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About Workforce Insights

This Workforce Insight was developed prior to the outbreak of COVID-19 and the resultant economic and sector specific repercussions. The Food, Wine, Tourism and Hospitality ISC has already seen significant impact and will continue to monitor the impact of COVID-19 on skills needs in consultation with industry stakeholders.

A survey is being developed to inform the Food, Wine, Tourism and Hospitality ISC to respond to changing industry needs as a result of COVID-19. Workforce Insights will continue to evolve with further stakeholder consultation and as updated data and information becomes available.

At the beginning of 2019, the South Australian government established eight Industry Skills Councils (ISCs) to strengthen industry’s voice in skills and workforce development, and to ensure that funding for skills and training is directly aligned to industry priorities.

Workforce Insights brings together advice from ISCs and their networks, labour market and training data and industry research to explore the latest trends in skills and workforce development. In developing these reports, the Training and Skills Commission has adopted an industry centred approach, so you can be sure the insights have been endorsed by industry leaders.

Workforce Insights has been developed to inform government skills planning and to support employers and individuals to make informed workforce and skill development decisions. Workforce Insights will continue to evolve and be updated as additional research is undertaken and new information becomes available.

Thank you to all those who supported the development of these industry-led, sector-driven documents. Individually and collectively your contribution to the skilling and development of South Australia’s current and future workforce has been immense.

For further information, visit tasc.sa.gov.au/workforce-insights

Wine

The wine industry comprises grape growing and wine manufacturing. The wine industry employs around 8,562 people in South Australia.¹ The sector is a major contributor to exports in South Australia and is also a contributor to the tourism sector.

Key findings

- The South Australian wine industry generates around $2.82 billion annually in gross revenue including $1.89 billion from exports.
- A significant number of wine industry employers have identified challenges recruiting vineyard staff (including viticulturists), cellar door sales staff and vineyard managers.
- Shortages in the availability of local workers in regional South Australia means wine industry employers in some regions rely heavily on overseas labour, including working holidaymakers.
- Advances in telecommunication technologies can improve access and outcomes for people in regional and remote communities; however, use of such technology will require workforce upskilling.

¹ Australian Bureau of Statistics, EQ06 - Employed persons by industry group of main job (ANZSIC), Cat. No. 6291.0.55.003 (2019), smoothed, and ANZSIC Industry Class shares derived from ABS Census 2016
Industry outlook

South Australia dominates the Australian wine industry. Industry performance is closely aligned to trends in international trade, per capita alcohol consumption, and demand from liquor retailers and pubs, bars and nightclubs.

Prior to global outbreak of COVID-19 the outlook for the South Australian wine industry was positive. In recent years, demand for Australian wine from emerging markets has aided the industry’s strong performance. A shift in consumer preferences towards premium, higher-priced products has boosted profit margins slightly over the past five years.

The figures reported below are pre-COVID-19.

South Australia has about 55% of Australia’s vineyard area, and produces about 45% of Australia’s wine – this is because South Australia is a premium producer using viticultural practices for high quality and lower-than-average yields. In relation to exports, based on value, South Australia represents 65% of Australian wine exports.

The South Australian wine industry generates around $2.82 billion annually in gross revenue, including $1.89 billion in export revenue. China was our most valuable export market at about $735 million and is the dominant destination for South Australia’s bottled wine.

A 2019 survey of 100 South Australian wine firms states that ‘Asian export markets (and particularly China) continue to play an increasingly important role, as wine makers take advantage of free trade agreements and the value of the Australian dollar to explore new export markets’.

The industry employs 8,400 South Australians in grape growing and winemaking. A significant overlap in wine industry occupations with other industries, e.g. tourism and hospitality, makes it difficult to identify the industry-specific workforce and skills. Where there is overlap in the data, and where information is provided from multiple sources, there may be an inflation of the employment numbers.

Common occupations in the wine industry include viticulturalist, winemaker, cellar worker/cellar hand, vineyard worker and cellar door salesperson. However, as the industry has been further developing its tourism and hospitality offering, chefs, hospitality workers, function and events employees are starting to become more common occupations in the industry.

The outbreak of COVID-19 represents a disruption to the wine industry, being a major export industry, a tourism industry and hospitality industry. South Australian wine producers are experiencing a severe reduction in sales. Wineries have needed to qualify adapt, seeking to developing new channels for sales and direct customer interaction.

