



Service Skills Australia  
Business Plan 2009-2010

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## Environmental Statement – Context for the Business Plan

### Workforce development and the way ahead<sup>1</sup>

Workforce development involves a major paradigm shift. It refocuses thinking away from an almost exclusive orientation on training to one that encapsulates factors such as organisational development, change management, evidence-based knowledge transfer and skill development. The primary goal of workforce development is to reduce barriers that limit effective work practices and to provide more effective ways of improving workplace flexibility and productivity.

The shift to a broader and more integrated strategy to improve skills enhancement, productivity and job flexibility is based upon the development of a stronger alliance between employers, unions and employees. In light of the current global economic situation and the policy of the Federal Government to strengthen co-operative frameworks, to maximise the retention of staff, and to increase the flexibility of workplaces the move to workforce development is timely and critical.

Workforce development in these terms is a relatively new concept and, as with any emerging concept, there is some lack of clarity as to what it means and how it can be described in practical every day terms. There is also a strong need to design concrete proposals and implementation strategies to establish workforce development within the service industries. In this shift to a broader and more integrated approach to workplace reform, the development of models of best practice and quality rated enterprises may assist in speeding up the evolutionary process. A key initial step in the process is the research that Service Skills Australia (SSA) has commissioned to answer a number of questions as to how the shift to a workforce development model can be accelerated.

A key element of an integrated workforce development strategy is the development of the right skills for all employees. Skill development needs to occur in a way that ensures that the right skills are being developed for the job outcome and context of the learner and their work circumstance. Furthermore, the skills need is met in the right timeframe and the right skills are developed in the right way.

A critical element in enhancing the approach to skill development is that training and assessment is of the highest quality. Improving the quality of and access to training and assessment can immediately address productivity and participation outcomes.

The leaders and managers of Australia's service industries will be at the forefront of responding to and planning for the future. They will be the driving force to ensure that their businesses are productive and that their employees are working to capacity. Skills and capacity of the service industries managers and leaders are a critical workforce development priority.

The quality of entry level on-job training and formal qualifications is of great importance. In order to progress in working life, employees need to develop high quality core vocational skills and to obtain a broad range of on-job experiences. Feedback to SSA indicates that skill and workforce development for managers is important if the service industries are going to be prepared for the next stages of Australia's development and the 'Future directions and key actions' section below contains a number of conclusions and recommendations for action. These include updated approaches to skill

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<sup>1</sup> Taken from Service Skills Australia's 2009 Environmental Scan

development, the need for further research, changes to the delivery of training and assessment, more comprehensive data collection and greater emphasis on evaluating the quality of training.

## Latest industry intelligence

### The contribution of the service industries to the Australian economy

The service industries are at the frontline of Australia's economy, providing consumer goods and personal and leisure services to both domestic and overseas consumers. The industries are influenced by continual changes in customer demand and expectations, an increasingly global market place and rapid technological change.

The industry sectors are experiencing a continual blurring of the boundaries, as the number of enterprises that cover two or more sectors increase. A major contributor to this trend is the rise of experience purchasing, where customers are demanding increased integration of product and service offerings. Hence company flexibility and innovation are a priority for business survival and growth.

The labour intensive nature of the service industries means that the quality of employees' skills is a key determinant of industry productivity.

### Size of the service industry

The service industries can be summarised as follows:

