Australian Government
Australian Trade and Investment Commission
Tourism Research Australia

Tourism workforce report

A status update on the workforce in Australia's visitor economy

October 2023

Overview

After the pandemic disruption, including border closures that interrupted flows of migrants and foreign workers, tourism demand rebounded rapidly in 2022. However supply-side factors such as the workforce recovered more slowly. This led to acute workforce challenges for tourism businesses, which lacked adequate staff to meet the rising demand. In 2023, the tourism workforce continued to rebuild, supported by some progress in addressing workforce barriers and the return of international migration.

This report provides a contemporary picture of the tourism workforce. It draws on public data sources to provide insights on:

- the size and composition of the tourism workforce
- job vacancies in tourism-related occupations
- recruitment activity in the sector
- the availability of international labour sources.

It also analyses how the tourism workforce has evolved over recent years, noting the marked disruption from the COVID-19 pandemic. Discussion of data sources and technical definitions are provided at the end of the report.

Introduction

Between 2010 and 2019, the number of jobs in Australia's tourism sector increased at an average annual rate of 3.5%. This resulted in an aggregate increase of over 200,000 jobs (from 556,800 jobs in December 2010 to 757,500 jobs in December 2019). This trend came to an abrupt halt in 2020 when the COVID-19 pandemic hit. In just 6 months, the tourism workforce declined by more than half. The combination of restrictions on domestic travel, metropolitan and regional lockdowns, heightened traveller hesitancy and a closed international border had a dramatic impact on the Australian visitor economy and the tourism workforce. By the middle of 2020, nearly 400,000 jobs had been lost in the sector.[1]

Tourism businesses, which are predominantly small and micro businesses, were among the hardest-hit in Australia because of the immense and direct impact of prolonged and repeated travel restrictions (international and domestic). Some businesses had to rapidly pivot from primarily servicing international visitors to servicing domestic visitors, while other businesses hibernated or closed. Many employees left the industry for other sectors.

In 2022, Australia emerged from the most challenging phase of the pandemic. Australians rediscovered their love of travelling domestically, and international visitors returned steadily over the year following the reopening of the international border. By the end of 2022, the tourism recovery had made considerable progress. In 2022, total visitor economy spend in Australia surpassed the 2019 level, driven by the strong recovery in domestic travel.

As demand for travel increased, the challenge of finding sufficient workers to effectively deliver operations became a critical concern for many visitor economy businesses. These challenges were especially acute for regional and seasonal businesses that would typically employ temporary workers. The lack of international arrivals over the pandemic period led to reduced availability of the workers who had previously been relied upon. These included temporary workers, working - holiday makers and international students. Factors such as the low national unemployment rate, record high job vacancies and COVID-related absenteeism also added to pre-existing workforce challenges. In response to workforce shortages, some businesses reported making changes to their business models. (These changes may reduce their need for workers going forward.)

The industry-led and government-enabled THRIVE 2030 Strategy for the Australian visitor economy acknowledged these challenges. The Strategy sets a firm foundation for the various parts of the visitor economy to address workforce challenges in a coordinated way across businesses, industry representatives and all levels of government. The objective is to have a world-class workforce with the right skills to address visitor needs and grow the sector's competitiveness, while maintaining a stable workforce supply pipeline that can withstand changing market forces.

The Visitor Economy Workforce and Skills Interim Action Plan was released in June 2023. It captures key actions underway across the Australian and state and territory governments, and

[1] Note that tourism jobs 'lost' are not necessarily lost to the whole economy. Due to the way tourism jobs are calculated, the job may still exist but is no longer attributed to the tourism sector because it is no longer servicing tourists.

industry, to address the immediate workforce needs of the visitor economy over the next 12–18 months. The Action Plan was developed following the Tourism Jobs Summit in August 2022 and broad stakeholder consultation.

Analysis

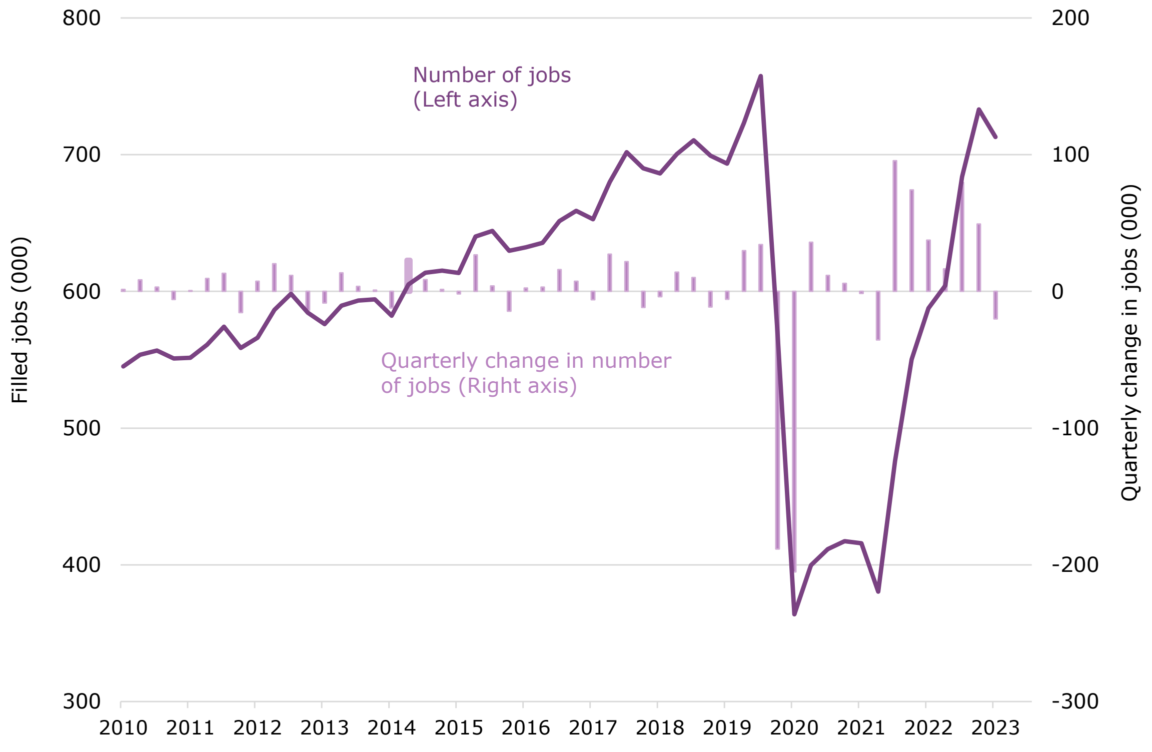
This section presents numerical findings covering 4 main topics – the size and composition of the tourism workforce; vacancies in tourism-related occupations; recruitment activity; and availability of international labour sources.

The tourism workforce

At the end of 2019 there were 757,500 tourism filled jobs in Australia. The COVID-19 pandemic reduced this number to just 363,900 jobs in mid-2020, a decline of 52% or 393,600 jobs in 6 months. From then until the end of 2021, there was only moderate regrowth in employment as ongoing travel restrictions, traveller hesitancy and border closures continued to hamper the recovery in travel. In contrast, over this same period (from mid-2020 to the end of 2021), the Australian economy overall gained more than 1.3 million jobs.

However, in 2022, growth in tourism filled jobs accelerated and was significantly faster than growth in jobs across the Australian economy. Since the trough in September in 2021, the number of filled jobs has increased by 332,600 (or 87%) to June 2023. (Figure 1).

Figure 1. Tourism filled jobs, quarter-end number (line) and quarterly change (bars), June 2010 to June 2023.



Source: ABS, Tourism Satellite Account: quarterly tourism labour statistics, June 2023

This meant that the vast majority of jobs that were lost at the start of the pandemic had been recovered by early 2023.

At the end of June 2023, there were 713,000 tourism jobs. This was 3% above the June quarter 2019 level (the equivalent pre-pandemic period), but still 6% fewer (44,500 filled jobs) than there were in the December quarter 2019 peak immediately prior to the pandemic.

At the end of the June quarter 2023, tourism filled jobs accounted for 4.6% of total filled jobs in the economy (1 in 22 jobs). This remained down on the peak of 1 in 19 jobs (or 5.3%) in the December quarter 2019.

This measure of tourism filled jobs comes from the Australian Bureau of Statistics (ABS) based on the International Labour Organization (ILO) fundamentals. A short summary of the methodology can be found in the Data sources annex of this report.

In comparison to other services industries, employment in the tourism sector is around one-third that of the health care and social assistance industry. The health care and social assistance industry accounted for 2,157,004 jobs in Australia in the August quarter 2023, which was 1 in 7 Australian jobs (or 15%). Tourism employs a similar number of workers as the manufacturing or public administration and safety industries.

Direct and indirect jobs

In addition to the direct measure of filled jobs reported above, Tourism Research Australia (TRA) calculated that in the 2021-22 financial year, tourism was indirectly responsible for a further 251,000 jobs in the economy. TRA also identified the state breakdown of direct and indirect tourism jobs as at the end of the (2021-22) financial year (Table 1).

