

5th UNWTO International Conference on Tourism Statistics

Session III: Case Study: Labour Shortages in Practice

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Outline

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- Case study on how tourism statistics, in this case tourism employment statistics, were used along-side a broader statistic framework to inform a strategy development process



New Zealand Tourism Strategy 2015

Developed over 2006/07
Industry and government partnership

Designed to give a long term perspective to tourism
sector development



Availability of people was identified as a major
challenge for the sector in the NZTS process

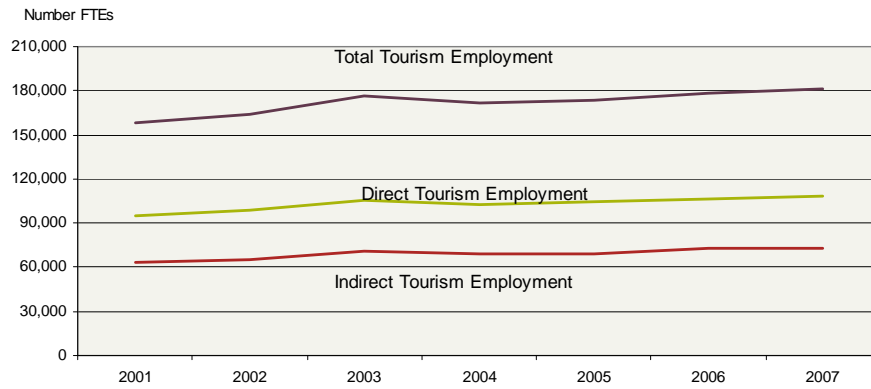
“Tourism is a service-based, highly labour-intensive
sector. Any growth in visitor numbers requires more
people in the sector. However, New Zealand has
almost full employment, particularly over the summer
high season”

Tourism Employment

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Tourism Employment 2001-2007



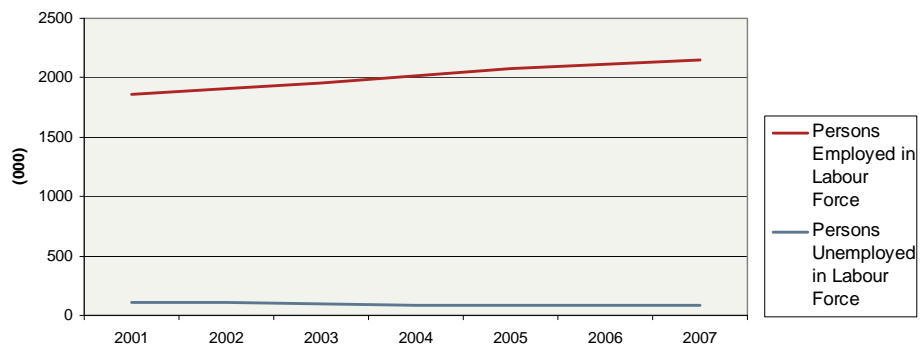
Tourism Satellite Account

National Labour Force

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National Labour Force Status



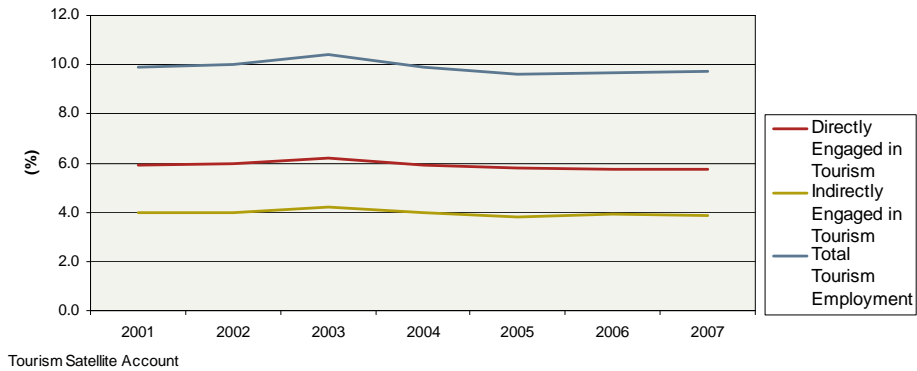
Household Labour Force Survey

Tourism % of Total Employment

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Employment (FTE Persons) Engaged in Tourism as a Percentage of Total Employment in New Zealand