- There were 344,655 businesses in mid 2007. The service industry is dominated by small business with 70% of companies employing less than 20 persons<sup>i</sup>, with the exception of parts of the retail industry which is dominated by a small number of major companies.
- Micro businesses through to multi-national companies are represented, as well as franchises.
- Concentration level varies: the department store segment is highly concentrated with key retailers holding 95% of market share. Medium levels of concentration exist in the takeaway food retailing, footwear and domestic appliances retailing groups, whereas low levels occur in the liquor, sport and camping equipment and photographic equipment retailing sectors<sup>ii</sup>.
- They employ almost 2.5 million people (representing almost a quarter of Australia's workforce)<sup>iii</sup>, with an additional 1.7 million volunteers engaged (mainly within the sport and recreation sectors)<sup>iv</sup>. The major size of the service industries also mirrors changing composition of employment in Australia, reducing the share of total employment in sectors like manufacturing while increasing the share of total employment in service related sectors<sup>v</sup>.
- There is a diverse employment mix across the sectors, with many young people commencing work in one of the sectors and with a high percentage of all working women (28%). 45% of employees worked part time<sup>vi</sup> and traditionally the industry has a high casual workforce (in 2004 45% of all retail employees)<sup>vii</sup>.

## Gross Domestic Product

The contribution of the service industries to Australia's Gross Domestic Product (GDP) for 2007/08 was AUD50.8 billion (4.9%) for wholesale trade and over AUD60.1 billion (5.8%) for the retail trade sector, almost AUD21.4 billion (2.1%) for accommodation, café and restaurants, over AUD21 billion (2%) for the personal and other services sectors, and AUD16.2 billion (1.6%) for the cultural and recreational services sectors<sup>viii</sup>. In 2006/07, tourism contributed over AUD38.9 billion to Australia's GDP<sup>ix</sup>.

In many sectors of the service industry, such as retail, hairdressing and beauty, restaurants, business is of a cyclical nature and shows a direct correlation with economic changes such as variations in interest rates and petrol prices. These usually have an immediate effect on disposable income and spending patterns.

## Regional aspects

Not unexpectedly, not every national trend is reflected at state level. There are regional variations based on the state of the industries, trends in the population (employment, growth, aging, migration etc) and local economic drivers.

Between 2003 and 2007 most of the industries in all states and territories with the exception of Tasmania and Northern Territory showed stable growth in the number of businesses.

High business volatility (total number of entries and exits of businesses, expressed as a percentage of the total number of businesses) can be the result of changes in economic climate. This volatility has a strong impact on the profit/loss of businesses, often forcing companies to close and/or attracting new businesses. This places greater emphasis on the need to improve management skills, in particular planning and financial operations, to assist business in adapting to changes.

Training to improve service, marketing and management skills helps to improve staff retention rates and maximise the opportunity for employers to retain experienced and skilled staff. This outcome will assist businesses in remaining viable and being more able to take advantage of changing markets and customer requirements.

In addition, high business volatility can also represent an increased need for training as employees may need different skills when staff are displaced, and then start a new job. Furthermore, if a company anticipates its closure in the near future it is very unlikely to invest in further training for its employees. Predominantly businesses are located in direct proportion to population size. Obviously, the population level of each jurisdiction directly influences the number of potential customers. Hence, more densely populated states have a higher proportion of businesses to service consumer demand.

Generally, the overall share of retail trade revenue generated by each jurisdiction is correlated to the number of businesses operating in each region, its population and consumer demand for specific goods<sup>x</sup>.

## Strategic position for Australia's workforce

Apart from being a major source of economic activity, the service industries provide the first job for many people, be it part-time or full time<sup>xi</sup>.

## Entry level skills

Employees are the most important asset for a business within the service industries. Business success largely depends on the quality of the customer service employees provide. The quality of entry level on-job training and formal qualifications is of great importance. In order to progress in working life, new employees need to develop high quality core vocational skills and to obtain a broad range of on-job experiences.

The development of flexible career pathways for employees will also increase retention rates and improve job satisfaction. These pathways need to recognise that many employees will wish to remain in operational job roles whilst others will be looking for advancement to frontline management and leadership positions. As the vast majority of jobs in these sectors are at an operational level, one of the primary challenges is to develop more interesting and meaningful job roles.

