Identified Workforce Development Needs

If one combines the nature of the tourism, hospitality and events industry, the evolution of consumer trends and patterns, as well as the changes in the available labour market, it is evident that solutions to improve the capacity and capability of the labour market must be as nuanced and tailored as the industry that they serve.

Access to, and retention of, a sufficient quantity and quality of labour inputs are fundamental for the tourism, hospitality and events industries. Faced with increased competition for skilled labour, often from mining and construction industries, a typical context that operators find themselves in will be:

- There is growth in restaurant and café business in major and growing population centres.
- The way that consumers are spending their money and the channels that this is typically flowing through are changing.
- The available labour market is ageing.

Often in response to the above, operators find themselves ‘making do’ with what is available and hiring at a skill level below that which is required, which can result in a fall in productivity. Other organisations are changing their way of operating. For example, to accommodate a lack of available labour, some organisations are centralising the production of food and then focusing energies on effective distribution of the product.

Furthermore, in 2010, the Australian Federation of Travel Agents (AFTA), the Australian Tourism Export Council (ATEC) and SSA hosted a forum for industry leaders to discuss critical issues and possible responses concerning workforce development in the travel and tourism sectors. The forum identified three key areas to address:

- Industry must understand and embrace the needs of their workforce through better communication and the development of appropriate and targeted strategies to attract and retain employees.
- Put systems in place that allow for continuous improvements in training and education on par with developments of the industry and further integration of the industry in the training/education process.
- To develop a greater value proposition that better attracts workers to the sector.

Consultation with a range of stakeholders since the forum indicated that the travel sector could address these issues by:

- Taking action to create better links and collaboration between education providers and industry.
- Take a particular focus in the short to medium term on defining better and developing skills in business practice (including innovation), leadership capability, selling and customer service skills.
- Create industry recognised and supported career pathways that better retain skilled labour within industry.
PICTURE OF CURRENT TRAINING SUPPLY

There is a discrepancy between the required supply of skilled labour to the tourism, hospitality and events industries and that which is being delivered. This discrepancy is linked to both issues in the quality and the quantity of supply.

A significant amount of tourism and hospitality labour sits at Australian Qualifications Framework (AQF) levels 2 and 3 and a range of qualifications have been developed to accommodate the breadth of industry requirements at these levels. Industry has noticed that through a range of changes in the system, skill shortages in the sectors are still prevalent. A change in policy focus would improve the supply of skilled labour to tourism.

Industry feedback indicates that there is:

- a focus on higher level qualifications at the expense of lower level qualifications
- a focus on workforce planning based on higher level occupations
- a decrease in funding for AQF level 2 qualifications.

The above factors have resulted in significant challenges and barriers to effective provision of appropriate skilled labour supply.

As mentioned on page 17, Australia’s working age population is projected to substantially decline, resulting in a reduced labour pool. This, together with the forecast growth in several hospitality sectors, highlights emerging holes in labour supply. Furthermore, with regard to skills shortages, the economic downturn has not left the industry in a better position in the short term and the industry may still struggle to attract sufficient quality workers over the long term. Industry feedback indicates that the availability of staff at the junior or frontline level continues to be an area of great concern.

The Federal Government’s decision not to include cooks and chefs on the 2010 Skilled Occupation List was also of concern to a number of SSA’s stakeholders in the tourism and hospitality industry, who believe that this will lead to significant labour and skills shortages and a reduction in the number of enrolments for hospitality courses.

SOLUTIONS AND POTENTIAL SOURCES OF LABOUR

The development of a draft Hospitality Supervisor skill set is currently underway in Western Australia where ‘bite sized’ skill sets of core units of competency are clustered for flexible delivery. Components include an option for employees with previous experience and training: ‘Lead and manage people’, ‘Recruit, select and induct staff’, ‘Roster staff’ and ‘Monitor work operations’. For employees with no previous training or experience, additional units such as ‘Work with colleagues and customers’ and ‘Coach others in job skills’ have been added. The use of skill sets to provide a group of potential employees with a ready-to-use core set of skills for frontline work in the industry is also a potential way to maximise the efficiencies of the skilling system.