Table 1. Tourism direct jobs and total jobs by state and territory, 2021-22

State	Direct jobs	Total jobs*	State share of direct jobs	State share of total jobs
New South Wales (NSW)	116,600	174,500	23%	23%
Victoria (VIC)	121,900	171,100	24%	23%
Queensland (Qld)	134,400	206,200	27%	27%
South Australia (SA)	34,000	50,700	7%	7%
Western Australia (WA)	61,500	89,100	12%	12%
Tasmania (Tas)	19,300	37,300	4%	5%
Northern Territory (NT)	6,900	12,500	1%	2%
Australian Capital Territory (ACT)	6,900	11,600	1%	2%
Total	501,500	753,000	100%	100%

** Total jobs includes both direct and indirect jobs*

Source: Tourism Research Australia, State Tourism Satellite Account 2021-22

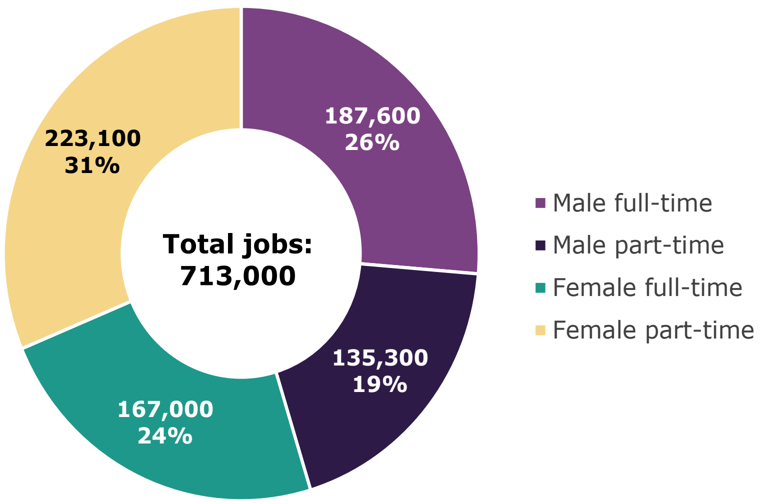
Tourism jobs are based on the two elements of direct and indirect economic contribution. For example, when a tourist uses a taxi service, the direct output effect includes only the service of the taxi driver, and the direct employment effect includes the proportion of the driver's employment that is spent driving tourists. The taxi driver, however, buys fuel from a petrol station, machinery parts from a garage, meals while on duty from a food outlet and so on. Petrol stations, garages and food outlets all hire staff and produce output to serve the taxi drivers, who in turn serve customers, some of whom are tourists. The chain effects on output and jobs started by the initial taxi service demand of the tourist comprise what is termed tourism's indirect effects on output and employment.

Composition of the workforce

As at the June quarter 2023, a larger share of tourism filled jobs were held by women ('female jobs') than held by males ('male jobs'). Female jobs were 55% or 390,100 of total jobs compared to male jobs being 45%, or 322,900 of total jobs.

Females also accounted for a larger share of jobs prior to the pandemic (56% of the total in December 2019). Among female jobs, there were more part-time jobs than full-time jobs. In contrast, there were more full-time male jobs than part-time male jobs in the sector. In June 2023, unchanged from pre-pandemic, the female part-time jobs sub-category accounted for the largest share of tourism jobs (Figure 2).

Figure 1. Share of tourism filled jobs by type, June quarter 2023

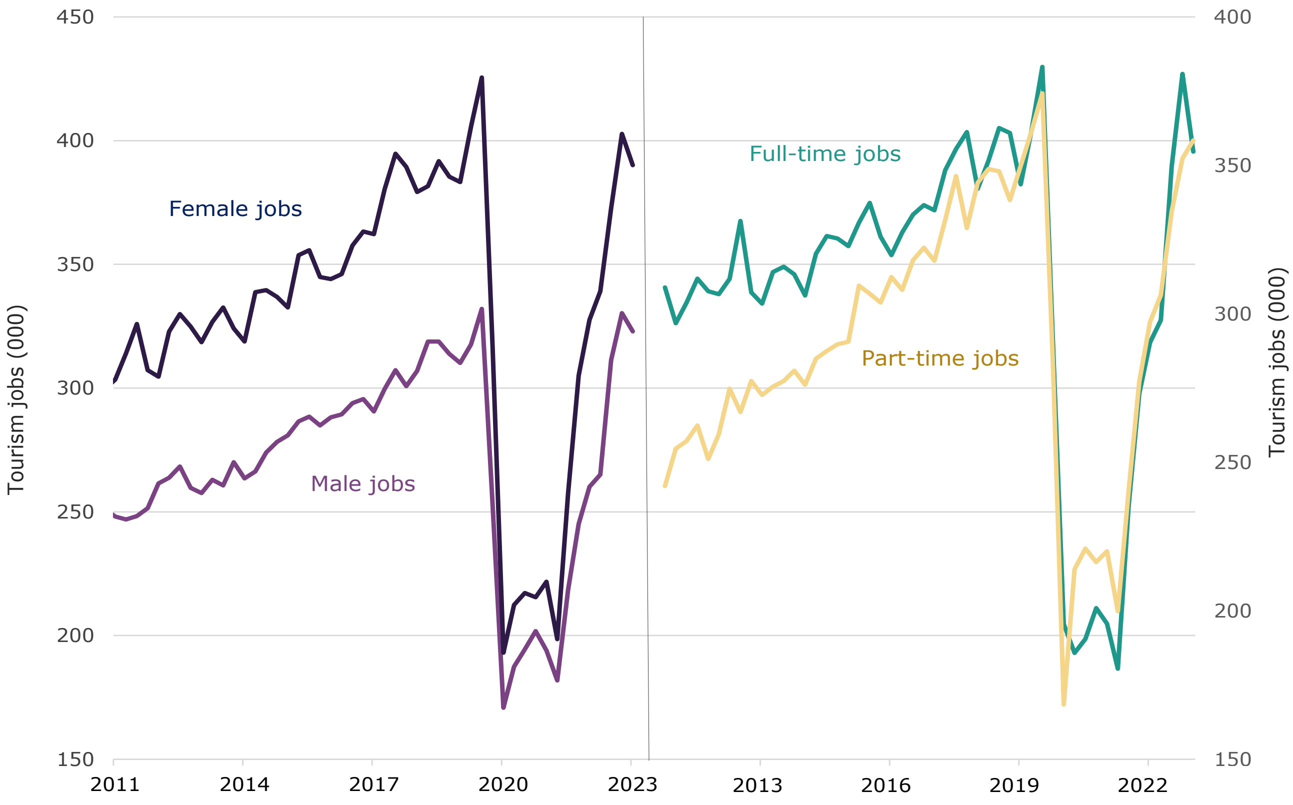


Source: ABS, Tourism Satellite Account: quarterly tourism labour statistics, June 2023

From peak (December quarter 2019) to trough (June quarter 2020), the decline in the number of female jobs (−232,400) was larger than for male jobs (−161,200) during the pandemic (Figure 3). Since then, the growth in female jobs (an increase of 197,000 jobs) has been larger than for male jobs (an increase of 152,100 jobs). Nevertheless, the number of female jobs in June 2023 remained further from its pre-pandemic level than male jobs. In June 2023, compared with December 2019, the number of:

- female jobs was still 35,400 (8.3%) lower
- male jobs was still 9,100 (2.7%) lower.

Figure 3. Total tourism filled jobs by male and female (left axis) and full-time and part-time (right axis, March 2011 to June 2023.



Source: ABS, Tourism Satellite Account: quarterly tourism labour statistics, June 2023

In June 2023, there were 354,600 full-time jobs and 358,400 part-time jobs in the tourism sector. From the start of the pandemic to the end of the September quarter 2021, more full-time jobs (−202,700) were lost than part-time jobs (−174,400). However, currently there are slightly more part-time than full-time jobs and as at June 2023, compared with December 2019, the number of:

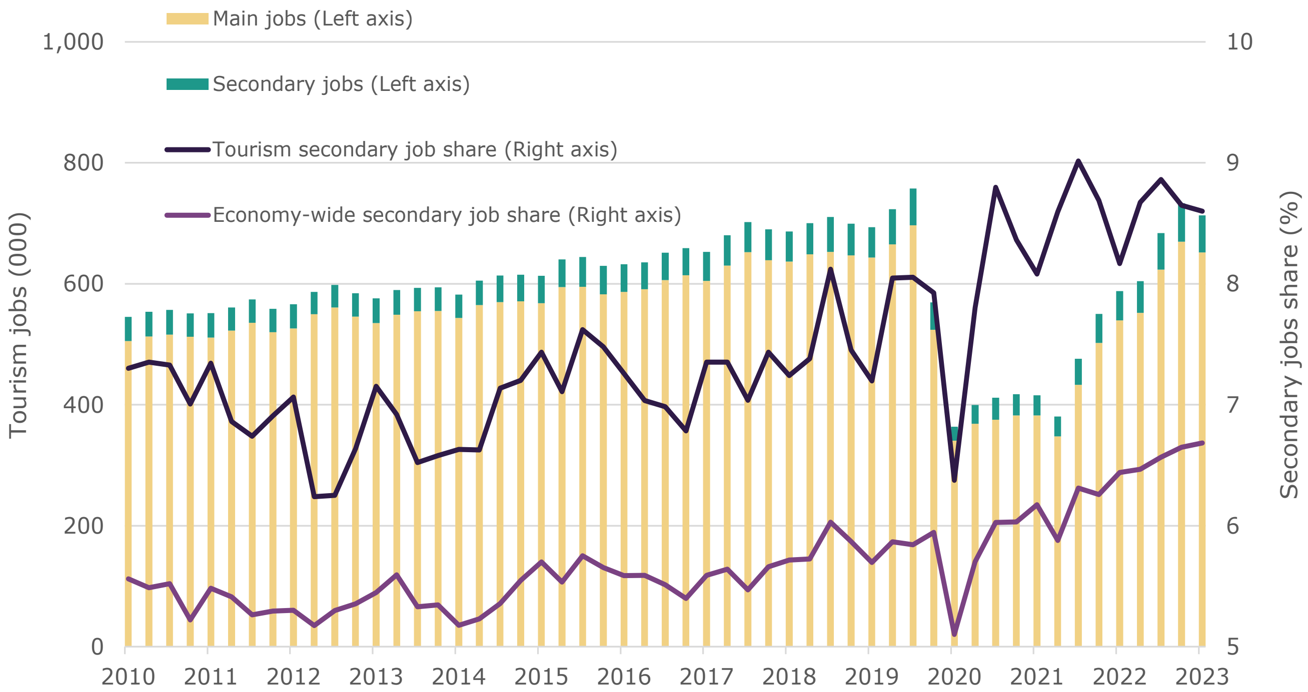
- full-time jobs was 28,600 (7.5%) lower
- part-time jobs was 15,900 (4.2%) lower.

As a result of different rates of recovery, there were more male part-time jobs in the tourism workforce in the June quarter 2023 than there was pre-pandemic. However, there were fewer of all other categories of filled job. As at June 2023, compared with December 2019, the number of:

- part-time female jobs was 17,100 (7.1%) lower
- full-time female jobs was 18,300 (9.9%) lower
- part-time male jobs was 1,200 (0.9%) higher
- full-time male jobs was 10,300 (5.2%) lower.

As well as a high share of part-time jobs, there is also a high share of secondary jobs in tourism compared with the economy overall (Figure 4).[2] The share of secondary job-holders in tourism in the June quarter 2023 rose to 8.6% (representing 61,100 secondary/tertiary jobs). This was 0.6 percentage points higher than the share of secondary jobs pre-pandemic. In June 2023, the number of **secondary** tourism jobs returned to its pre-pandemic level (December quarter 2019), while there remained 44,600 (6.4%) fewer **main** jobs in the tourism sector over the same period.

Figure 4. Tourism main jobs, secondary jobs (bars) and the secondary job shares for tourism and the economy (lines), from June 2010 to June 2023.



Source: ABS, Tourism Satellite Account: quarterly tourism labour statistics, June 2023

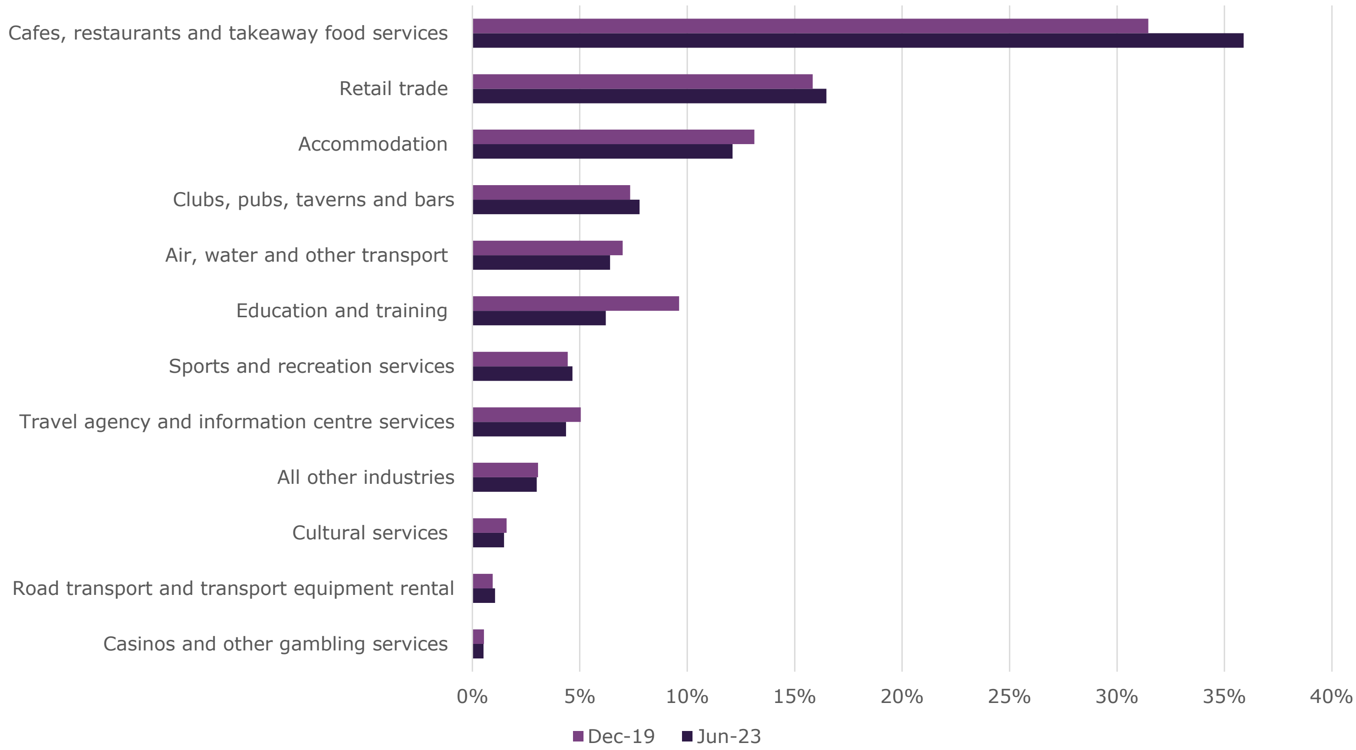
The high share of multiple-job holders in the tourism workforce is consistent with the seasonal and/or casual nature of many roles in the sector. There is also a very high share of tourism businesses that are sole traders, where the owner of the business is the only employee. In the most recent Tourism Research Australia Tourism Businesses report (June 2017 to June 2022), it was identified that 47% or 169,897 tourism businesses had no employees other than the owner. There were a further 172,263 or 48% of tourism businesses that were micro or small enterprises. In total, 95% of Australia's tourism businesses had fewer than 20 employees in June 2022.

[2] A secondary job is any job held by an employed person other than their main job. Data on multiple job-holders is sourced from the ABS Australian Labour Account. For the tourism sector, secondary jobs are computed as filled jobs minus main jobs. Detailed data on multiple job-holders for the economy overall was provided in ABS, Multiple job-holders, June 2023.

Tourism jobs by sector

The tourism workforce is engaged across a range of tourism-related industries. The industries with the largest shares of the tourism workforce are the cafes, restaurants and takeaway food services (36%), retail trade (16%) and accommodation (12%) industries (Figure 5).

Figure 5. Tourism filled jobs by tourism-related industry, share of total tourism filled jobs in December 2019 and in June 2023.



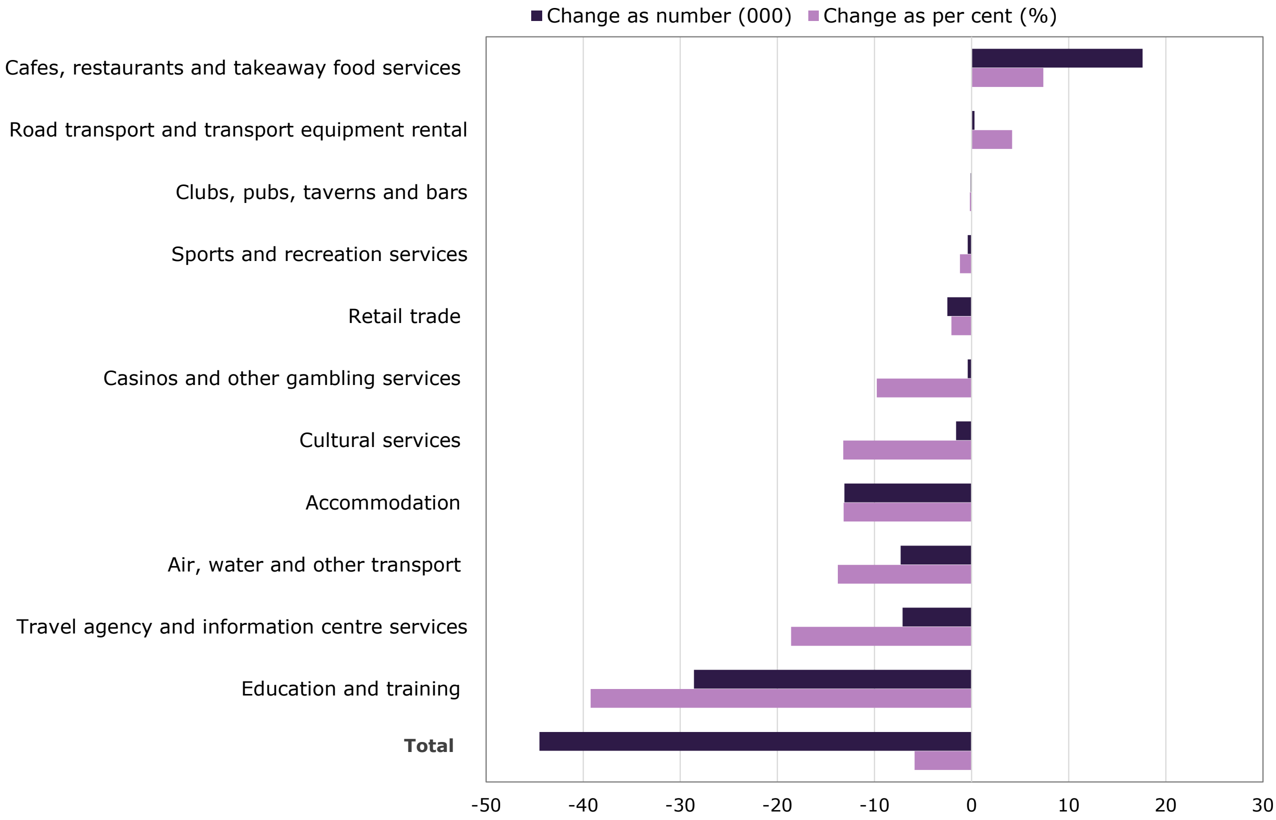
Source: ABS, Tourism Satellite Account: quarterly tourism labour statistics, June 2023

