

SOUTH AUSTRALIAN TOURISM WORKFORCE

DIRECTIONS PAPER



ACKNOWLEDGMENT OF COUNTRY

The South Australian Government acknowledges and respects Aboriginal people as the state's first people and nations of the lands and waters we live and work upon. We pay our respect to their Elders past, present and emerging. We acknowledge and respect the deep spiritual connection and relationship Aboriginal and Torres Strait Island people have to Country.



Above

Oliver's Taranga, Fleurieu Peninsula

Cover

Wilpena Pound Resort, Flinders Ranges & Outback

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INTRODUCTION

Prior to the COVID-19 pandemic, tourism in South Australia employed 40,500 people across 18,278 businesses in June 2019. The COVID-19 pandemic and the associated travel restrictions have exacerbated existing issues of workforce supply.

A study commissioned by the South Australian Tourism Commission (SATC) in mid-2021 specifically for the Tourism and Hospitality industry showed that 63 per cent of employing businesses in South Australia were experiencing workforce shortages. These shortages reflected a loss of international visa holders and migrants, as well as a decline in interstate travel due to restrictions. For example, 37 per cent of tourism operators indicated that they had used international workers in the past with the majority being working holiday makers and backpackers.

Almost half (43 per cent) of businesses had restricted their operations in some manner due to staff shortages, most typically by reducing the frequency of experiences of services offered, or by reducing opening times. While it is challenging to quantify the impact of these restrictions in terms of economic impact, 60 per cent of these businesses reported consequent revenue reductions of between five per cent and 25 per cent. The lack of a ready, willing and able workforce supply is hampering the recovery of the industry that has been one of the most impacted by travel and movement restrictions resulting from the pandemic.

Given the restrictions to travel and the impact on the visitor economy, it might seem counter-intuitive that tourism businesses are struggling to find sufficient staff to run their businesses. However, in South Australia, with minimal cases of COVID and only a few short-term lockdowns, the visitor economy rebounded quite quickly in 2020 led by a strong intrastate engagement for travelling within South Australia. This saw a huge proportional shift of visitation into regions. So strong was this recovery that in May 2021, expenditure in the visitor economy was at 111 per cent compared to May 2019. Once travel restrictions start to lift nationally as vaccination rates achieve target levels, the demand and competition for workforce will be sudden, strong and fierce. With a lag in opening international borders to welcome back international working holiday makers and skilled migrants, the demand for workforce will fall on the domestic market.

It is acknowledged that workforce challenges across all sectors is a longstanding and complex issue. The current situation presents an opportunity to initiate actions to maximise the engagement of the domestic workforce. This can build long term contributions to the tourism workforce which can be sustained even after the supply of international workforce has recovered. This contributes to the Growth State targets of growing jobs in South Australia's export industries as more people participate in the tourism industry as employees. It also contributes to targets around innovation with entrepreneurial people being able to start up unique and innovative businesses within the industry. There is a need to shift focus towards the future and for commitment to options in both the immediate, and long term.

It is also acknowledged that there are programs in place to address some of the issues identified in this paper. Actions developed from this framework will need to leverage these programs where appropriate for the maximum benefit of the tourism industry.

This Directions Paper discusses the state of the workforce challenges in South Australia and identifies the proposed pathway to resolve the issues specific to tourism. It sets an overarching direction in relation to workforce for the South Australian Tourism sector. It is intended that specific actions and commitments are developed and implemented, in partnership between relevant government agencies and industry, under the guidance of this Directions Paper.



Above Chalk Hill Collective, Fleurieu Peninsula
Image Supplied by PIRSA

BACKGROUND

In order to understand the needs of the tourism industry as a result of COVID travel restrictions and closed international borders, the SATC commissioned Deloitte Access Economics to conduct a study among South Australian tourism and hospitality businesses in mid-2021. The survey covered the issues of staff shortages, recruitment, retention and skills and experience. This study replicated Austrade's Australian Tourism Labour Force Report 2015-2020 at the local South Australian level. The full report can be found on tourism.sa.gov.au.

The following Priority Workforce Challenges summarises the key outcomes of the study and provides the evidence base to develop a range of actions to address the supply of talented and capable staff from both the domestic and international markets into the future.



Above

The Oyster Farm Shop, Kangaroo Island

PRIORITY WORKFORCE CHALLENGES: ANALYSIS

Staff Shortages

The Workforce study shows that workforce shortages were highly prevalent across the Tourism industry in South Australia in 2021. More than two thirds of employing businesses were experiencing workforce challenges. These include challenges around shortages, recruitment, retention and skills. Issues were prevalent in Adelaide and in Regional South Australia. Challenges were evident among all business sizes but particularly among medium to large businesses.

Key skills in shortage in the industry include (in order of prevalence):

- Chefs
- Cleaners
- Cooks
- Bar attendants
- Waiters
- Café or Restaurant Managers
- Baristas



Above

Longview Vineyard, Adelaide Hills
Image Supplied by PIRSA

Recruitment

Recruitment is a significant issue with 68 per cent of operators experiencing challenges with recruitment. Overwhelmingly, the key reason for these challenges is a lack of applicants. This is particularly reinforced by the finding that under half of nearly 1,000 positions advertised in the preceding six months having been filled at the time of the survey and 30 per cent taking more than a month to fill.