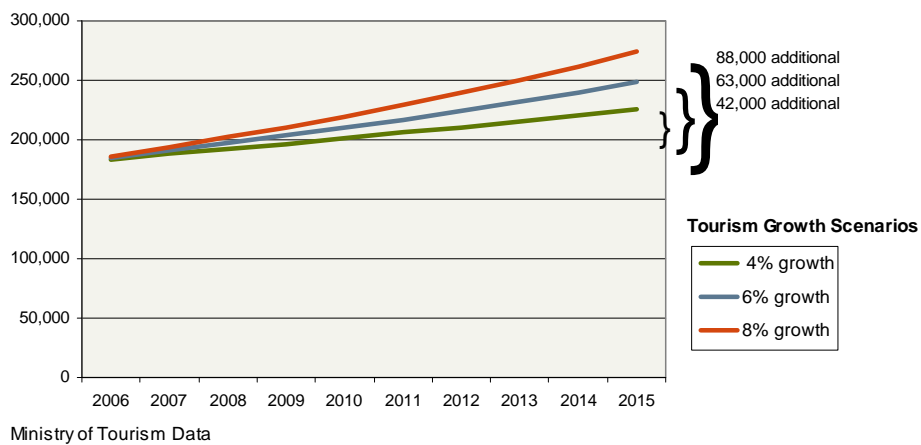


NZTS Growth Scenarios

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Projected Tourism Labour Force Participants

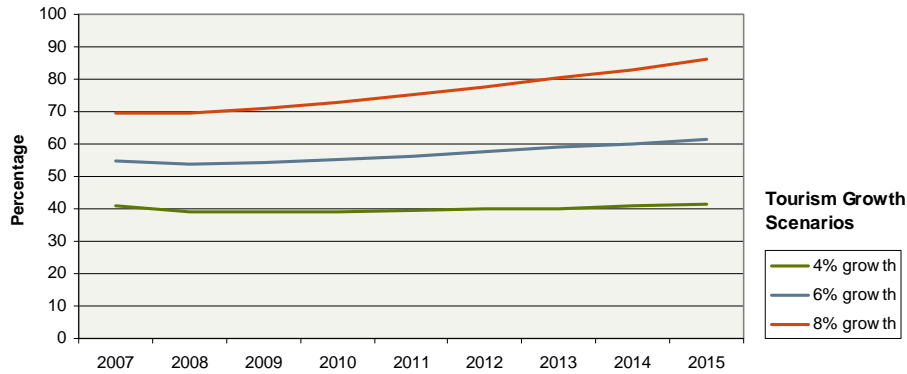


Tourism Workforce Projections

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New Tourism Labour Force Participants as a Percentage of Total New Labour Force Participants



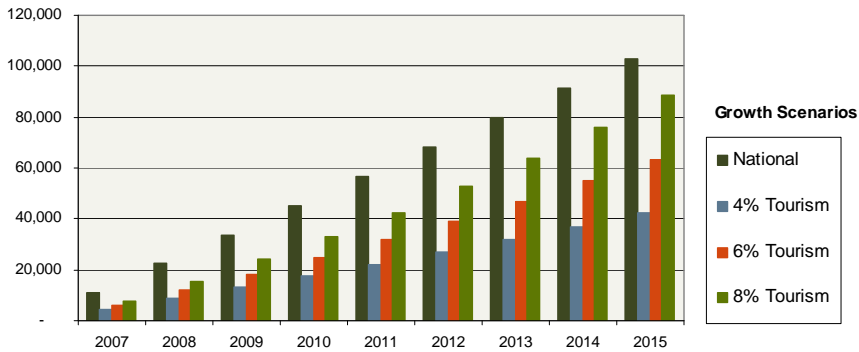
National Labour Force Projections and Ministry of Tourism Data