After the large declines during the pandemic, jobs in some tourism-related industries have returned to above pre-pandemic levels. The cafes, restaurants and takeaway food services sector had 17,600 (7%) more filled jobs in the June quarter 2023 than was the case pre-pandemic (Figure 6). The road transport and transport equipment rental sectors also recovered to above their pre-pandemic level of jobs in the June quarter.

In contrast, the following tourism-related industries still had large deficits in filled job numbers compared to their December 2019 levels:

- education and training – 28,600 (39%) fewer jobs
- accommodation – 13,100 (13%) fewer jobs
- air, water and other transport – 7,300 (14%) fewer jobs
- travel agency and information centre services – 7,100 (14%) fewer jobs.
- cultural services – 1,600 (13%) fewer jobs.

Figure 6. Change in tourism filled jobs from December quarter 2019 to June quarter 2023 by tourism-related industry.



Source: ABS, Tourism Satellite Account: quarterly tourism labour statistics, June 2023

Detailed ABS labour force survey data

Additional data at the industry level (as per the ANZSIC classification) is available in the ABS detailed labour force survey (LFS) releases. The accommodation and food services industry is the industry with the most cross-over with the visitor economy, as it caters for visitors as well as residents. For the accommodation and food services industry, the latest quarterly report (August 2023) shows that the return to the pre-pandemic level of employment in the accommodation and food services industry varied by state/territory.

In August 2023, the number of people employed in the accommodation and food services industry was:

- 19% higher in NT (11,000 jobs versus 9,000 in November 2019)
- 17% higher in WA (99,000 jobs versus 85,000 in November 2019)
- 6% higher in Vic (220,000 jobs versus 208,000 in November 2019)
- 3% lower in NSW (294,000 jobs versus 302,000 in November 2019)
- 9% lower in SA (56,000 jobs versus 62,000 in November 2019)
- 9% lower in ACT (16,000 jobs versus 18,000 in November 2019)
- 12% lower in Tas (20,000 jobs versus 23,000 in November 2019)
- 12% lower in Qld (192,000 jobs versus 217,000 in November 2019).

Although total employment in Tasmania, the ACT, and New South Wales remained below pre-pandemic levels in August 2023, **full-time** employment in the accommodation and food services industry in these states/territories had surpassed its pre-pandemic level. On the other hand, full-time employment in the accommodation and food services industry in Queensland and South Australia had yet to recover to their pre-pandemic levels in August 2023.[3]

This ABS quarterly labour force data source also provides information on the age distribution of workers. The age distribution of workers by industry shows that the accommodation and food services industry had the highest share of youth workers of all industries (48% of employees are aged 15-24 years). This was 3 times higher than the average for all other industries, which was 15% in August 2023. The accommodation and food services industry conversely had the lowest share of older workers (14% of employees aged over 50 years), compared with 30% for all other industries. These shares are largely unchanged from pre-pandemic figures.

The same quarterly data set reports on the number of hours worked in the industry. This shows that the number of hours worked in the accommodation and food services industry increased by 64% between August 2021 and August 2023 (from the COVID-19 ‘Delta’ lockdowns until the most recently available data).

The high level of detail in this data source allows measurement of some underrepresented cohorts of the workforce such as mature-aged workers, women and young workers. However, there are no measures of jobs held by First Nations people or people with disability. There are no data series available on the employment of First Nations people or people with disability in the visitor economy, either.

Job vacancies in the visitor economy

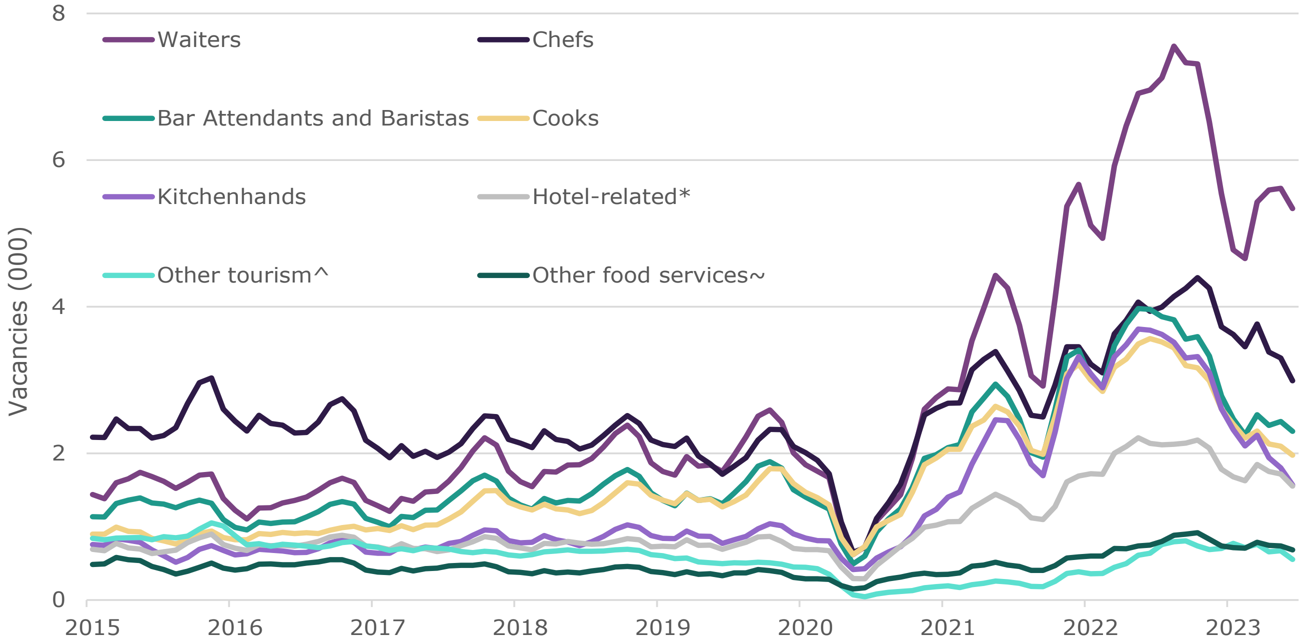
Tourism-related job vacancies rose rapidly from October 2021 and peaked at 26,274 in August 2022 (Figure 7) which was double the number the year before and almost 3 times higher than the pre-pandemic average (that is, the average of 2018 and 2019). The extremely high level of job vacancies for tourism-related jobs accorded with industry commentary regarding challenges finding staff. Tourism-related vacancies include those in the roles of waiters, chefs, bar attendants and baristas, cooks, kitchenhands, hotel-related, other tourism and other food services.[4]

From September 2022 onwards, the number of job vacancies in tourism-related occupations declined. In June 2023, there were 16,963 tourism-related vacancies. This was 35% lower than the peak in June 2022, but still well above (176%) the pre-pandemic average level (9,646 tourism-related vacancies on average over 2018 and 2019).

The decline in tourism-related vacancies suggests that businesses have been securing staff to fill job vacancies, which is in line with the rise in tourism filled jobs. It also accords with an increase in labour availability as international workers were able to return to Australia.

[3] Total employment refers to the sum of full-time and part-time employment. Note that the ABS advises that data from the Labour Account should be used rather than data from the LFS when making comparisons across industries.
[4] Hotel-related includes housekeepers, hotel and motel managers, and hotel service managers. Other food services includes café workers, food trades assistants and fast food cooks. Other tourism includes tourism and travel advisers, gaming workers and travel attendants.