As most employees are in operational jobs, the engagement in higher level AQF qualifications in the services industries is typically low. Most are engaged in work that is at AQF levels 2 and 3. These skill levels (pre-trade and trade level) are suited to the majority of employer's needs, with most employees commencing with skill sets in customer service and then, for some, gaining skills and experience in specialised fields. However, 61.4% of all employees within the retail trade sector and 47.7% within the wholesale trade sector do not hold an industry specific qualification<sup>xii</sup>.

To maximise the employee retention rate within the services industries, further research should be conducted into the turnover rate. This research should focus on the particular demographics of staff turnover, combined with qualitative studies of the reasons for changing jobs. This will help in developing an effective workforce development strategy that includes job re-design, flexible career pathways, ongoing learning and the greater use of older workers.

## Higher level skills

A key priority is the recruitment and development of leaders and managers who will work closely with their staff to maximise employee's career opportunities, improve job satisfaction and reduce staff turnover.

Higher VET qualifications have to equip future team leaders and managers with the most appropriate skills and experience to meet the industries' needs. 'Soft' management skills such as improving staff motivation, team building and communication techniques are critical.

However, there is also a continuing need for 'hard' management skills such as innovations in service delivery, strategic planning, project leading and performance management to give businesses a competitive advantage. Growth in the services industries requires skilled, knowledgeable and highly qualified leaders who will focus on employee engagement and ongoing skill development for their employees.

## Quality of training and assessment

In order to be effective in reducing labour shortages and improve skill sets to produce an adaptable workforce, training has to be appropriate<sup>xiii</sup> and meet accepted industry requirements.

There are a range of concerns about Australia's VET system which converge around the issue of 'quality training and assessment'. The industries covered by SSA have all repeatedly expressed their concerns on this issue.

Some of the State and Territory regulators have also expressed concerns about the quality of training and assessment. One response of Skills Council's has been to increase information about how quality assessment should occur. However, this does not appear to be producing the results industry wants. What this has perhaps done is to refocus RTOs training design practice as they attempt to meet compliance requirements in the simplest way possible.

The State and Territory regulators have not been able to affect the quality issue to the satisfaction of industry. Although there has been significant and current research on the issues of quality training provision, the findings of the research have not, as yet, produced changes in RTO practice.

Service Skills industries account for over 23% of Australia's workforce and hence their concern needs to be acknowledged and addressed.

Therefore the industry needs innovative ways of providing quality training and assessment such that staff are work ready as quickly as possible without any lessening of quality in skill development. Further, the broader role SSA plays in industry workforce development makes this an important issue to address.

An important issue for the industry is that training providers accurately understand, interpret and deliver the qualifications as described. For instance industry does not believe that it is appropriate that secondary school students be trained at Australian Qualification Framework (AQF) level 3. The AQF level 3 qualifications are considered the industry 'trade qualifications' and are too high for secondary school students. It is also critical to the industry, that learners are assessed in appropriate industry relevant ways.

For some employers, young age and the lack of maturity of some VET graduates is an issue, as their conflict management skills are not yet developed enough. Engagement of older people together with recognition of prior learning could open up another employee pool while taking advantage of the ageing population.

The quality of training and assessment is affected by issues associated with cost, access, time and availability of suitable trainers. The specific issues and needs of rural and remote businesses present a major challenge for the industries.

## **A note on the “Economic crisis”**

The advent of the “Global Financial Crisis” (GFC) has produced a variety of activity and commentary in the media from a range of agencies, employers and government of all jurisdictions. Whilst the majority of the commentary forecasts a downbeat and pessimistic picture for Australia, there is a story intermingled in the interpretation of the economic activity – a set of countertrends and long term developments – which is important to highlight.

There is a need for industry and policy makers to continue their commitment to the development of the service industries workforce. Responses to the GFC should be made on the basis of industry sector context rather than 'one fits all' solutions covering all of Australia's industries. This approach will realise the opportunities that currently exist within Australia's services industry and the capacity they have to support the nation during the GFC.

Customer service is a pivotal skill in the service industry, as customer service provided by knowledgeable staff is one of the major contributors to keep existing customers loyal and attract new ones, hence assuring the success of a business. Furthermore, the search for qualified employees will not automatically ease in every occupation and in every part of Australia as a result of a financial downturn.

