

Industry Training Profile Update

It is to be recognised that data and anecdotal evidence representing the Hospitality and Tourism industries in Western Australia integrates with other service industries such as the events, retail and transport industries. The interrelationship exists because of the common products and services they produce, the close business-to-business relationships that exist, the mutual customers they service and the staff employed, who often cross industries during their career.

A major issue for strategic workforce development in the tourism and hospitality sector in Western Australia is to improve the quality and specificity of data gathered to assist in statistical analysis.

The following report outlines feedback gathered in June-July 2009 by FutureNow – Creative and Leisure Industries Training Council Inc through industry consultation and advisory groups.

Industry Consultation: Feedback represented the following industry and educational operators/organisations in Western Australia:

- Australian Culinary Federation (WA)
- Australian Hotels Association (WA)
- Burswood Entertainment Complex
- Caravan Industry Association (WA)
- Curriculum Council of WA
- Department of Corrective Services – VET Unit
- Department of Education and Training – Apprenticeship & Traineeship Directorate
- Industry Employer Representatives (Metropolitan and Regional Employers)
- Jobswest – Regional Industry Career Advisers
- Registered Training Organisations (TAFE and Private)
- Restaurant and Catering (WA)
- Service Skills Australia (National Training Council for Tourism and Hospitality)
- Tourism Council WA
- Tourism WA

Current Key Skill Shortages

Like the rest of Australia, The hospitality and tourism industries in WA continue to experience a shortage of suitably qualified and skilled workers. This problem is further enhanced in regional areas, for example the Pilbara Region.

Although the labour shortage has been temporarily relieved during the economic downturn (particularly in the metropolitan areas of Perth), the number of 'quality' skilled and qualified workers applying for jobs remains to be in short supply.

- Chefs, Chef de Parties, Executive Chefs
- Hotel/motel/restaurant/caterers/pubs/taverns/bars/clubs - Service Supervisors and Managers
- Food and Beverage Attendants
- Catering Contract Managers (resource sector)
- Caravan Park Managers

*The high demand for skilled 'Travel and Tourism Consultants' has dropped in the last six months and there no longer seems to be a skill shortage in this area, however a future economic upturn may affect this outcome therefore, industry relevant training needs to be further developed in this sector.

Industry Developments and Issues

Recognition of Prior Learning:

The lack of a fast, flexible, accessible and user friendly RPL system continues to be of concern to industry. Feedback shows that some unqualified cooks for example who have attempted to undertake the process (some of whom may not have the administrative or technological skills to gather evidence, compile portfolios or undertake online components), have found the process too difficult to complete. News of similar scenarios to this are inhibiting the uptake of RPL in Industry.

To improve the image and accessibility of the RPL process for industry, a program involving a core targeted group of industry leaders is being considered in light of a similar successful project undertaken in South Australia.

The 457 Visa Workers period is soon to expire and WA will see more applications for permanent residency and as a result, RPL as many will need to have relevant industry qualifications. There may need to be an industry body required in 6-12 months to regulate this process.

Hospitality Services within the Resource Sector:

Hospitality training in WA is not addressing the need for skilled contract catering operations staff, supervisors and managers. The WA resource sector has some major projects commencing over the next 12 months, for example The Gorgon Project at Barrow Island off the Pilbara Coast. The hospitality industry needs appropriate specialist training to suit the requirements of industry being mindful of a future up-swing in resources which may, as it did during the boom, drain the local industry of staff.

Government Dollars Invested in Training:

Industry would like to see more \$ invested in industry specialist RTOs for the hands on, or 'on the job' delivery of much needed industry specific training, for example Certificate IV Hospitality (Supervision).

More investment and flexibility is required to train regionally based people (in particular Indigenous participants), for employment within the hospitality and tourism industries and the hospitality/catering sector supporting the resources industry. Feedback noted that there is a severe lack of access to hospitality and tourism training in the Goldfields Region of WA.

