Tourism overview

- Over 580,000 workers employed in the Tourism sector across Australia.

- Nationally, employment grew by 5.5 per cent (or 30,100) over the five years to 2015-16
  - All industry comparison: 6.9 per cent
  - More recent signs that the sector may be strengthening

- Approximately 130,900 directly employed in the Queensland tourism industry.
Slide 3: Tourism visitor nights on the rise

Tourism visitor nights on the rise
Queensland

Source: Tourism Research Australia: State Tourism Forecasts 2016
Are there currently widespread shortages of tourism workers in Queensland...?

From Deloitte’s report, Queensland

**2015**

**Vacancy rate**

8%

Estimated **10,400** vacancies across Queensland.

Deloitte defines this as a ‘shortage’...

...but 93% of these vacancies are filled.

(Department of Employment)

... but the sector does face a number of significant labour market challenges

Employers need to source, develop and retain staff who:

• are available to work in their local region
• have the necessary skills and capabilities
• can meet short term seasonal demands
• are available to work the hours required
• are willing to work for the conditions and pay on offer
Current recruitment conditions
Internet vacancies have remained relatively flat since 2011. Tourism related occupations.

Source: Department of Employment, Internet Vacancies Index, December 2016
...with regional variation
tourism related occupations

Source: Department of Employment, Internet Vacancies Index, December 2016
Most vacancies are filled, but variation between occupations.
Queensland, 2015-16

Source: Department of Employment, Survey of Employers’ Recruitment Experiences, 2015-16
Slide 10 Recruitment has become less difficult

<table>
<thead>
<tr>
<th>Deloitte report</th>
<th>2011</th>
<th>2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment difficulties</td>
<td>52%</td>
<td>44%</td>
<td>-8% pts</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department of Employment</th>
<th>2010-11</th>
<th>2015-16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment difficulties</td>
<td>41%</td>
<td>33%</td>
<td>-8% pts</td>
</tr>
<tr>
<td>Average applicants per advertised vacancy</td>
<td>12</td>
<td>13</td>
<td>+1</td>
</tr>
<tr>
<td>% vacancies unfilled</td>
<td>12.5%</td>
<td>7.4%</td>
<td>-5.1% pts</td>
</tr>
</tbody>
</table>

For about two thirds of unfilled vacancies, employers would not compromise on experience.
Higher proportion of students studying at Certificate III and higher. Queensland

- Student enrolments in Tourism and Hospitality up by around 26% (or 6,300) in past 10 years.
- In 2015, more than two thirds of students enrolled at the Certificate III and higher.
- Enrolments at this level are up by 70% over 10 years.

Source: NCVER, VOCSTATS – Government funded students and courses, 2015
Yet many employers are identifying skills deficiencies in their employees. Deloitte report, Queensland

<table>
<thead>
<tr>
<th>2015</th>
<th>% of businesses identifying skills deficiencies in employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>68%</td>
</tr>
</tbody>
</table>

Skills deficiencies most commonly identified for:

- Cleaners
- Guest service
- Hotel receptionists

Reasons for skills deficiencies

Deloitte report, Queensland

Staff retention remains a significant challenge. Queensland

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>Change since 2011</th>
<th>All industries QLD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Had retention difficulty (Deloitte)</td>
<td>34%</td>
<td>-7% pts</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2015-16</th>
<th>Change since 2010-11</th>
<th>All industries QLD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retention was a significant problem (Department of Employment)</td>
<td>15%</td>
<td>-12% pts</td>
<td>11%</td>
</tr>
</tbody>
</table>
And is particularly challenging in regional areas.

% of tourism related businesses for which retention was a significant problem for the business

Source: Department of Employment, Survey of Employers' Recruitment Experiences, 2015-16
Reasons for retention difficulty
Deloitte report, Queensland

Recruitment can be expensive

**Direct costs**
- Advertising
- Consultant fees
- Selection process
- Training
- Payout (if they leave in the first year)

**Indirect costs**
- Interviewing times
- Informal training
- Productivity loss until new employee settles in

Employee on $35,000 salary just over 50% of salary

$11,850

$5,900

Seasonality will remain an ongoing challenge
Remote Queensland

60% of tourism related businesses recruited seasonally in remote Queensland

Across Australia, more than 200,000 working holiday visas are issued each year

Peak months for staffing

Source: Survey of Employers’ Recruitment Experiences, 2015-16 (remote Queensland)
Why do employers hire a backpacker? Selected regional areas, Australia

<table>
<thead>
<tr>
<th>Reason</th>
<th>% of Employers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not enough suitable local applicants</td>
<td>41%</td>
</tr>
<tr>
<td>Ease of recruitment</td>
<td>20%</td>
</tr>
<tr>
<td>Appropriate for short term or seasonal roles</td>
<td>19%</td>
</tr>
<tr>
<td>Good attitude or work ethic</td>
<td>16%</td>
</tr>
<tr>
<td>Most qualified for the job</td>
<td>8%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
</tbody>
</table>

Sources: Survey of Employers' Recruitment Experiences, 2015
Future outlook for the tourism industry
Future recruitment expectations
Tourism Related Businesses, Queensland

Expected change to staff numbers in the next 12 months

- 23% increase
- 5% decrease
- 70% remain the same

Projected tourism growth across Australia:

<table>
<thead>
<tr>
<th></th>
<th>Deloitte</th>
<th>Department of Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected employment growth to 2020</td>
<td>+85,000</td>
<td>+71,000</td>
</tr>
</tbody>
</table>

Future job openings in tourism related occupations over the five years to 2020, Australia

- Chefs: 55.9 ('000)
- Waiters: 126.8 ('000)
- Cafe and Restaurant Managers: 34.3 ('000)
- Bar Attendants and Baristas: 97.2 ('000)
- Kitchenhands: 106.1 ('000)
- Tourism and Travel Advisers: 13.5 ('000)
- Cafe Workers: 33.1 ('000)
- Housekeepers: 22.8 ('000)
- Cooks: 22.8 ('000)
- Conference and Event Organisers: 14.0 ('000)
- Transport Services Managers: 9.9 ('000)
- Bus and Coach Drivers: 10.3 ('000)

Many current job openings are filled by jobactive placements

Source: Calculated from Department of Employment, 2016 Employment Projections five years to November 2020 and ABS Participation, Job Search and Mobility, Australia, February 2015, Cat. No. 6226.0, custom data request, Department of Employment Gross Replacement Rates
Employers’ greatest concern for the next 12 months.

Tourism related businesses, Queensland

Source: Department of Employment, Survey of Employers’ Recruitment Experiences, 2015-16
Conclusions

Recruitment difficulties have been easing and shortages are not widespread

- Most vacancies are filled
- On average, employers receive 13 applicants per vacancy
- Significant challenges in some regions and occupations

Some widespread challenges

- Skills development of recently hired workers
- Staff retention, costly and hampers skills development

Employment growth in Tourism projected to pick up in coming years

- Employers remain more concerned about the demand for their services than staffing
- Staff turnover will generate many more job opportunities in the sector

Significant regional diversity means that local solutions are likely to be most effective.
Some questions to consider

• What can be done to reduce staff turnover to help alleviate skill deficiencies?

• Can the industry play a greater role in skills development?

• Are job seekers aware of the career opportunities in the sector?

• Is there an overemphasis on experience for some occupations (eg cleaners)?

• Are there cases where the industry can better utilise local job seekers and become less reliant on overseas workers?

• Is the industry taking full advantage of Government Employment Services?
Further Information

If you have any questions about the presentation please contact the Recruitment and Employer Needs Analysis section on:
Email: RecruitmentAnalysis@employment.gov.au