Whilst the economic downturn has meant that businesses in the service industries are feeling the pinch, it has also presented opportunities for the service sectors.

Data suggests that in spite of the global financial crisis, growth is still occurring:

### Opportunities for growth

The service industries cover a wide range of services and goods, which is beneficial in uncertain times. Whilst some industries rely on a single product, service or customer base, service industries have a diverse customer base and represent a broad range of products. Furthermore, investments in jobs in the service industries have broad effects through indirect returns.

Many companies are focusing on their skills needs as Australia's service industries continue to experience skill shortage in many areas like retail pharmacists and chefs, despite the economic downturn.

## Policy Change

This business plan has been developed at a time of major fundamental reform of Australia's education and training system.

The Rudd Government has shown a strong commitment to an industry-led VET system. The ALP 2007 Election Policy Document "Skilling Australia for the future" states "new [VET] places will be delivered in a more industry-driven system, ensuring that training is more responsive to the needs of businesses and individuals..." (p9) and further (p.14): "[The] new delivery mechanism will focus on the current, emerging and future skills required by industry." And "This industry-led system means that...providers will be compelled to deliver training which is more responsive to the needs of industry."(p.15) [1]

On 29 November 2008 the Council of Australian Governments (COAG) agreed that \$6.7 billion will be provided under the National Skills and Workforce Development Agreement to increase the skills levels of Australians.

COAG's Productivity Agenda, amongst other things, aims to deliver:

- Reforms to the delivery of vocational education and training, at school, for jobseekers and to current workers to ensure our current and future skills are met.

At the time of development, the following policy reviews and discussions were being undertaken, or, had been completed and their implications on the work of an ISC were in discussion.

- NQC Workplace 2009 including VET Products of the 21<sup>st</sup> Century review of national training packages
- Bradley Review of Higher Education and Training

- Dawkins Australian Qualifications Framework Council review of the Australian Qualifications Framework
- Skills Australia's examination of Governance arrangements of Australia's VET system – *Foundations for the Future*

## Business strategies and activities of the ISC for 2009-2010

### Whole-of-organisation activity

Staff across the organisation will share responsibility for activities that involve strategic engagement with industry and government on policy, technical and systemic issues.

Service Skills Australia will undertake the activities listed in the table below in order to implement the strategies identified under *Functions 7: Work cooperatively as a network with other ISCs on cross-industry issues, 8: Actively engage and communicate with a wide range of stakeholders and 9: Provide information and policy advice on the National Training System.*

These activities will also contribute both directly and indirectly to implementing *Functions 1: Provide integrated industry intelligence and advice, 2: Develop and maintain high quality training packages, 3: Support the implementation of training packages, 4: Develop, maintain and disseminate other training and workforce development resources, 5. Offer independent workforce development advice to businesses, and 10. Other areas of work in which Service Skills Australia will engage.*

### Activities for 2009-2010

| Activity               |  |
|------------------------|--|
| Stakeholder engagement | Schedule of targeted stakeholder meetings and interviews<br>Schedule of industry forums think-tanks and one to one meetings<br>RTO Professional Development activities<br>Membership of external committees<br>Schedule of targeted stakeholder meetings and interviews<br>Maintenance of IACs<br>Maintenance of Network<br>Conduct formal negotiations to harmonise licensing schemes with training packages<br>Conduct formal negotiations to harmonise industry registration/accreditation schemes with training packages |