Figure 7. Online job vacancies advertised for tourism-related occupations, monthly, January 2015 to June 2023.



* Sum of housekeepers, hotel and motel managers, hotel service managers
^ Sum of tourism and travel advisers, gaming workers, travel attendants
~ Sum of cafe workers, food trades assistants, fast food cooks
Source: Jobs and Skills Australia, IVI Data detailed occupation, March 2006 onwards. Data to June 2023, accessed August 2023.

Nevertheless, the level of vacancies remained elevated in 2023, suggesting that additional workers are still required to meet demand. In particular, vacancies for waiters remain 3 times higher than pre-pandemic, while hotel-related and kitchenhand vacancies remained more than double the pre-pandemic level in June 2023.

For the whole economy, the total number of vacancies also rose sharply from 2020 to 2022. Total vacancies peaked in October 2022 at 307,834, which was 73% above the pre-pandemic average. In June 2023, the number of vacancies overall was 277,309. This was 10% below the October 2022 peak but still 56% above the pre-pandemic level.

The reduction in vacancies is positive news. However, it is important to note that a number of occupations in the visitor economy remain in shortage, according to the recently updated National Skills Priority List. Since 2021, Jobs and Skills Australia (JSA) has produced an annual report listing the occupations that are deemed to face shortages at the national, state/territory, or regional level.[5] In 2023, the Skills Priority List (SPL) reported that 36% of occupations were in national shortage (332 out of 916). This is 5 percentage points higher than the share of occupations that were in national shortage the previous year (31% of occupations in 2022) and 17 percentage points higher than in 2021 (19% of occupations). The rise in share of occupations facing shortages is said to reflect 'the cumulative impact of recruitment challenges, stemming from a persistently tight labour market which began tightening from late 2021'.

[5] Shortages are determined based on employers' ability to fill vacancies in that occupation (i.e. the 'fill rate').

Occupations relevant to the visitor economy that are listed as having a shortage in 2023 include:

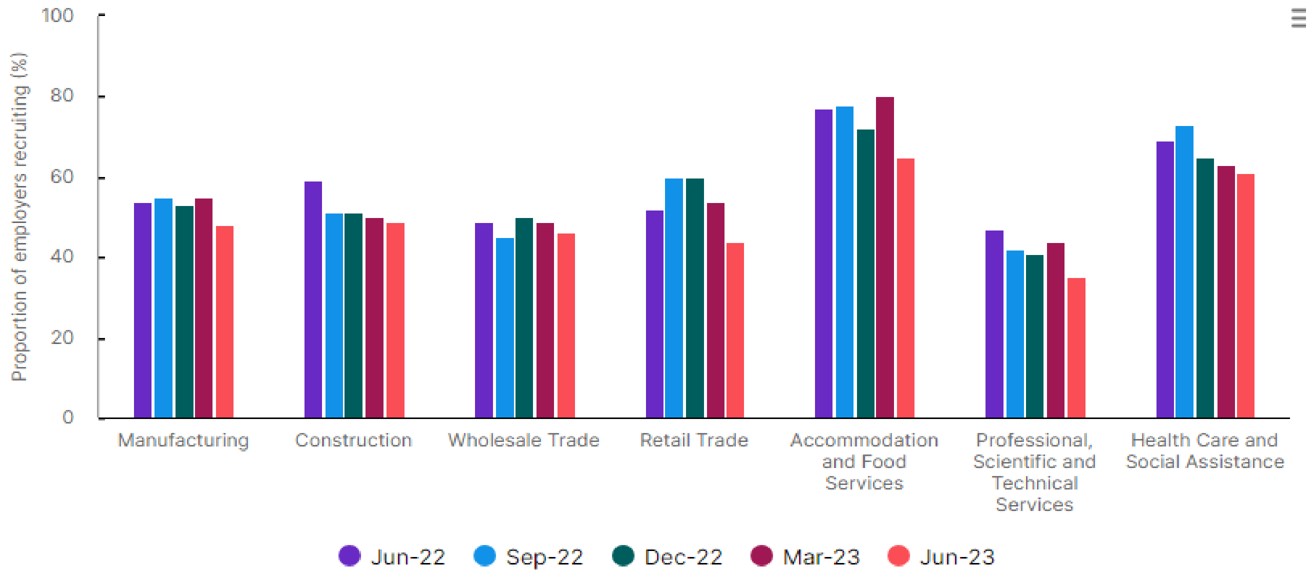
- Accommodation and hospitality managers
- Air transport professionals
- Train driver
- Cook, chef, baker, pastrycook
- Waiter
- Travel consultant
- Tour guide.

This data analysis is consistent with informal advice from industry stakeholders in recent quarters. It reflects where there are large numbers of vacancies for a role. It does not, by definition, reflect the breadth of specialist roles in tourism that stakeholders have also reported as in shortage.

Recruitment activity

JSA also provides data and insights into the recruitment activity of firms in Australia. In June 2023, 65% of accommodation and food services employers reported they were recruiting or had recently recruited staff.[6] Compared with other industries, the recruitment rate of accommodation and food services firms has been consistently higher since June 2022 (Figure 8.) The share of accommodation and food services employers recruiting has trended down over recent quarters and was 15 percentage points lower in the June quarter 2023 than in the previous quarter.

Figure 8. Recruitment rates by selected industries, June 2022 to June 2023

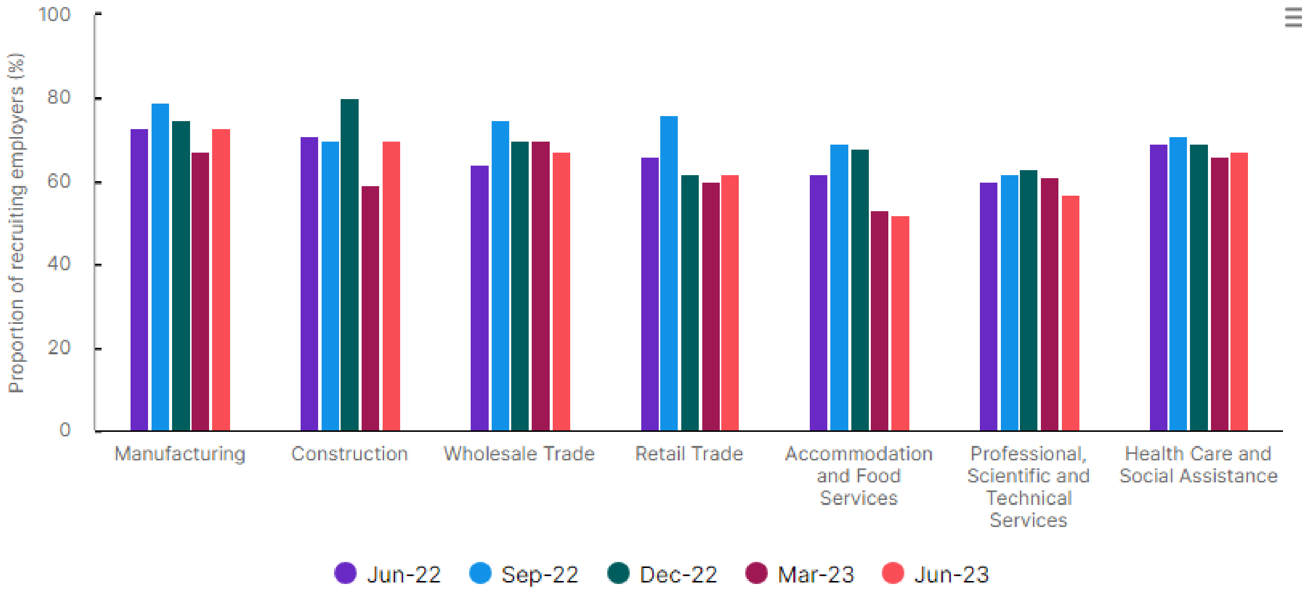


Source: Recruitment Outlook and Experiences Survey, June 2023.

[6] Source: Jobs and Skills Australia, Recruitment Insights report, June 2023. The recruitment rate is the proportion of employers who were either currently recruiting at the time of the survey or who had recruited in the previous month. Therefore, some recruiting employers may have recruited prior to the survey period.

In line with this analysis, JSA reports that the recruitment difficulty rate (the proportion of recruiting employers who experienced difficulty hiring) for the accommodation and food services industry has declined in 2023 compared to the previous year. In the June quarter 2023, the recruitment difficulty rate for the accommodation and food services industry was 52%. This was lower than the peak of 62% in June 2022 by 10 percentage points. Interestingly, the recruitment difficulty rate for the accommodation and food services industry was among the lowest of all industries (Figure 9).

Figure 9. Recruitment difficulty rates by selected industries, June 2022 to June 2023



Source: Recruitment Outlook and Experiences Survey, June 2023.

On average, across all industries, the recruitment difficulty rate was highest in 'Inner regional Australia' followed by 'Outer regional, remote and very remote Australia'. The recruitment difficulty rate was lowest in the major cities.