Cross border and international travel restrictions, are impacting on wine businesses in many different ways. This includes reduced or no market visits to customers and distribution partners, no domestic or international tourists, limited local walk-in traffic, no or reduced intrastate tourism visitors, slower and delayed freight times, contractor staff limitations and no movement of workers between states, unable to visit and oversee interstate site operations. Most wine businesses are being impacted because a significant number of visitors to their cellar door are from interstate resulting in loss of sales.

2 South Australian Wine Industry Association, South Australian wine industry—August 2019 snapshot (2019)
There are concerns that if international borders are closed for a prolonged period, this could have a serious impact on the access to casual vineyard workers, particularly in regions where there is a greater reliance of working holiday makers.

**Skill shortages**

Skill shortages includes occupations or skills that have been identified by Industry Skills Councils, pre COVID-19, as currently experiencing a skills shortage.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Region</th>
<th>Industry</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cellar Door Sales</td>
<td>South Australia</td>
<td>Wine</td>
<td>Occupation</td>
</tr>
<tr>
<td>Vineyard workers</td>
<td>South Australia</td>
<td>Wine</td>
<td>Occupation</td>
</tr>
<tr>
<td>Winemaker</td>
<td>Regional</td>
<td>Wine</td>
<td>Occupation</td>
</tr>
<tr>
<td>Adaptability (self-management)</td>
<td>South Australia</td>
<td>Wine</td>
<td>Skill</td>
</tr>
<tr>
<td>Detail oriented</td>
<td>South Australia</td>
<td>Wine</td>
<td>Skill</td>
</tr>
<tr>
<td>Financial</td>
<td>South Australia</td>
<td>Wine</td>
<td>Skill</td>
</tr>
<tr>
<td>Leadership</td>
<td>South Australia</td>
<td>Wine</td>
<td>Skill</td>
</tr>
<tr>
<td>Technology</td>
<td>South Australia</td>
<td>Wine</td>
<td>Skill</td>
</tr>
</tbody>
</table>

**Critical occupations**

Critical occupations include occupations or skills that have been identified by Industry Skills Councils, pre COVID-19 and include occupations that are deemed critical to achieving industry growth potential.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Region</th>
<th>Industry</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grape Grower</td>
<td>Regional</td>
<td>Wine</td>
<td>Occupation</td>
</tr>
<tr>
<td>Vineyard workers</td>
<td>South Australia</td>
<td>Wine</td>
<td>Occupation</td>
</tr>
<tr>
<td>Viticulturalist</td>
<td>South Australia</td>
<td>Wine</td>
<td>Occupation</td>
</tr>
<tr>
<td>Wine Maker</td>
<td>South Australia</td>
<td>Wine</td>
<td>Occupation</td>
</tr>
</tbody>
</table>

**Future skills shortages**

Future skill shortages include occupations or skills that have been identified by Industry Skills Councils, pre COVID-19, as being at risk of experiencing a skills shortage over the next five years.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Industry</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grape Grower</td>
<td>Wine</td>
<td>Occupation</td>
</tr>
<tr>
<td>Wine Maker</td>
<td>Wine</td>
<td>Occupation</td>
</tr>
<tr>
<td>Adaptability (self-management)</td>
<td>Wine</td>
<td>Skill</td>
</tr>
<tr>
<td>Technology</td>
<td>Wine</td>
<td>Skill</td>
</tr>
</tbody>
</table>
Recruitment and retention

The wine industry’s ability to recruit and retain skilled and experienced workers is vital to its future, especially considering the decline in global demand for wine in the past five years. A skilled workforce is particularly critical for firms located in regional and remote areas of South Australia. A significant number of South Australian wine industry employers have experienced challenges with recruiting vineyard staff, including viticulturists, cellar door sales staff and vineyard managers.³

Regional issues

Shortages in the availability of local workers in regional South Australia lead employers in some wine regions to rely heavily on overseas labour, including international students and working holidaymakers. Various factors impact the availability of wine workers in these regional and remote areas, including economics and geographical isolation, the latter of which extends to the accessibility and variety of training delivered by registered training organisations (RTOs).

Advances in telecommunication technologies can improve access and outcomes for people in regional and remote communities, which may help attract and retain workers. However, use of such technology will require upskilling of the workforce and the successful rollout of the National Broadband Network (NBN).

