

Meeting the Skills Gap

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What's the Issue?

The good news:

- Domestic and international visitation is forecasted to rise across NSW to 2020 and beyond.

The bad news:

- There is a critical shortage of skilled and unskilled workers, especially in regional areas.
- Recruitment and retention continues to be a significant challenge.
- An inability to find workers with the *right skills* was the highest rated reason for difficulties in recruiting staff according to a 2015 *Australian Tourism Labour Force Report: 2015-2020* produced by Deloitte Access Economics.

Source: *Australian Tourism Labour Force Report: 2015-2020*, (2015), Australian Trade Commission, Austrade, Deloitte Access Economics.

Identified Reasons for the Skills Gap

- Employees lack experience
- Employees lack commitment to the industry
- Misalignment between an employee's capability and the requirements of the role
- Employers do not have time to train on the job
- Training does not meet the needs of business
- Lack of accessible training
- Lack of quality training
- High dropout rate from training

Source: *Australian Tourism Labour Force Report: 2015-2020*, (2015), Australian Trade Commission, Austrade, Deloitte Access Economics.

Implications

- Productivity is adversely affected when employees are not equipped with the skills, expertise and/or capability to perform their role.
- Reduced productivity has the potential to reduce the global competitiveness of the destination or affect the visitor experience.
- Due to small scale of small to medium operators and highly seasonal factors, businesses may have limited capacity to address skills deficiencies on their own.

Source: *Australian Tourism Labour Force Report: 2015-2020*, (2015), Australian Trade Commission, Austrade, Deloitte Access Economics.

Where to From Here?

- Reversing the trend of filling vacant positions with unskilled workers will be important for the sector's competitiveness going forward.
- Meeting the skills shortages projected out to 2020 will require the injection of new and well trained workers.
- Given approximately 80% of workers in the tourism sector are employed in the local area, solutions to the nation's labour force challenges will require a regional approach.