Both chefs and cooks were some of the hardest roles to fill with more than 60 per cent of advertised positions not having been filled. Roles for kitchenhands and cleaners were also challenging to fill with around half not having been filled at the time of the survey.

The majority of tourism operators were advertising through free channels (85 per cent) while 15 per cent were using paid channels. Common sources for advertising positions are job search websites (27 per cent), word of mouth and community boards (40 per cent) and social media (34 per cent).

To address staff shortages 40 per cent of operators have implemented some form of strategy and found that offering more hours, on-the-job training and higher salaries were the most effective.

The barrier to recruitment nominated by the highest proportion of operators was a lack of local accommodation available. This was a significant barrier for 33 per cent of operators and a moderate barrier for 16 per cent of operators. Similarly, for those who had trialled providing rent assistance and providing accommodation, these had been highly effective strategies for gaining needed workers. This suggests a need for an increase in supply of accommodation, particularly in regions. The supply of accommodation issue has consistently been reflected in other workforce studies.

Retention

Over a third of employing businesses were experiencing problems with retention of staff (37 per cent). These businesses saw unreliability of staff as a key issue with 69 per cent citing this problem. For other businesses "poaching" staff was a common issue in terms of retention with 64 per cent citing this issue.

The outcomes of the strategies employed by operators to increase their retention rates are the same as those for recruitment: more hours, on-the-job training and higher salaries.

Skills and Experience

Those businesses experiencing issues with skills and experience more commonly cited a lack of skills as an issue (72 per cent) rather than experience (51 per cent). There is a suggestion throughout the research that operators are willing to train inexperienced and untrained applicants if they have the right attitude and aptitude for the role. 39 per cent of businesses cited lack of access or quality of training as an issue. Therefore, there is a need to ensure that appropriate training courses are available at reasonable cost, and that operators are aware of these courses and able to engage with them.

The most influential thing that operators look for in hiring workers into tourism roles is attitude (67 per cent). This factor dominates over work experience and formal qualifications. This raises the question of how to develop appropriate attitudes among those willing to work in the industry, and how to educate that this is a deciding factor in being successful in an application.

One of the most dominant barriers in the context of skills and training is an inability to attract appropriate skilled workers due to the location. Clearly this is an issue that particularly impacts those in regional locations.

About one in five operators perceive there to be a lack of quality training courses available to them (17 per cent).



Above

Africola, Adelaide

STRATEGIC PRIORITIES

From review of the evidence base, and from discussions with relevant stakeholders, a series of themes have emerged that provide a framework of priorities to minimise workforce shortages in the South Australian tourism industry.

1. Maximise the Returning International Workforce

As COVID restrictions reduce and international borders start to re-open, efforts need to be made to ensure that South Australia is appealing and accessible for international holiday makers and skilled migrants who are looking to undertake employment. Some specific actions should be considered:

- Recognise tourism as a critical industry with workforce needs.
- Ensure that the industry is represented on the Temporary Skills Shortage list.
- Make sure that South Australia retains its "regional" status making it easier for skilled migrants to work and settle here.
- Champion changes to make the visa system as streamlined, timely and cost efficient as possible.
- Ensure that the age limits applied to Working Holiday visas align with potential consumer appeal. Similarly ensure that permissible time limits are optimum and aligned to the desires of the visitors and the needs of industry.
- Advocate for work in tourism and hospitality roles to be eligible for visa extensions.
- Consider further incentivising Working Holiday Makers to work and stay.
- Ensure that appropriate businesses are aware of the Seasonal Worker Program being open for accommodation to consider whether this is a fit for their business needs.

2. Broaden the Pool of Domestic-sourced Workers

Many roles in tourism are highly flexible in nature and require only on-the job training. While hours are often fixed, roles are often casual. There is potential to ensure that opportunities for roles like cleaners, baristas and waiters are open to the full spectrum of potential workers. For example, a focus on women, Aboriginal and Torres Strait Islander workers, older job seekers, primary carers and youth/students may show that the type of flexibility available in some tourism jobs makes these roles highly appealing and achievable.

Further, investigation is required to understand how to target any disadvantaged groups as potential employees with job opportunities in the tourism sector both in Adelaide and regional South Australia. This has multiple societal benefits including providing meaningful work, contributing to the economy while opening up opportunities for further education and potential career development in the sector. This area requires further investigation with key required actions including the need to:

- Investigate linkages to programs that provide employment opportunities for disadvantaged groups.
- Work with operators to understand the barriers and potential for stronger engagement with disadvantaged groups.
- Align the needs of tourism operators with the services provided to disadvantaged groups to maximise the employment opportunities.

Similarly, specific intervention could assist with short term solutions such as increasing the hours that retired people can be in paid employment before impacting any assistance payments. This initiative has strong potential as retired people travel around the country on road-trips and often have access to caravan accommodation. Therefore, it could be feasible to have them settle for a period in a regional area, working and exploring. With the recent take-up of caravans and camping equipment, this is likely to be an opportunity over several years.