Changes to the VET Act:

Apprenticeship Pathway – A traditional pathway for chefs that has been established by the WA hospitality industry has shown that graduates of institutionalised Certificate III in Hospitality (Commercial Cookery), often to go on to undertake an apprenticeship at the same Certificate III in Hospitality (Commercial Cookery) level to be recognised by industry as qualified and experienced tradespeople. As this pathway (commencing Certificate III level twice), is no longer permissible under the new VET Act Arrangements, even though industry / TAFEs / RTOs have marketed this pathway up until June 2009, displaced graduates, institutionalised students, parents and employers are being disadvantaged by this change. Urgent transitional and long term arrangements must be made to address this issue.

Paid Training – Employers must pay for new apprentices and trainees to attend training as of 10 June 2009. The general consensus from industry is that many employers have always paid for training hours however this would not affect the decision as to whether or not employers would take on, or continue to take on new apprentices and trainees in the future.

Penalties for Employer and RTOs – The impact of penalties imposed will be seen as they come into effect. Employers will need to receive a clear explanation with regards to their obligations when taking on apprentices and trainees to avoid the negative impact a fines system will induce.

Industrial Relations - Changes to Awards:

The federal Award modernisation process currently being undertaken by the Australian Industrial Relations Commission will have a major impact on the Hospitality Industry (General) Award. Additionally there is a common concern that the Award as it will apply to restaurants and cafes for example may impact on the continuing viability of hospitality businesses which operate in an industry characterised by low profit margins and peak operating times of evenings and weekends. The Restaurant and Catering industry in WA has a separate Award currently under consideration to address this issue. The WA AHA are suggesting a phased in process to allow small to medium enterprise to cope with these radical changes that risk business sustainability.

Training Opportunities for Indigenous People:

Regional Hotel Programs - Industry driven Indigenous Training Programs previously developed for regional hotels have been unsuccessful in terms of dollars invested versus quality training and employment outcomes for the Indigenous participants and hotels involved. The lesson learnt has been that increased levels of support for businesses that deliver training (including cultural awareness training), and the Indigenous trainees by government and RTOs would be required to improve training outcomes for all stakeholders.

Burswood Entertainment Complex – Burswood in conjunction with Crown Casino in Melbourne, have signed up to the Australian Employment Covenant (AEC) which is aimed at enabling access to 50,000 jobs for Indigenous Australians. As part of the project, Burswood will develop an Indigenous Employment Strategy that will include job-specific training and individualised mentor support will be a key part of their objective. The project will be the first step towards part-time and full-time careers in hospitality, tourism and allied industries for 300 Indigenous people across both properties over 2 years. To date Burswood has assigned an Aboriginal Employment Coordinator, has 7 Indigenous trainees, is conducting Cultural Awareness Programs in-house for existing staff, and in partnership with Swan TAFE has developed a 4 week job ready program that can lead to employment or further training opportunities.

Tourism WA in partnership with Kimberley TAFE has completed a successful Indigenous training project resulting in employment for a high number of graduates. Success of the project was attributed to: listening to industry needs; identifying RTO needs; identifying people who were almost ready for work; and blending industry needs with student needs and support.

Industry Skill Needs with Respect to VET in Schools:

- Invest in the development of hospitality and tourism students in partnership with industry (particularly in the areas of skill shortages eg: cooks and chefs)
- Students who have participated in VET programs are seen as having a good basic foundation of skills that will prepare them for access to industry, however the value of a School Based attained Certificate II in hospitality or tourism is not as highly regarded by industry as the training outcomes of a Certificate II obtained on the job due to the domestic setting of many schools kitchens and training restaurants / facilities. The inclusion of 110 hours of workplace placement may improve this perception.

- Accreditation of the School Apprenticeship Link (SAL) cooking program will conclude at the end of 2009. TAC has indicated that accreditation will not be extended. A review of this program's success in schools / industry must be undertaken to determine future relevancy, prospective programs and action if required.

Industry Skill Needs for Existing Workers:

- Higher level qualification needs - A consistent statement from industry shows that a lack of general customer service / interpersonal skills training continues to be a problem area and that graduates of training at Certificate IV, Diploma and Advanced Diploma level are urgently required to facilitate the delivery of quality supervisory and management skills across all hospitality, tourism and events training.
- A focus on supervisory and management level skills
- Bridge training linked to RPL to reduce the overall number of existing workers without relevant VET qualifications
- Simplify access to training and improve flexibility of the training process
- Innovative training delivery, small pieces at regular intervals
- Review of the cost of training to individuals
- Dynamic customer service training to inspire workers to improve service delivery
- Better communication between training providers and industry
- Encourage industry to support training initiatives and their employees who undertake training and promote training as a retention tool
- Core management skills to be looked at as additions to subsidised skills sets for supervisors of apprentices and trainees

Status of Skilled Migrants on 457 Visas:

As the labour shortage has eased in recent months, the general update of skilled migrants on 457 visas has stalled with an exception of qualified chefs who are still in short supply. Workers on 457 visas have been the first in line for redundancies in some instances in an attempt to protect Australians from losing their employment.