| Activity   |   |
|--|---|
| Advise and influence government and other stakeholders on industry issues          | <p>Engaging with government to strengthen and streamline international recognition and benchmarking arrangements</p> <p>Advocate for the expansion of support materials QA/noting process to include industry input and validation of content</p> <p>Advocate on behalf of our stakeholders on workforce development issues</p> <p>Provide information and support to government initiatives and research projects related to industry skills development</p> <p>Provide responses to issues papers</p> <p>Provide advice and input into policy development</p> <p>Participate in cross-ISC activities</p> <p>Participate in external steering committees, advisory groups etc that contribute the ongoing positioning and advocacy of the service industries workforce development needs</p> |
| Stakeholder engagement – information (broad communication strategies, non-project) | <p>Maintain and enhance website</p> <p>Distribute newsletters</p> <p>Obtain publicity</p> <p>Advertise in relevant media</p> <p>Fact sheets, flyers and brochures</p> <p>Email and telephone advice</p>   |
| DEEWR contractual compliance   | <p>Submission of reports, other deliverables as needed</p> <p>Attendance at technical workshops, consultations with DEEWR</p> <p>Providing input into technical and policy documentation (e.g. DEEWR TP docs)</p>   |

These activities will be supported by a range of organisational policies and procedures, including the Stakeholder Engagement Strategy and specific plans developed for each activity. Quality control will be managed via the existing range of formal approval and sign-off processes managed through the Board, supplemented by advice from critical stakeholders such as DEEWR.

## Research

The research undertaken by Service Skills Australia will focus on the development of the Environmental Scan and other research conducted to investigate industry issues.

Service Skills Australia will undertake the activities listed below in order to implement the strategies identified under *Function 1: Provide integrated industry intelligence and advice*. This business stream will also make a significant contribution to activities supporting *Function 8: Actively engage and communicate with a wide range of stakeholders*.

### Activities for 2009-2010

| Activity   |   |
|--|---|
| Develop 2010 Environmental Scan  | <p>As per DEEWR contract the development of the 2010 Scan will be developed and build upon the range of feedback and activity (including research) that the ISC as a whole undertakes in 2009</p> <p>To commence scoping around August 2009 with publication at the beginning of February 2010</p>  |
| Conduct targeted research into skills development and industry issues                      | <p><b>Research into workforce development issues and requirements of volunteer labour</b></p> <p>Many sectors of Service Skills Australia service industries depend heavily on volunteer/unpaid labour in management, development and support roles. This piece of work looks at understanding the workforce development issues for this group of workers</p> <p>June to November 2009</p> <p><b>Tourism and Hospitality Research Framework</b></p> <p>Service Skills Australia will work with industry to follow through on the recommendations outlined in the report "Labour Force Needs Data Framework" (August 2008)</p> <p>June to November 2009 (scoping currently underway)</p> |
| Respond to and generate discussion with industry on issues outside of the research program | <p><b>Issues Papers</b></p> <p>In response to a range of issues, the ISC will develop a series of issues papers for broader industry consideration and feedback on topics particular to the service industries. These papers will cover, but not be limited to:</p> <ul style="list-style-type: none"> <li>• Completion Rates and Evaluation Frameworks</li> <li>• Sustainability skills for the Service Industries</li> <li>• International education</li> </ul>   |

The key product outputs of this business stream include the Annual Environmental Scan, the development of a research plan including the identification of additional industry research priorities, and the development of specific research reports in line with these priorities.

These activities will be supported by a range of organisational policies and procedures, including the Stakeholder Engagement Strategy and specific operational plans developed for each research activity. Quality control will be managed via the existing range of formal approval and sign-off processes managed through the Board.

### Training packages

Service Skills Australia's work in relation to training packages will be centred on their maintenance, including implementing the Continuous Improvement Plan, and will also focus on supporting the effective implementation of training packages.

Service Skills Australia will undertake the activities listed below in order to implement the strategies identified under Functions 2: Develop and maintain high quality training packages and 3: Support the implementation of training packages. These activities will also contribute to implementing Function 4: Develop, maintain and disseminate other training and workforce development resources. This business stream will also make a significant contribution to activities supporting Function 8: Actively engage and communicate with a wide range of stakeholders.

