



Tourism  
Industry  
Association  
New Zealand

# Tourism Workforce and Skill Projections

Improving Tourism  
Through  
Strategic Research

November 2004

# In the Beginning..

Tourism Strategy 2010 identified some broad forecasts of people needs based on visitor projections.

These forecasts were not linked to competitive performance or employer requirements.

TIANZ and others believed Industry demonstrated insufficient ownership of its workforce skills and training.

# Strategic Issues..



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- Tourism is a part of the national resource base – this is a competitive investment issue for our sector of the economy.
- Employers are responsible for product quality and innovation. People and their skills must add value to every visitor's stay.
- Skill and training providers need clear directions.

# The TIANZ approach..

- Industry Partnerships became essential: We included ATTTO, HSI, HANZ and their communities.
- Tourism resources also have significant public policy implications.
- We also formed a Private Sector-Public Sector Research Partnership with the Ministry of Tourism.

# How was the research done?

- Commissioned BERL in association with Horwath Asia-Pacific to combine economic and industry-survey data to establish answers to:
  1. How many **People** will the Industry need in 2010?
  2. What types of **Skills** will they need?
  3. How will key **Sectors** cope?

# High Level Results..

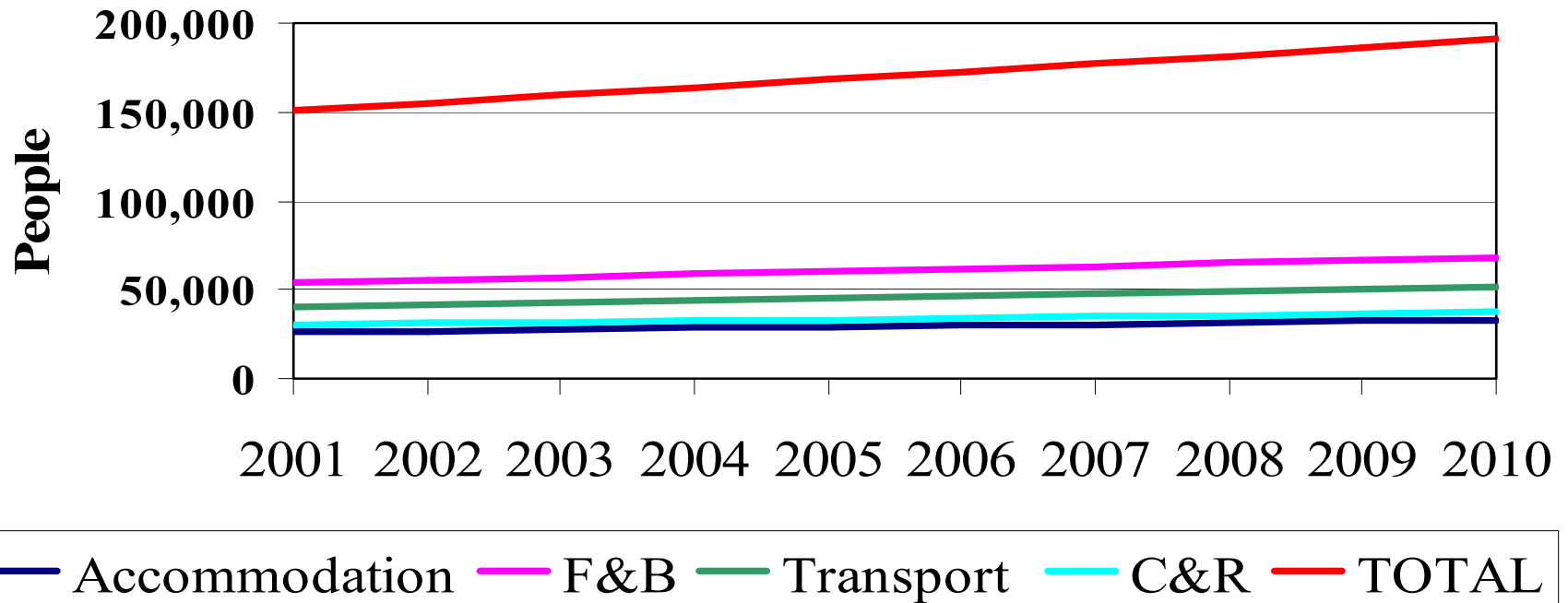
- Tourism's reliance on people must be taken very seriously: the perception and reality of Tourism offering a genuinely rewarding career cannot be understated.
- All Tourism enterprises – both large and small, must include people and skill development in their business plans.

# Detailed Results..



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## Net Employment Projections

