

Hospitality sector grapples with severe skills shortage on top of cost of living spending slump

By Julia André ABC Gold Coast Hospitality Industry

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In short:

The Australian hospitality industry is struggling to attract skilled staff.

Some businesses have been forced to decrease operating hours to deal with the shortages.

What's next?

The industry's peak body is calling on the federal government to incentivise training opportunities in the sector.

Based on the Saturday afternoon crowd at Luke Ridden's trendy Gold Coast distillery it would be hard to tell his business was facing challenges.

Tables are packed and merry patrons sip cocktails and sing along to live music.

There is certainly no problem getting customers through the door — Mr Ridden's problem is attracting staff.

Before the COVID-19 pandemic advertisements for jobs at the bar attracted more than 200 applicants.

Mr Ridden's recent job search attracted two potential employees.

"It's really hard to bring in an experienced team to hospitality," he said.

"More and more we're seeing less employees engaging in fantastic hospitality, but instead they're here and treating it like a McDonald's."



Mr Ridden says customers are tightening their belts amid the cost of living crisis. (ABC Gold Coast: Julia Andre)

Chefs, bakers, pastrycooks, and waiters are all in short supply and are listed on Jobs and Skills Australia's (JSA) latest skills priority list. According to JSA, job vacancies in the hospitality sector have declined over the past year, but they remain well above pre-pandemic levels. But finding staff is not Mr Ridden's only challenge.

He has also noticed that customers are spending less, which reflects a nationwide trend.

"That makes it pretty tough," Mr Ridden said.

"If you don't have the right, engaging staff building trust [with customers] and making it a great place for people to come, that will drop off even more."



Restaurant and Catering Industry Association head Suresh Manickam says the government needs to incentivise training courses for chefs and bar staff.
(ABC News: Jak Rowland)

'We are being left behind'

JSA has projected that Australia will need an extra 21,400 hospitality workers, including waiters, baristas and bar attendants, in the five years from May 2023 to May 2028 to fill the skills shortage.

The Restaurant and Catering Industry Association has called on the federal government to incentivise training opportunities in the sector, as it has for the construction industry.

"We are being left behind," chief executive Suresh Manickam said.

"[We need] subsidies for apprentices and trainees throughout the whole sector, this will encourage people back into the sector."

Mr Manickam said restaurants, bars, and cafes were adjusting the way they did business because they could not attract the right staff.

"Instead of opening five or six days a week, many operators have had to then [restrict] their offerings to three or four days a week," he said.

"The building up of skills takes time and if we're not investing in this right here, right now, then the issue will just become more exacerbated."



Monique Viana says that most of her staff are on work visas. (ABC Gold Coast: Julia Andre)

Overseas worker worries

At a bustling Gold Coast cafe, customers in boardshorts, bikinis, and activewear wait in line for a flat white.

Manager Monique Viana has spent the last month training new staff so that they are ready for the summer holiday crowds.

"It's a busy coffee shop, so I can't just hire anyone. They've got to be quite skilled, be able to make coffee and move quickly," she said.

Most of the staff at the cafe are on temporary, short stay, or student work visas.

The federal government's recent announcement of a cap on international student numbers to 270,000 in 2025 has the industry's peak body concerned.

"By shortening or constricting the labour force even further, that just adds to the skills shortage," Mr Manickam said.

"This industry is providing a fundamental service to us and is the fabric of our communities."

In a statement, a spokesperson for the Department of Employment and Workplace Relations said the federal government had incentivised training places across areas of national priority including construction, hospitality, and tourism.

That included almost 20,000 fee-free TAFE enrolments in hospitality and tourism under the state, territory and Commonwealth jointly-funded TAFE skills agreement.

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