The proportion of employers who expect to increase staffing levels over the next 3 months was 21% for the accommodation and food services industry. This was lower than the previous quarter and well below the peak (51%) at the end of 2021. There was a higher share of employers in the accommodation and food services industry expecting to increase staffing levels over the next 3 months than in the wholesale trade, manufacturing, professional, scientific and technical services and retail trade industries. The construction and the health care and social assistance industries had higher employment intentions than the accommodation and food services industry. Conversely, the proportion of employers who expect to decrease staffing levels over the next 3 months was 6% for the accommodation and food services industry. This was an increase from 3% (compared to the March 2023 quarter) and was among the highest of all industries.

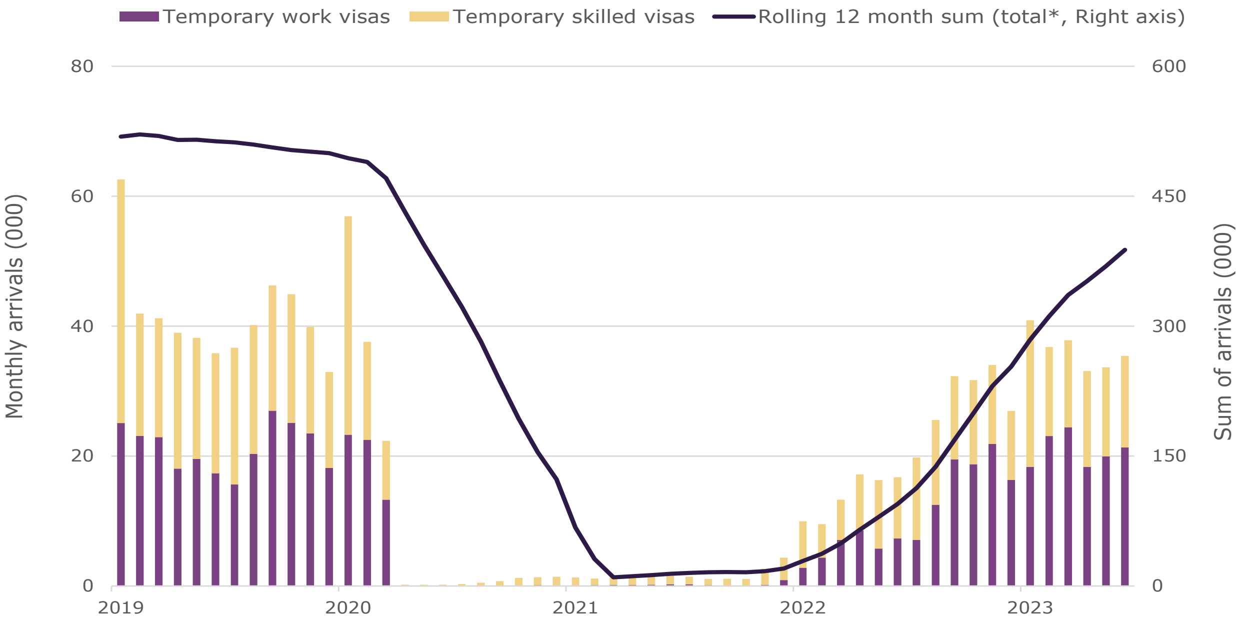
International workers

Three groups of international travellers are important sources of workers for VE businesses:

- international arrivals with temporary employment visas
- student visa holders
- working holiday maker visa holders.

In the year to August 2023, there were 163,700 international arrivals with a temporary work visa. This was only marginally lower (0.7%) than the equivalent pre-pandemic period (162,100 arrivals in January to August 2019). There were a further 125,000 international arrivals with a temporary skilled visa from January to August 2023. The number of international arrivals with temporary work or skilled visas in 2023 to date (288,700) was 80% higher than the same period in the previous year (160,650 in 2022), but still 65% below the same period pre-pandemic (Figure 10).

Figure 10. Overseas visitor arrivals by visa type, monthly, January 2019 to August 2023.



*Sum of temporary work and skilled visas over prior 12 months.
Source: Australian Bureau of Statistics, Overseas Arrivals and Departures, Australia, August 2023.

The number of international arrivals holding a temporary student visa has also increased in 2023 compared with last year. From January to August 2023, there were 573,300 international arrivals with a temporary student visa. This was 75% higher than the same period in 2022, but still 17% lower than the equivalent pre-pandemic period in 2019.

According to the data provided by Department of Home Affairs (Home Affairs), there were 659,550 international student visa holders in Australia as at 21 August 2023.[7] This was 59% more student visa holders in Australia than at the same week a year ago. It was also 17% more than

[7] There were 734,394 international student visa holders in total (both onshore and offshore). Note that this report focuses on visa holders in Australia, as these students are more likely to contribute to the visitor economy. It also excludes student visa holders in the foreign affairs and defence sector.

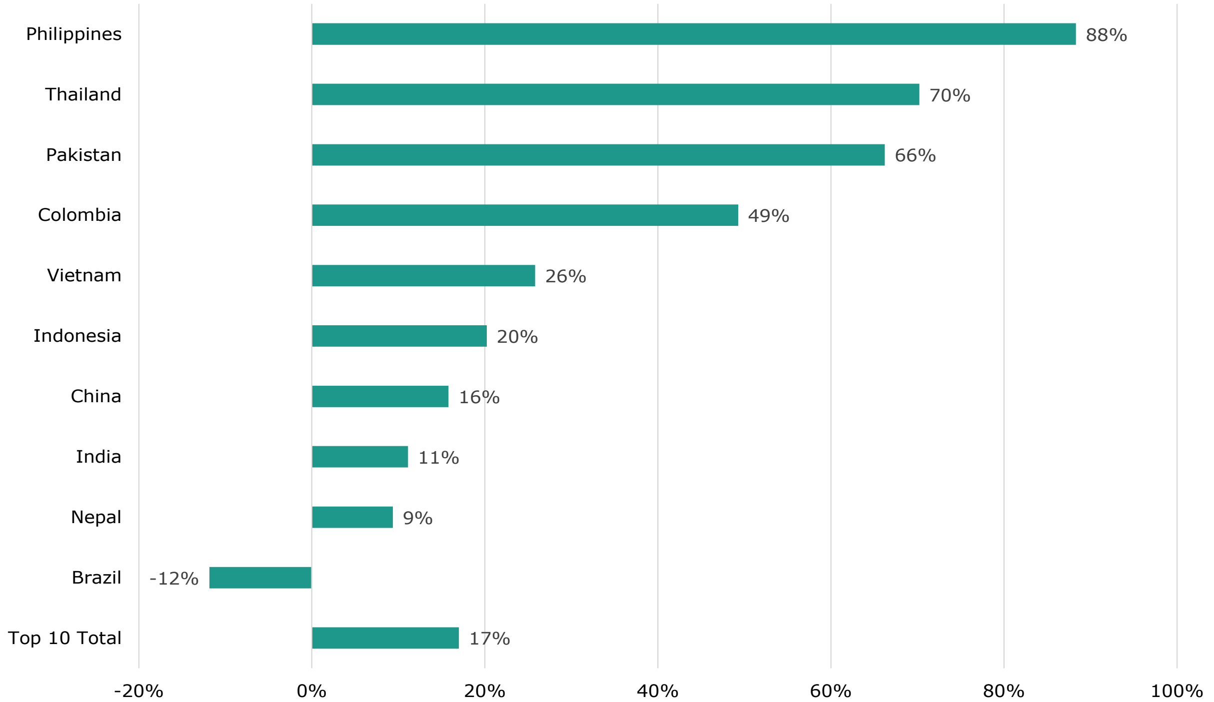
the number of student visa holders in Australia at the end of March 2020 (when the Australian international border closed due to the COVID-19 pandemic).

In August 2023, 9 of the top 10 source markets had more student visa holders in Australia than pre-pandemic (that is, in March 2020; Figure 11). The number of student visa holders in Australia from these countries was significantly higher as at 21 August 2023 than it was pre-pandemic:

- Philippines – 15,1922 more visa holders (up 88%)
- Thailand – 9,047 more visa holders (up 70%)
- Pakistan – 8,642 more visa holders (up 66%).

Meanwhile, the number of student visa holders in Australia from Brazil remained 12% lower (2,389 fewer) in August 2023 than it was in March 2020. The top 10 source countries made up 72% of student visa holders and this was up 3 percentage points on March 2020.