Plans and major projects

The 2019–20 State Budget includes the following commitments:

- $400 000 to support Lot 100 Beverage to increase craft spirits, beer and cider production
- $33 million over five years for additional marketing of South Australia to key international and domestic tourism markets
- $551 million over 10 years as an indirect benefit from the Adelaide City Deal, in which the South Australian Government, the Commonwealth Government and the City of Adelaide are delivering initiatives to create skilled and productive jobs, boost Adelaide’s population through migration and planning reforms, and enhance cultural experiences by generating greater opportunities in the state’s tourism sector.

Regulatory environment

Regulation of the wine industry comes through education, operation and accreditation requirements for grape growers and wine makers, and licensing requirements. There are several laws relating to the wine industry, including those for managing water, work health and safety, handling chemicals, liquor licensing, labour hire licensing, the Heavy Vehicle National Law, and the Research and Development (R&D) Tax Incentive.

³ South Australian Wine Industry Association, South Australian wine industry—August 2019 snapshot (2019)
ISC priorities (agreed pre COVID-19)

<table>
<thead>
<tr>
<th>ISC priority</th>
<th>Status</th>
<th>Responsibility</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schools to see Hospitality, Tourism, Food and Wine as viable career pathways and skills development opportunities</td>
<td>In progress</td>
<td>Department for Education</td>
<td>Wine</td>
</tr>
<tr>
<td>Better IT and Digital skills/Business Capability</td>
<td>In progress</td>
<td>Department for Education, TAFE SA, RTOs</td>
<td>Wine</td>
</tr>
<tr>
<td>Attract and train more Chefs, Cooks and Restaurant Managers</td>
<td>In progress</td>
<td>Department for Education, Industry</td>
<td>Wine</td>
</tr>
<tr>
<td>Better advice to employers on process to sign up apprentices and trainees</td>
<td>In progress</td>
<td>DIS, Industry Associations, Apprenticeship Brokers</td>
<td>Wine</td>
</tr>
<tr>
<td>Ageing workforce</td>
<td>Planning</td>
<td>DIS/ISC, Industry Associations</td>
<td>Wine</td>
</tr>
<tr>
<td>Micro-credentials and partnerships to attract staff in cellar door, vineyard and marketing</td>
<td>Planning</td>
<td>DIS, TASC, RTO, ISC, PIRSA</td>
<td>Wine</td>
</tr>
<tr>
<td>Improve social media skills</td>
<td>Planning</td>
<td>DIS/ISC, Industry Associations, RTOs</td>
<td>Wine</td>
</tr>
</tbody>
</table>

Schools to see Hospitality, Tourism, Food, Wine as viable career paths
Work with school guidance counsellors and schools (with students, teachers and parents) to affirm the career paths, skills development opportunities and positive job outcomes for workers in these industries. Focus on the entrepreneurship that is evident in the sector and the pathways to self-employment.

Better IT and Digital Skills
The demand for digital literacy and IT capability continues to grow across all industry sectors. These foundation skills must be fostered at each level of education and training to ensure career progression.

Attract and train more Chefs, Cooks, Restaurant Managers
As the industry continues to grow and morph into non-traditional sectors the demand for cooks, chefs and restaurant managers continues to be unmet. Aside from the growing demand from cafes, restaurants and hotels, the skills are equally in demand from wineries, function centres, events, hospitals and aged care, caterers specifically for home deliveries and food manufacturing and production sectors.

Better advice to employers on process to sign up apprentices and trainees
A lack of knowledge and understanding by industry on the processes involved in employing apprentices and trainees inhibits uptake. Better information is required to support industry to engage in the process and understand the benefits, timeframe and obligations.

Ageing workforce
The workforce in the wine industry, particularly cellar and vineyard workers, is ageing. In order to prepare for staff departures due to retirement and to maintain know-how and experience, the industry needs support in adopting workforce planning tools and strategies.
Micro-credentials and partnerships to attract staff for cellar door, vineyard and marketing positions
Wine industry employers find it increasingly challenging finding staff in cellar door sales, vineyard work and marketing, particularly in regions. A suite of solutions is required, from broadening the Designated Area Migration Agreement (DAMA) to cover cellar door and vineyard positions, considering other migration options, including the Pacific Labour Mobility Scheme, micro-credentials to upskill and train school leavers and local workforce as well as promoting the benefits of living and working in regional South Australia.

Improve social media skills
Given the challenges involved in finding employees with marketing skills in regional areas and the importance of understanding the different platforms used in different markets, consider micro-credentials to increase the social media skills of SME wineries, particularly as they relate to key overseas markets.