Many 457 visa holders are now reaching the last 12 months of their visas and are applying for permanent residency with assistance from their employers providing they stay on with the company for a mutually agreed designated period of time.

Industry has also been affected by the initial ambiguity of 457 visa wage structures, where some businesses are now in debt for many months/years of back pay owed to 457 visa employees. This issue has the potential to close small to medium hospitality and tourism businesses down, as they cannot afford the pay out, and are currently appealing to industry associations for legal advice and support. Restaurant and Catering WA are very close to a labour agreement which may address this issue for some employers.

Impact of Economic Downturn in Industry:

Recruitment - Many hospitality and tourism businesses have stalled recruitment activity in an attempt to ride out the immediate effects of the economic downturn. The attrition rate of staff has also slowed significantly as jobs become scarce. Employees are also being encouraged by employers to become multi-skilled to increase productivity within a smaller workforce.

Apprenticeships and Traineeships - The commencement of apprenticeships and traineeships has slowed in conjunction with a reduction in recruitment activity for industry. With many employees facing redundancies across all industry sectors, the loss of suitably skilled supervisors and managers who are often responsible for the training and monitoring of apprentices and trainees will also add to a business' inability to facilitate training contract requirements.

New Licence Fee for Recreational Fishing:

A new \$30 recreational fishing licence fee implemented by the WA Department of Fisheries will have an impact of fishing tour / charter operators. The issue regarding this new fee will be whether the government will allow any exemptions for fishing tours / charter operators as the industry already believes that they are very well regulated in terms of fish they catch.

Phonographic Performance Company Association Licence Review:

The Association has recently undertaken a review of the licensing scheme for background music in commercial premises which if successful will increase licensing fees for restaurants, clubs, taverns, hotels etc substantially. Restaurant and Catering Australia have sought further clarification of this review and are also exploring the acquisition of a music library at a reasonable price (as a 3rd of music does not come under the PPCA banner).

Swine Flu:

The 2009 Swine Flu has had a negative impact on inbound tourism in WA, particularly with regards to educational tourism. WA RTOs servicing the international student market are reporting cases of students and educational groups deferring student travel or cancelling all together. This impact has been particularly felt in the Asian educational tourism market.

Industry Identified Priorities

Indigenous Culture:

Indigenous culture is a key point of difference for Australia in a highly competitive international tourism market. An investment in qualitative and quantitative research data should be undertaken to identify opportunities for greater levels of participation in the hospitality and tourism industries in WA for Indigenous people to assist with the development of culturally responsible and appropriate training, support and employment programs.

Flexible learning and training delivery practices have been identified as a key factor in the success of some Indigenous training programs undertaken in WA. Social issues experienced by Indigenous students / trainees have been taken away with the provision of flexible delivery on site or on-country assisting training outcomes greatly.

Regional Training Solutions:

The development of innovative training solutions for regional areas that cannot entirely facilitate training requirements is an absolute priority for industry. For example, industry specialist RTO on the job training delivery and industry/culturally friendly external training options in regional centres to enable the completion of units of competency.

Recruitment and Retention:

Attrition rates in industry have declined and the number of job applicants in some areas of hospitality and tourism have increased substantially however, the number of quality of applicants remains low – how do we ensure that the right training can increase the pool of skilled labour in WA ? Then just as importantly, how do we retain these employees?

Events Training:

Events training – due to the high uptake of events students in the past 2 years, and an increase in events graduates in WA, is there a need for Certificate III and Diploma Events training to be an industry priority as seen in the previous State Training Plan? The trend for these graduates (as well as a growing number of university graduates), is that they seem to be filtering into other industries outside of tourism and hospitality due to a lack of employment opportunities, for example local government and community events management. The very seasonal demand for skilled events personnel limits opportunity for full time employment in this sector restricting professional growth and industry experience for graduates. This is further enhanced in regional areas.