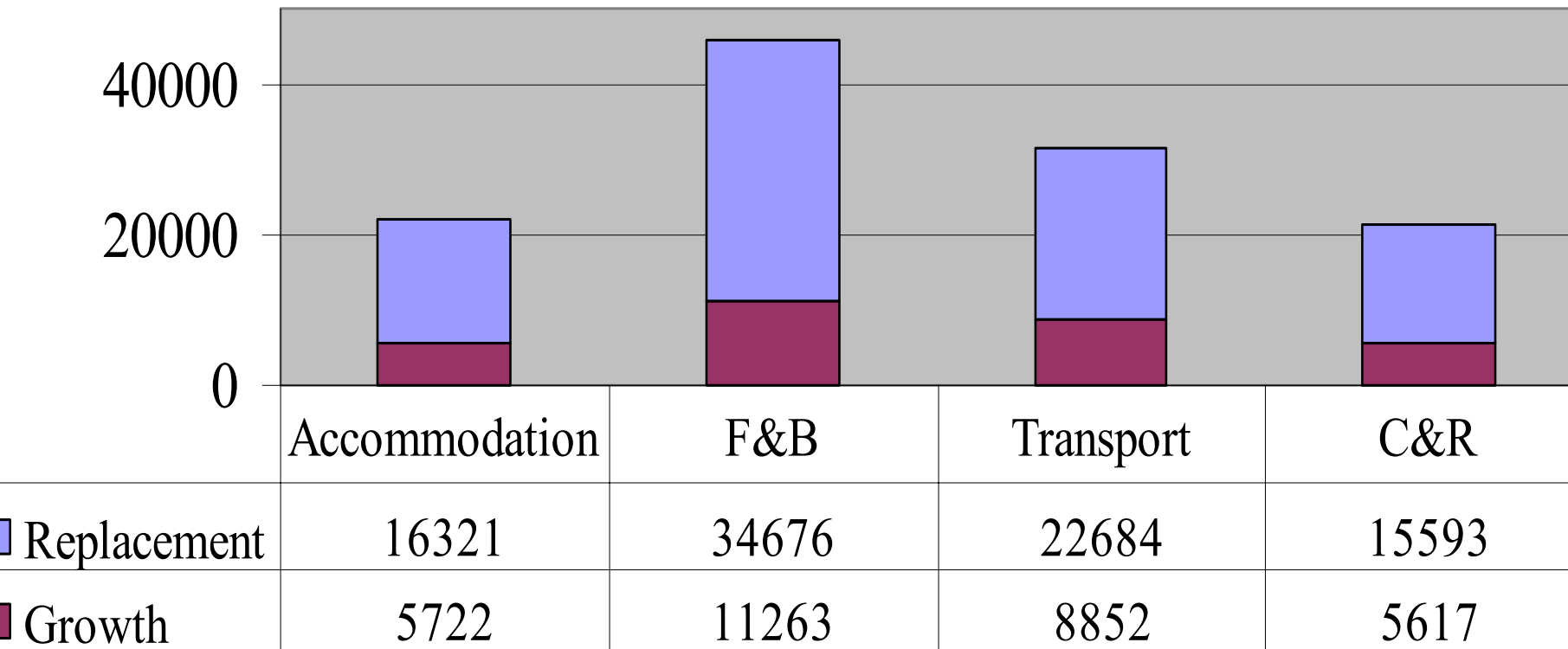


# Growth versus Replacement..



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## 2010 Gross Employment Requirements



# Compensation Comparison..

| Year                        | Accommodation, cafes and restaurants (ACCR) |           |           |           |           |           |
|-----------------------------|---|-----------|-----------|-----------|-----------|-----------|
|                             | 1,999                                       | 2,000     | 2,001     | 2,002     | 2,003     | 2,004     |
| Tourism FTE persons engaged | 28,394                                      | 31,966    | 32,748    | 33,599    | 34,473    | 35,369    |
| ACCR Avg/FTE                | \$ 18,577                                   | \$ 18,018 | \$ 19,114 | \$ 20,294 | \$ 21,547 | \$ 22,878 |
| <b>Non Tourism Avg/FTE</b>  | \$36,333                                    | \$36,374  | \$37,944  | \$39,566  | \$41,258  | \$43,022  |

|     |      |      |
|-----|------|------|
| TSA | FCST | W&SP |
|-----|------|------|

# Exposing some seasonality myths..



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- Peak/Trough Seasonality in 2001
  - Accommodation  $-\Delta 12\%$
  - Food & Beverage  $-\Delta 6\%$
  - Transport  $-\Delta 8\%$
  - Activities & Recreation  $-\Delta 4\%$
  - **Visitor Numbers 2001  $-\Delta 47\%$**

**Overall, employment stability exceeds  
visitor stability**

# Sectors state their needs..



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| Future skills / knowledge required   | Accommodation | Food and Beverage | Transport | Leisure |
|--------------------------------------|---------------|-------------------|-----------|---------|
| Computer / IT / software skills      | ✓             |                   | ✓         | ✓       |
| Financial management                 | ✓             |                   |           |         |
| Management / planning skills         | ✓             | ✓                 |           |         |
| Business analysis / development      | ✓             |                   |           | ✓       |
| HR / people / group management       | ✓             |                   | ✓         | ✓       |
| Quality control                      | ✓             |                   |           |         |
| Understanding of cultural diversity  | ✓             | ✓                 | ✓         | ✓       |
| Diversified language skills          | ✓             | ✓                 | ✓         | ✓       |
| Relevant product knowledge           | ✓             | ✓                 | ✓         |         |
| Selling / up-selling skills          |               | ✓                 | ✓         | ✓       |
| Sustainability knowledge / awareness | ✓             |                   |           | ✓       |
| Awareness of compliance requirements | ✓             | ✓                 | ✓         | ✓       |

# Summary

- Tourism has significant needs that are magnified by high staff turnover.
- Seasonality does not justify under-investment in people
- Quality and growth will suffer if we do not do things differently
- This research applies to every employer

# Where Next? For example:



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- Research awareness programme – for Major Capital Providers then SMEs.
- Sector skill and turnover strategies.
- Teach everyone to use and benefit from research.
- Establish linkages between people quality, product quality and competitiveness.

# Credits



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## Industry Contributors to Survey Data

TIANZ Industry Funding Partners – ATTTTO,  
HSI and HANZ

The Ministry for a successful Public/Private  
Partnership

TIANZ Project Managers, BERL & Horwath  
Asia-Pacific