3. Optimise Operator Advertising

The evidence base shows that the approach to advertising positions in tourism is varied and there is a tendency to avoid using major, well-known, paid services such as "Seek".

There is a need to understand why operators do not always use the dominant job advertising channels and if needed, seek to alleviate these barriers. Similarly, there is a need to understand where job seekers look for opportunities and ensure alignment with where these jobs are advertised.

4. Increase Engagement with Training

Operators need access to affordable, relevant training. Apprenticeships and traineeships work for some businesses and these need to be promoted and made as accessible as possible. The evidence also shows that more businesses would consider on the job training and formal short course training over traineeships and apprenticeships. While the latter two are still relevant to about one fifth of businesses, it is important to ensure a range of training options are available to businesses and to ensure that they are fit for purpose. Smaller businesses who do not have the capacity for the formality of apprenticeships and traineeships need access to affordable and relevant micro-credential courses. This training will not only upskill the workforce, but also build loyalty and provide additional benefits of employment to the workforce.

This training access could also assist where operators find potentially good workers with the right attitude and approach, but without the required training and experience. This "direct to job" training can be of benefit to both the employer and the employee, while filling actual workforce gaps.

There is a need to ensure that where appropriate, operators are aware of the assistance provided through the Federal JobActive programs and how they might leverage these programs to their advantage.

5. Ensure Optimal Working Conditions

The evidence shows that retention and recruitment are problematic for many businesses, and this is often due to working conditions. Obviously, operators are constrained by what they can offer their workers in terms of fixed, reliable hours and increased pay rates. However, there is value in ensuring that operators can provide the best working conditions within their means.

This requires investigation of how the working environment within tourism can be optimised and to provide operators avenues to understand and implement these strategies. It may also include consideration of "Employer of Choice" and best practice approaches and how best to assist businesses in implementing these approaches.

Another area to be investigated is the potential for different operators to co-operate and share workers to ensure provision of optimal hours and to provide broader experience to the employees. This might work across regions with complementary seasonality or different types of hospitality venues with complementary business periods.

6. Raise the Appeal of Jobs in Tourism

COVID restrictions have impacted the reliability of jobs in tourism. There is a perception that many people previously working in tourism have moved to other, more reliable, industries. As travel restrictions ease, and tourism roles become more reliable, these people need to be attracted back to the tourism industry. However, this also reflects a longer-term issue with the appeal of tourism as a career choice. There is a need to clearly communicate the opportunities in tourism across the spectrum of the types of jobs the industry offers. Essentially there are three types of jobs that each need their own approach to raise appeal.

- Jobs that work for you: The majority of jobs in tourism offer great flexibility and on the job training. People can use these positions to fit their current life stage. They are casual and semi-skilled, perfect for when that type of job is what is needed. Examples would be waiters, cleaners and baristas.
- Jobs that you create: Tourism, and to some extent hospitality, provides great opportunity for the entrepreneurial. Original ideas can grow into significant businesses. Examples are tourism business start-up inventing original or niche visitor experiences.
- Jobs that become a career: In some cases, people can progress through tourism roles to end up in senior positions. Examples would be restaurant managers, chefs and cooks, event management, tour guiding and destination marketing.

Each of these three streams need different strategies to promote the benefits of the type of work and encourage people to consider, and value, these roles. Consideration must be given to promoting tourism as a career to young people considering career choices, building tourism champions in the careers space, ensuring that tourism roles are included in work experience programs, general awareness raising and the mapping of clear pathways.

There is work underway by the Department for Education to look at curriculum and VET pathway policies for schools. Implementing a “familiarisation” program which is aimed at educating key influencers in the education and training sector by exposing them to real life industry activities may also be advantageous for identifying students who may be interested in a tourism-based career.

7. Increase Engagement with Regional Opportunities

Challenges in regional areas include workforce-wide challenges, most notably access to affordable accommodation. Factors that make it hard to attract a workforce from outside the region compound the limitations imposed by smaller local populations. The tourism industry is also impacted by these challenges. While issues like accommodation shortage impact workforce for all industries, some consideration is required for possible solutions specifically for tourism roles.

Lack of a driver’s licence is a common constraint particularly for international students taking opportunities for short term employment during breaks from study. Assistance around obtaining and licence and access to a vehicle could assist some of these students to work in near-city regional jobs during study breaks.

There is potential for some sort of trade-off where those being trained in roles like cooks and chefs, get a form of credit/pay to work in region. This is like the immigration model where a certain period of work in regional areas is a requirement for Permanent Residency.



NEXT STEPS

The South Australian Tourism Workforce Directions Paper is intended to provide evidence based guidance on the priorities relating to workforce shortages in the tourism sector. The actions to address workforce issues are complex, multifaceted and require strong collaboration across industry and all levels of government.

The SATC has, and will, continue to use this framework as direct input into policy development and initiatives as opportunities arise. We will also continue to advocate for these priorities to be recognised as critical to the success to the industry in South Australia.



Above

Josephine's Gallery, Flinders Ranges & Outback

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