#### Activities for 2009-2010

| Activity   |  |
|--|--|
| Sport and Recreation Training Package maintenance    | <p>Finalising full review of the Sport, Outdoor Recreation and Community Recreation Training Packages.</p> <p>Commencing specific review of the Fitness qualifications and units of competency to determine the scope of the qualifications for fitness professionals</p> <p>Minor training package maintenance (ISC upgrade) including correction of errors, clarification of wording and other changes as required</p> |
| Sport and Recreation Training Package implementation | <p>Develop implementation advice.</p> <p>Implement program of PD sessions for stakeholders including RTOs and AQTF Auditors</p> <p>Work with states on consistent implementation</p>   |
| Sport and Recreation support materials               | <p>Develop support materials:</p> <p>Learning resources</p>  |

| Activity  |   |
|---|---|
| Tourism, Hospitality and Events Training Package maintenance    | <p>Minor training package maintenance (ISC upgrade) including correction of errors, clarification of wording and other changes as required</p> <p>Scoping of retail travel, to address issues raised through the design improvement register.</p> <p>Update units from imported Training Packages that have been superseded in their parent Training Package</p>  |
| Tourism, Hospitality and Events Training Package implementation | <p>Develop implementation advice in regards to recent updates to SITO7 including:</p> <ul style="list-style-type: none"> <li>▪ Addition of Skills Sets</li> <li>▪ Inclusion of units and qualifications for Holiday Parks and Resorts</li> <li>▪ Addition/expansion of cellar gas safety skills</li> <li>▪ Wine, liquor and spirits product knowledge</li> </ul> <p>Work with states on consistent implementation</p> |
| Tourism, Hospitality and Events support materials               | <p>Develop support materials:</p> <p>Learning resources/assessment strategies</p> <p>Skills set resource development for restaurant entrepreneur skill set with funding received under the DEEWR Skills Sets Phase 3 project</p>  |
| Retail Services Training Package maintenance                    | <p>Training Package maintenance as highlighted by Environmental Scan</p> <p>Minor training package maintenance (ISC upgrade) including correction of errors, clarification of wording and other changes as required</p>   |
| Retail Services Training Package implementation                 | <p>Work with states on consistent implementation</p>  |

| Activity                                     |  |
|--|--|
| Hairdressing Training Package maintenance    | <p>Commence continuous improvement of Hairdressing Training Package:</p> <ul style="list-style-type: none"> <li>▪ Research in the e-scan identified post-trade training to be scoped</li> <li>▪ Feedback received from the feedback register</li> <li>▪ Monitoring new trends and technologies to ensure that qualifications sufficiently meet industry needs</li> </ul> <p>Finalising options of skills sets for inclusion in the hairdressing training package</p> |
| Hairdressing Training Package implementation | Work with states on consistent implementation  |
| Floristry Training Package maintenance       | <p>Finalising complete review of the Floristry Training Package.</p> <p>Possible development of skills sets for inclusion in Floristry Training Package</p> <p>Minor training package maintenance (ISC upgrade) including correction of errors, clarification of wording and other changes as required</p>   |
| Floristry Training Package implementation    | <p>Develop implementation advice.</p> <p>Implement program of PD sessions for stakeholders including RTOs and AQTf Auditors</p> <p>Work with states on consistent implementation</p>   |
| Floristry support materials                  | Source Floristry support materials from third party developers to assist RTOs with implementation  |
| Beauty Training Package maintenance          | <p>Finalising complete review of the Beauty Training Package.</p> <p>Possible development of skills sets for inclusion in Beauty Training Package</p> <p>Minor training package maintenance (ISC upgrade) including correction of errors, clarification of wording and other changes as required</p>   |