For instance, providing new entrants to the workplace with skill sets in responsible service of alcohol, customer service, food hygiene and responsible service of gaming services would be an effective introduction to training for industry and may lead to employees considering undertaking a full qualification or further professional development. Another factor employees consider when thinking about engaging in training is the extent to which there is a return on the training in terms of career progression opportunities.

Linked to this is whether employers recognise these skills and qualifications and whether employees are provided with support to undertake further training. An enabler to this is to continue the current work being undertaken by the Council of Australian Governments (COAG) to harmonise licensing requirements across jurisdictions.
Entrepreneurial skills

Improving business productivity helps industry grow and maximises the use of available skills. At the business level, there can be productivity gains through entrepreneurialism and a culture of innovation that drives improved business practices. Product offerings must be refreshed to anticipate changing consumer needs and purchasing behaviours. Entrepreneurs, a key source of innovation within the industry, emerge from a range of inputs which include genes, modelling, learning and opportunity. Government policy can stimulate entrepreneurial activities through providing access to funds, tax concessions, and programs and strategies that provide support, networks and skills. There are initiatives now that address these in many industry areas, such as Enterprise Connect for the manufacturing sector, Innovation Centres in Mining, Creative Industries, Clean Energy as well as Commercialisation Australia to support the commercialisation of research and ideas.

However, there appear to be few initiatives to support entrepreneurialism and innovation in the service industries. Traditional classroom learning may not be the best training methodology for developing skills and attitudes that underpin entrepreneurialism. An approach that combines policy and strategy to support vocational training is needed.

A 2010 report by the Organisation for Economic Co-operation and Development (OECD), ‘SMEs, entrepreneurship and innovation’, also cited innovation as being one of the most fundamental processes underpinning economic growth, the driver of growth in output per unit of labour and capital invested, and an important basis for developing solutions to economic and social challenges. SMEs have a vital role to play in innovation and can be the drivers of, and influences on, innovation performance.

Recognition of prior learning

During 2009, SSA worked with industry to develop a new model for the recognition of prior learning (RPL), as feedback had indicated that employees in the service industries found the existing RPL processes and procedures too demanding, requiring a considerable investment in time and effort in an industry where time is crucial.

These concerns were confirmed through the results of a survey of registered training organisations about the ease of access to RPL, which identified the critical barriers being: Lack of understanding / resources of assessors; inequitable funding mechanisms and Australian Qualification Framework requirements / inconsistencies with audit practices.

SSA therefore proposes a skill recognition approach that is specifically tailored to respond to the needs of industry. A process is required that (from the candidate and employer’s perspective) is simple, quick and appropriate whilst retaining the necessary rigour to enable a qualification to be awarded with confidence. The shortened timeframes in this process also make it cost effective.

‘Discuss, Display, Do’ is a project that aims to develop and pilot an RPL model suitable to the needs workers in the service industries. The project intends to investigate and identify how the national training system can respond to meet the needs of the service industries. In doing so, the project addresses the following Australian Government Priorities:

- A new national approach to Apprenticeships, Training and Skills Recognition
- Supporting the development of the National Volunteer Strategy
- The National Reform Agenda
- The Social Inclusion Agenda.
Completion rates

Completion rates continue to be a concern to this industry. Critically, industry overall and the service industry in particular, believe that they have been unnecessarily disadvantaged by use of completion rates as a measure of success of industry training. This situation remains a concern in 2011.

There is a range of measures that assesses the inputs, outputs and outcomes of the VET sector. A primary outcome measure is recording the number of students who complete government-funded VET courses. Government funding is usually provided through traineeships, short course programs and skill shortage courses.

The completion rates of government-funded courses vary significantly across industry sectors and qualification levels. While completion rates are considered quite high, there is minimal information on the context in which this data is collected.

