Manager:

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