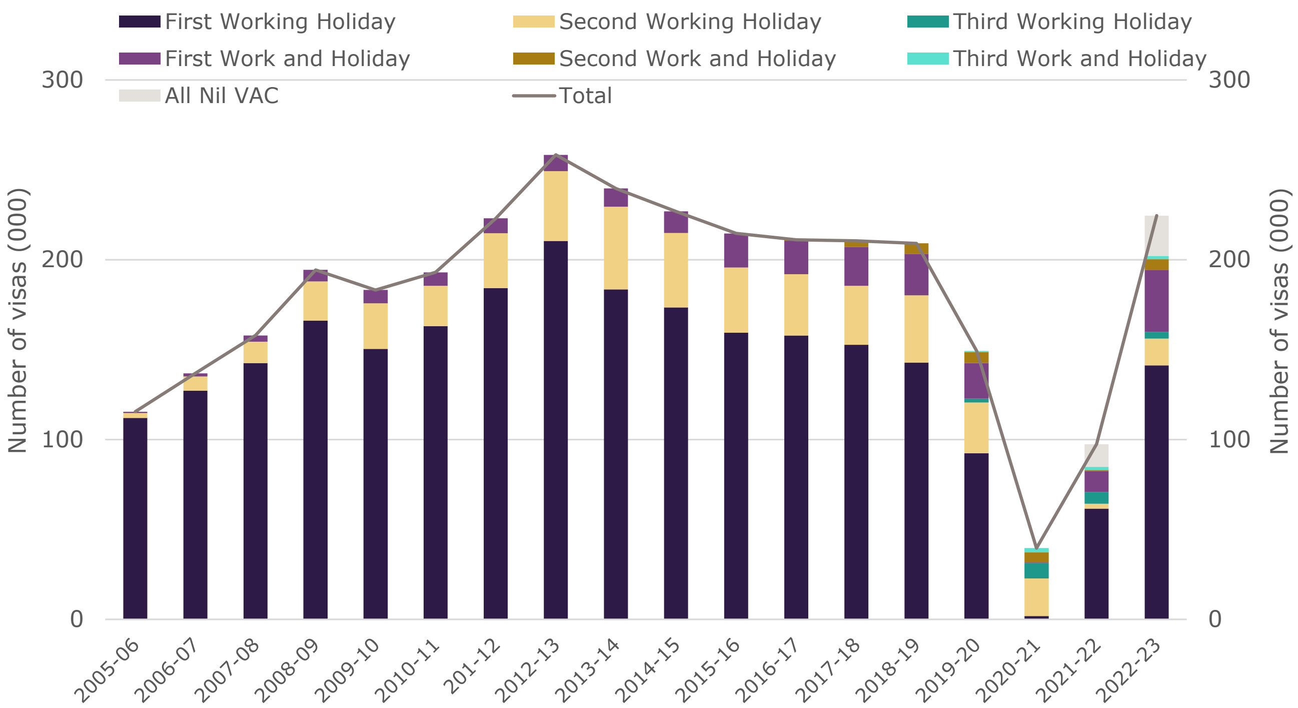
Figure 11. Change in Student Visa Holders in Australia by top 10 source market, March 2020 to August 2023.



Source: Department of Home Affairs, student visa holder data

Data on the number of working holiday makers (WHMs) is reported by Home Affairs. Home Affairs reports that in the 2022-23 financial year, 224,400 working holiday visas (subclass 417 and subclass 462) had been granted. This was 130% more than the number that was granted in the previous financial year and 467% more than was granted in the 2020-21 financial year (the year of peak impact from the pandemic). Importantly, the number of visas granted in the most recent year was 7% higher than in the 2018-19 financial pre-pandemic year (Figure 12).[8]

Figure 12. Working Holiday Maker visas granted by type of visa, 2005-06 to 2022-23.



Source: Department of Home Affairs, Working Holiday Maker visas granted pivot table 2022-23 to 30 June 2023.

Home Affairs also provides detail on the country of origin of working holiday visas in half-yearly reports (the latest is for [December 2022]) as well as the employer industry for second and third visa applicants. In this report, Home Affairs reports that in the six months from 1 July 2022 to 31 December 2022, of the total of 111,620 WHM visas granted 67% were Working Holiday (subclass 417) visas and 15% were Work and Holiday visas (subclass 462) visa. Over this period, of the Working Holiday visas granted, there were:

- 66,870 **first** Working Holiday visas granted compared to 13,544 visas granted in the same period in 2021 (394% increase). The top 5 countries for visas granted were the UK, France, Ireland, Germany and Italy.
- 4,554 **second** Working Holiday visas granted compared to 514 second visas granted in the same period in 2021 (786% increase). The top 5 countries for second visas granted were the UK, Taiwan, Ireland, South Korea and France.
- 2,849 **third** Working Holiday visas granted, compared to 3,430 in the same period in 2021 (17% decrease). The top 5 countries for third visas granted were the UK, France, Taiwan, Ireland and Italy.

[8] Nil VAC visas refer to visas that incurred no Visa Application Charge (VAC). These visas were available to holders and former holders of a COVID-19 affected WHM visa from 1 July 2021 to 31 December 2022. Replacement visa with no VAC were available to WHMs who were offshore and were unable to come to Australia or had to leave early because of COVID-19 until 31 December 2022.

Of the Work and Holiday visas granted from 1 July 2022 to 31 December 2022, there were:

- 13,783 **first** Work and Holiday visas granted, up from 1,724 (700% increase) in the same period in 2021. The top five countries for visa grants were the USA, Indonesia, Chile, Argentina and Spain.
- 1,940 **second** Work and Holiday visas granted, up from 149 (1202% increase) visas granted in the same period 2021. The top five countries for second visas granted were Vietnam, Indonesia, China, Argentina and Thailand.
- 1,058 **third** Work and Holiday visas granted, down from 1,142 (7% decrease). The top five countries for third visa grants were China, Indonesia, Argentina, Chile and USA.

Looking forward

Data analysis in this report suggests the severity of labour shortages eased in 2023, though skills shortages remained elevated relative to the pre-pandemic period, especially for particular roles.

Additionally, from mid-2022 to mid-2023, the size of the tourism workforce has grown strongly, while vacancies have declined. In some parts of the visitor economy, the number of employers looking to recruit additional staff has declined and finding suitable labour appears to have become less difficult. International worker numbers have also continued to increase markedly. Over the same time, policy measures have supported the visitor economy to rebuild its workforce.

Going forward, further increases in the number of international students and working holiday makers in Australia are expected. This will support an increase in workforce availability for segments of the visitor economy that have typically relied on these sources of labour.

The size of the tourism workforce is expected to continue to rise over the coming year, reflecting the progressive recovery in international travel to Australia. In particular, the rebound in international education is likely to support further growth in tourism filled jobs, especially as the share of education services consumed by international visitors recovers and this data feeds into updates in the tourism labour force statistics. (Currently the education and training component of the tourism workforce remains the furthest from its pre-pandemic level.)

The slower pace of growth in domestic tourism demand is also likely to help to narrow the gap between current staff levels and the desired/required level to meet tourism demand in Australia.

There are also key government and industry initiatives that will influence the future of the visitor economy workforce. These include the *Employment White Paper*, released on 25 September 2023. It underpins the government's vision for a dynamic and inclusive labour market in which everyone has the opportunity of secure, fairly paid work. The *White Paper* provides a roadmap for the Australian labour market, including reform for the migration system, investing in skills, tertiary education and lifelong learning, reducing barriers to work and promoting inclusive workplaces.

The other key government review expected to affect the future of the tourism workforce is the Migration Strategy, due to be released later in 2023. This new strategy has been informed by strong sector consultation and written submissions to the *Migration Review* paper. In the *Outline of the Government's Migration Strategy*, released in April 2023, the government outlined the core objectives for the Strategy, including building Australia's prosperity by lifting productivity, meeting workforce needs and supporting exports, and providing a fast, efficient, and fair system.

Annex 1

Data sources

This section discusses the various data sources relied upon for the previous analysis. It notes the advantages of using the various data sources, as well as some of the methodological and conceptual challenges of the data sources. We also list some of the additional insights that can be uncovered from further analysis of these data sources.

All data sources were accurate and up to date as of 5 October 2023.

Quarterly Tourism Labour Statistics

The primary data source for tourism specific workforce statistics is the ABS-generated Quarterly Tourism Labour Statistics. This is because it is specifically designed to capture data on jobs specific to the tourism sector. It is compiled and published by the ABS on a quarterly basis (Tourism Satellite Accounts: quarterly tourism labour statistics, Australia, experimental estimates, June 2023 | Australian Bureau of Statistics (abs.gov.au)).

This data source is based on the Australian Labour Account, which is a highly regarded source built on International Labour Organisation fundamentals and consistent with the System of National Accounts 2008. As tourism is not a stand-alone industry directly aligned to the typical ANZSIC (Australian and New Zealand Standard Industrial Classification) industry structure, this quarterly data source is unique and extremely valuable.

Tourism jobs are not directly observed as many occupations and industries cater to both visitors and non-visitors. The ABS classifies a job as 'tourism-related' if it directly impacts tourism activity, indicating a direct relationship (physical and economic) between a visitor and the producer of a good or service. The ABS identifies industries that directly cater to tourists from the products they purchase in a particular year and calculates the value added of the associated production. This informs a tourism value added industry ratio which is applied to whole economy employment estimates to derive tourism employment estimates. Additional 'benchmark' ratios are created annually with each Tourism Satellite Account. The full suite of information required to calculate benchmark ratios is only available 2 years after the reference period. Ratios are usually held constant for the forward years. However, due to the rapid changes in economic structures caused by the COVID-19 pandemic, the ABS has made some preliminary adjustments to the calculations in these forward years to minimise revisions to the tourism employment estimates. Despite this, there have been more revisions than usual and further revisions are anticipated in the future.

The ABS commenced publication of this report in March 2020 and data is available from September 2004 onwards.