Currently, information publicly available on VET effort is limited to public-funded training and accredited training delivered to international students as part of immigration requirements. SSA is aware that the existing data only provides part of the picture and is looking forward to the implementation of the National VET Data Strategy.

The issue of completion rates and how VET is measured is currently a high profile issue, as the federal government outlined in its response to the Bradley Review of Higher Education. The federal Minister for Education has stated that VET course completion rates should be a primary indicator of success when looking to increase the number of students who receive a qualification.

In response to these concerns, SSA has engaged JMA Analytics to undertake a research project to determine if the current assumptions about the reasons for non-completions are correct and to mount a case for a more consistent and accurate national measurement system. The project considers what non-completion data is currently being collected in VET, what non-completion data isn’t being collected that should be, and aims to find out what is the preferred structure, frequency and collection methodology for data on non-completions.

The first phase of the project involved an initial qualitative investigation that included a literature review, which revealed a high attrition rate for members of minority groups - suggesting that non-completion is not always about choice – and recognition of the role employers play in the completion rates of apprentices. Reports on stakeholder interviews, and consultations with the National Centre for Vocational Education Research (NCVER) have also been completed, as well as a critique of Australian Vocational Education and Training Management Information Statistical System (AVETMISS).

The second stage of the project involves working with three RTOs (one private, one public and one enterprise-based) to review their data collection processes and develop a tool that compliments AVETMISS and enables more detailed information on the reasons for non-completions to be captured. The final report will be published in March 2011.
Industry feedback to SSA indicated problems around the delivery of vocational education and training in schools (VETiS).

Feedback suggested that typical delivery of VETiS does not achieve required industry outcomes and, often in school environments, VET training requirements are in competition with a fundamentally different pedagogical approach. Furthermore, inconsistency of VETiS practice and delivery across the states and territories makes delivery difficult for those providers and employers who employ across state borders. Such inconsistencies between state jurisdictions may also prevent learners from accessing future vocational education opportunities.

VETiS is seen as critical area for action due to the involvement of a significant number of Australian students and the recent rapid growth of VETiS programs. While there has been huge growth in the participation numbers, there is increasing concern about the quality of VETiS delivery and particularly, lack of employment outcomes.

Demographics, economic growth, competitiveness and increased skill requirements are creating even greater demand for skilled youth in Australia. Today’s younger generations have more opportunities and therefore have become ‘cherry pickers’, which has consequences for the service industries as they are often seen as a short term, second-rate career choice.

Working with industry, SSA has worked to address these issues through its VETiS project in 2010, which included the development of an industry position paper and ‘rules of engagement’ for the service industries. Further, it aims to develop ‘resource ready’ tools to assist VETiS delivery, as well as case studies that reflect what is occurring in industry.

A literature search and review highlighted the variety of interpretations of the term VETiS; each state or territory system locates VET in a different curricular context. The major concern is the inconsistency between VETiS, both within a jurisdiction as well as across Australia. Currently there are no common standards around approval, regulation, resourcing, administration, delivery and monitoring of VETiS.

Consultations occurred across the country over a period of four months to gather critical information on industry position and best practice example of VETiS.

The industry consultation process found:

- Key stakeholders in VETiS have such fundamental differences in what they consider to be the purpose and expected outcomes that some wish to walk away or ignore this nationally critical skilling opportunity.
- Quality issues (not just limited to VETiS) were a key component of consultations. There is massive variability (excellent to indefensible) in VETiS modules across Australia.
- Many stakeholders expressed a desire for clear and explicit guidelines.
- The diversity across the services industries requires different VETiS pathways, industry engagement, links to regulation, award conditions considerations and workplace engagement, such that VETiS must be considered on an individual industry sector (training package) basis.
- There was a consistent strong industry message about VETiS focused on job skills.

Given the imperatives and importance of VETiS, the services industries need to take a strategic, pragmatic and holistic approach to VETiS in order to maintain their share of youth employees recruited via VETiS pathways and ensure they can meet future workforce needs.