Digital Technologies:

Employees, particularly of small to medium sized businesses in the WA hospitality and tourism industries lack the technical skills required to provide information services and sustainable business practices for future growth and market competitiveness. Further training in digital technologies will enhance market share and profitability - the Australian national high-speed broadband network will be an important factor in making this transition possible. For example, Australian online tourism bookings have increased from 5% in 2001 to almost 35% in 2008 at an average annual growth rate of 34.6%. *Source – *The Jackson Report 2009, on behalf of the Steering Committee Informing the National Long-Term Tourism Strategy.*

Reducing the Churn (drop out) of Apprentices and Trainees:

The number of commencements and completions of hospitality and tourism apprentices and trainees is well below a comfortable level for industry to ensure that WA has sufficient skilled staff for the future. Industry, training providers and government must prioritise this issue to discuss ideas (perhaps looking to other industry sectors for successful models) and seek realistic solutions.

Career and Training Promotion:

Industry Image - Clear training pathways and professional career opportunities in hospitality and tourism need to be positively promoted and reinforced to schools, students, teachers, career guidance councillors, VET coordinators and parents to increase industry awareness and ultimately achieve school, industry, RTO, student, traineeship and apprenticeship participation. Best practice in industry should also be celebrated enhancing the culture of training for future generations.

Increase Industry Participation:

Improvements to allow industry to embrace training and increase participation include: being easily accessible; should require minimal paperwork and administrative time; RTOs should provide better support and guidance for businesses; training needs to be flexible to suit industry operations; and delivered in contemporary environments.

Institutional Programs:

Institutionalised training programs (schools, TAFEs, RTOs) may not be delivering industry ready outcomes for students in some areas. A recommendation received is that institutional programs should be linked to employers and the job outcomes to justify their delivery. The industry needs to maximise this investment by becoming involved in the selection of participants, their on-the-job training and ultimate employment.

This issue has been identified in NSW and a 'Hospitality Pink Slip Program' facilitated by Service Skills Australia has been implemented. The program involves designated industry representatives determining the adequacy of a provider's facilities and equipment. The state training body can also utilise this process to determine student capacity.

With the success of this program for the hospitality industry, and in particular for commercial cookery, the concept is expected to be introduced into other key industries including hairdressing and aviation.

Apprenticeship and Traineeship Contracts:

Educating the employers of apprentices and trainees with regards to their responsibilities under a training contract before and during the time of sign up will minimise confusion and improve employer/employee relations.

Service Skills Australia – Hospitality & Tourism Priorities:

The national peak hospitality and tourism employer and employee bodies have developed a framework for an industry Workforce Development Strategy. This framework has been further developed by Service Skills Australia in conjunction with these national bodies and input from the State and Territories, including input from key industry leaders in WA. The nationally agreed priority areas of action for the Hospitality and Tourism industry developed through this strategy are:

- **Priority Area 1: A Highly Skilled Workforce**
Focus Area 1 Creating a more responsive training and learning system
Focus Area 2 Better recognition of learning and skills
Focus Area 3 Accelerated pathways
Focus Area 4 Focus on management and business skills

- **Priority Area 2: Expanding the traditional workforce**
Focus Area 1 Welfare to work target groups
Focus Area 2 Engaging Indigenous workers
Focus Area 3 Managing generational change: Young people - mature age workers

Focus Area 4 Using overseas workers
Focus Area 5 Current workforce

- **Priority Area 3: Access to quality workplaces**
Focus Area 1 Improved attraction and recruitment
Focus Area 2 Enhanced retention strategies
Focus Area 3 Flexible work practices and employment arrangements
Focus Area 4 Improving industry image and the provision of career pathways

- **Priority Area 4: Better workforce planning**
Focus Area 1 Better information and analyses of data at a regional level
Focus Area 2 Destination management planning and labour force mapping to assist workforce planning

Focus Area 3 Provide high quality workforce information, tools and services

Subsequent to the development of this strategy, FutureNow will use the framework as the basis upon which it will develop its more detailed State workforce development plan for the hospitality and tourism industries over the next 12 months.