More information on the methodology of the Quarterly Tourism Labour Statistics, can be found here: TSA, Quarterly tourism labour statistics, Australia | Australian Bureau of Statistics (abs.gov.au)

Labour Force, Australia, Detailed

The ABS also produced very detailed data on Australia's labour force survey (LFS) - Labour Force, Australia, Detailed, August 2023 | Australian Bureau of Statistics (abs.gov.au). It provides a high level of detail for a range of measures. For example, information on employees, job-type, demographics, skill types and hours worked is available at the industry, state and regional level. However, all industry definitions are based on the ANZSIC structure, and therefore tourism is not specifically identified. Industries with a high cross-over with tourism, such as the accommodation and food services industry, can be analysed in more detail using this data source.

Detailed ABS labour force data is published quarterly, and with a shorter time lag from the reference period compared to the Quarterly Tourism Labour Statistics.

Jobs and Skills Australia produces a quarterly Labour Market Update report that relies heavily on this data source. The labour market update report provides comprehensive and informative analysis on a range of labour market variables (within the ANZSIC industry classification structure).

Internet Vacancies Index, Jobs and Skills Australia

The Internet Vacancy Index (IVI) is a monthly count of online job advertisements compiled by Jobs and Skills Australia (Internet Vacancy Index | Jobs and Skills Australia).

IVI data count job advertisements newly lodged on the SEEK, CareerOne and Workforce Australia online job boards during the reference month. This means that is does not account for jobs advertised through other online job boards, employer websites, social media, newspapers, or other informal methods such as word of mouth. The IVI does not take account of multiple positions being advertised in a single job advertisement. Consequently, the IVI does not reflect the total number of job advertisements in the Australian labour market. Moreover, it does not reflect the total number of job vacancies either. Some employment opportunities are not advertised by employers, who may instead fill their vacancies via internal promotion or alternative recruitment methods. Research suggests that online job advertisements can be slightly biased towards higher skilled positions. Employers with lower skilled vacancies tend to use informal recruitment methods like social media or word of mouth more regularly.

Data are available by occupational groups, skill level groups, state or territory and by regional areas. Data are available at the ANZSCO4 level for occupations – which identifies roles such as chefs, waiters, hotel managers etc. The time series is available since January 2006.

Recruitment Experiences and Outlook Survey, Jobs and Skills Australia

The recruitment Experiences and Outlook Survey is a new data source from Jobs and Skills Australia. It provides a time series starting from mid-2020. There is both an overall monthly report and related data file, as well as a more detailed quarterly report and data file available (Recruitment Experiences and Outlook Survey | Jobs and Skills Australia).

This data source contains information on the share of employers recruiting, the share of firms reporting recruiting difficulties and firms' hiring intentions. Data is available for Australia as a whole, as well as by State/Territory and with some regional segregation, at the skill level and by industry. The industries are identified as per the ANZSIC structure – therefore tourism is not specifically identified.

To generate this data, Jobs and Skills Australia surveys at least 1000 employers each month to find out about their experience when recruiting staff as well as whether they are expecting to increase staffing levels.

Department of Home Affairs-Student Visa Holders

This is the primary source for onshore and offshore Student Visa holders (SVH). This is a student who has been granted a student visa (subclass 462) grant. This allows them to live, work and study in Australia for a maximum of five years, in line with their course. They are also allowed to work a maximum of 40 hours per fortnight during term time and unlimited hours during study breaks.

This is a discontinued dataset from the Department of Home Affairs (Home Affairs). It was part of an email series supplied by the Department of Education during the pandemic period.

The ongoing data will be available in the form of an overall monthly report and data file with a snapshot which can be found on data.gov.au (Temporary visa holders in Australia - Dataset - data.gov.au). It contains the similar data filters as the discontinued file; however, it only contains data for SVH in Australia, and at a quarterly timeframe. It also contains the following Visa Categories: Visitors, Working Holiday Maker, Temporary Resident (Other Employment), Temporary Resident (Skilled Employment), and Temporary Graduate.

Skills priority list (SPL), Jobs and Skills Australia

Jobs and Skills Australia (JSA) leads work on skills shortage analysis including the annual Skills Priority List and reports on Skills Shortages. The Skills Priority List (SPL) provides a detailed view of occupations in shortage in Australian and by each state and territory including the future demand for occupations in Australia. The SPL is released annually as a point-in-time assessment of the labour market.

Annex 2

Definitions

Filled jobs – a job that is occupied/filled, as opposed to a vacant role. Includes all filled jobs whether the job is full-time or part-time and whether it is someone's primary/main job or secondary job.

Full-time workers – Employed persons who usually worked 35 hours or more a week (in all jobs) and those who, although usually working fewer than 35 hours a week, worked 35 hours or more during the reference week.

Main job – is the job in which most hours are usually worked. An employed person can only have one main job.

Part-time workers – Employed persons who usually work fewer than 35 hours a week (in all jobs) and either did so during the reference week or were not at work during the reference week.

Recruitment difficulty rate – the proportion of recruiting employers who experience difficulty hiring. Importantly, the recruitment difficulty rate doesn't relate to all employers, just those currently recruiting or who had recruited in the previous month. 'Difficulty hiring' is a subjective measure for the employer to assess.

Secondary jobs – any job held by an employed person, other than their main job.

Shortage (at the occupation-level)

The definition used for occupation shortages listed in the Skills Priority List is:

- An occupation is in shortage when employers are unable to fill or have considerable difficulty filling vacancies for an occupation or cannot meet significant specialised skill needs within that occupation, at current levels of remuneration and conditions of employment and in reasonably accessible locations.

Based on this definition, the primary measure of an occupation shortage is the ability of employers to fill vacancies (fill rate). Evidence used to assess occupation shortages ranges from data modelling, statistical analysis of the labour market, employer surveys and broad stakeholder engagement with various groups. These stakeholder groups include peak bodies, industry groups, professional associations, unions, and regional representative bodies in the Australian labour market. Input and feedback are also sought from the Australian and state and territory governments and Jobs and Skills Councils. This collective body of evidence is used to estimate the fill rates of occupations and ascertain the likelihood of occupations in shortage. Source: JSA report template (jobsandskills.gov.au).

Tourism

The term 'tourism' in the international standards is not restricted to leisure activity. It also includes travel for business or other reasons, such as education, provided the destination is outside the person's usual environment.

An important conceptual distinction concerns the difference between travel and tourism, and consequently between a traveller and a visitor. Travel is a broad concept which encompasses the activity of travellers and includes commuting to a place of work, migration and travel for business or leisure. A traveller is defined as:

- '... someone who moves between different geographic locations, for any purpose and any duration.' (International Recommendations for Tourism Statistics 2008, para 2.4).

Visitors

The central statistical entity in tourism statistics is the 'visitor'. The scope of tourism in the international standards comprises the activity of visitors. A visitor is defined in the international standards as:

- '... a traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited.' (United Nations World Tourism Organization (UNWTO) International Recommendations for Tourism Statistics 2008, para 2.9).

If a person stays in the one place for longer than one year, their centre of economic and social interest is deemed to be in that place, so they no longer qualify as a visitor.

Annex 3

Sub-sectors wholly or partially in the visitor economy

As outlined in the THRIVE 2030 strategy*, below are the tourism subsectors that participate wholly or partially in the visitor economy:

Accommodation	Places travellers stay, including: • Hotels and resorts • Motels and serviced apartments • Caravan parks and campgrounds • B&Bs, farm stays, and sharing economy providers (e.g. Airbnb) • Agritourism • Private rentals.
Transport	Includes: • All aviation carriers and airport services • Water transport and travel, including cruising, and other boat travel or recreation • Ground transport, including urban, interurban and rural bus transport, taxis, limousines and rideshare services • Public transport services • Commercial and heritage rail • Hire vehicles, including bikes, motorbikes, passenger car rental, motorhome/campervan and other mobile accommodation hire, and scenic and sightseeing transport • Vehicle and motor vehicle parts retailing, fuel retailing, and road freight transport
Culture, arts and recreation	Includes: • tourist attractions, zoos and aquariums • national parks, nature reserves and hiking trails • sports and recreation services • arts and cultural services, including galleries, museums and other collecting institutions, creative and performing arts activities, heritage activities • function and event centres • casinos and other gambling services.

Tourism services	All businesses and individuals acting as agents in selling travel, tour and accommodation services, and providing travel arrangement and reservation services for airlines, cars, hotels, restaurants and experiences, including: • travel agents • tour operators, including inbound tour operators • tour guides • information centres.
Education and training	All education services that are attributable to the visitor economy, including: • secondary and tertiary education • adult, community and vocational education • specific tourism and hospitality training services including on-the-job training, apprenticeships etc.
Business events	Includes: • large off-site meetings • incentive events • conventions and conferences • exhibitions and trade shows • convention centres • professional convention organisers, destination management companies and event support services, including audio-visual, staging, event hire and ancillary services.
Food services	Places that serve food and drinks, including: • cafes, restaurants and takeaway food services (including catering and food trucks, delivery services) • pubs, bars, taverns and clubs.
Retail	All retail trade that is consumed or purchased in the course of a trip, including relating to: • motor vehicles and fuel retailing • food retailing including delivery services • other store-based retailing like luggage and souvenirs, including 'high-end' retail.

*Source: Thrive 2030 strategy, pages 4-5