Overall Projections

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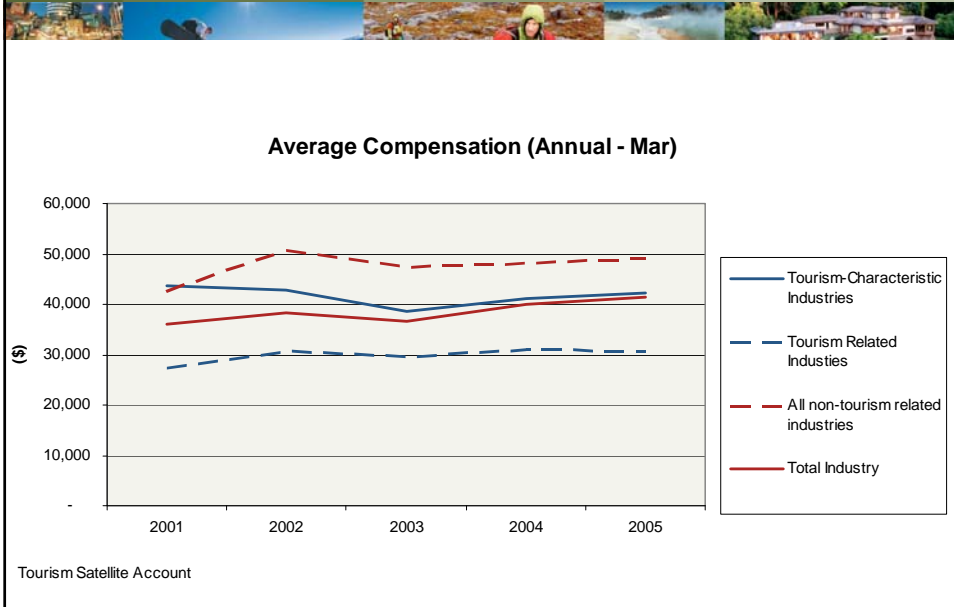
Forecasted Cumulative Number of New Labour Force Participants



National Labour Force Projections and Ministry of Tourism Data

Tourism Compensation

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Key Conclusion

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This analysis highlighted that labour force is, and will be, a real constraint to tourism growth, particularly in high growth scenarios, and yet the drivers (e.g. pay rates) will not support a significant increase in the tourism workforce

This was influential in 'yield' as opposed to 'volume' being the main focus of the Strategy.

Recommendations

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The most significant steps to achieving better workforce outcomes are:

- Increasing the profitability of firms
- Decreasing seasonality
- Increasing skill levels in the sector

Workforce Recommendations

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- Increasing prominence of workforce issues
- Promoting options for increasing productivity
- Better training
- Investing in technology
- Developing less labour-intensive experiences
- Seeking targeted migration

Implementation

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Implementation steps so far:

- Industry-led effort to establish 'single industry standards' for sector training
- Developing management training, with trials in regions and with Maori operators

More initiatives are on the way.

Implementation

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The biggest difference will be made through improved economic performance of the tourism sector, and this is subject to a more broadly-based set of initiatives

Recent operating environment

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Global economic slowdown has changed the operating environment in New Zealand

- Tourism demand is down
- Unemployment is up

Labour-force is not the constraint it was even in 2008

However, the long term view is that labour shortages will be a constraint that will require significant effort to address and mitigate

Comment on this Case Study

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Analysis only possible due to:

- TSA with solid time series and variables
e.g. total employment, compensation
- Wider economic data
e.g. labour force statistics, workforce projections

This enabled some really interesting modeling and scenario testing to be carried out that was very influential to the final outcome in the NZTS 2015