| Activity   |   |
|--|---|
| Beauty Training Package implementation           | Develop implementation advice<br>Implement program of PD sessions for stakeholders including RTOs and AQTF Auditors<br>Work with states on consistent implementation  |
| Beauty support materials                         | Source Beauty support materials from third party developers to assist RTOs with implementation  |
| Funeral Services Training Package maintenance    | Minor training package maintenance (ISC upgrade) including correction of errors, clarification of wording and other changes as required   |
| Funeral Services Training Package implementation | Work with states on consistent implementation   |
| International recognition                        | Formalise and document benchmarking of Hospitality, Retail, Hairdressing, Sport and Fitness qualifications and competency standards with New Zealand.<br>Continue negotiations with South Korea, South Africa, Canada, European Union and New Zealand on benchmarks for recognition of Hairdressing and Beauty qualifications and competency standards.<br>Monitor progress on the Events Management qualifications benchmarking activities with South Africa, United Kingdom and Canada<br>Continue mapping and benchmarking for Sport and Fitness qualifications with United Kingdom, New Zealand and Europe. |

The key product outputs of this business stream include the submission of changes to training packages under continuous improvement, the development of appropriate support materials, and the development of industry implementation advice for each training package.

Service outputs include the delivery of professional development sessions to RTOs, and the provision of ongoing implementation advice and support to stakeholders including STAs, RTOs and other bodies as required.

Work around international benchmarking will inform training package continuous improvement, and improvements in international recognition will also contribute to streamlining implementation and skills recognition.

These activities will be supported by a range of organisational policies and procedures, including the Continuous Improvement Plan, Stakeholder Engagement Strategy and specific operational plans developed for each training package activity.

Quality control will be ensured through the implementation of appropriate consultation and engagement strategies, and managed via the existing range of formal approval and sign-off processes through the Board, Industry Advisory Committees, and project-specific Reference Groups and Steering Committees. Additional verification from Quality Assurance Consultants will confirm that Service Skills Australia training packages meet current training package policy and technical guidelines.

## Quality

Service Skills Australia will undertake the following activities in response to the range of issues raised by our stakeholders on the quality of vocational training and assessment.

Service Skills Australia will undertake the activities listed below in order to implement the strategies identified under *Function 3: Support the implementation of training packages* *Function 4: Develop, maintain and disseminate other training and workforce development resources*. This business stream will also make a significant contribution to activities supporting *Function 8: Actively engage and communicate with a wide range of stakeholders*.

### Activities for 2009-2010

| Activity   |  |
|--|--|
| <p>Conduct targeted research into skills development and industry issues</p> | <p><b>Employee Survey</b></p> <p>The outcome of this survey will inform SSA and stakeholders on the views of employees regarding informal in-house and external training that is not linked with the national training system</p> <p>June to November 2009</p> <p><b>Destination Pathways</b></p> <p>Existing data from NCVET (Student Outcome Survey (SOS), LSAY) shows that in some qualifications a low percentage of graduates are employed in the destination occupation identified by qualification – for instance hospitality and retail managers, show 11% match between intended and destination occupation. The project will investigate reasons why graduates are not working in their intended occupation.</p> <p>June to November 2009 (scoping currently underway)</p> <p><b>RTO PPP Survey</b></p> <p>The need to ascertain essentially what is happening at the ground with the Productivity Places Program has been identified as a key issue by Service Skills Australia and its stakeholders. We will use this information to determine what SSA can do to aid and/or alleviate any challenges training organisations are facing in regards to the Productivity Places Program and to provide the IAC's with feedback on what is being trained/learned in relation to job outcomes.</p> |

|  |   |
|--|---|
| <b>Activity</b>  |   |
|  | June to November 2009 (scoping currently underway)  |
| Respond to and generate discussion with industry on issues outside of the research program | <p><b>Issues Papers</b></p> <p>In response to a range of issues, the ISC will develop a series of issues papers for broader industry consideration and feedback on topics particular to quality training and assessment in the service industries. These papers will cover, but not be limited to:</p> <ul style="list-style-type: none"> <li>• Recognition of Prior Learning for the service industries</li> <li>• Institution vs. Apprenticeship</li> <li>• VET in School</li> </ul>  |
| Develop, maintain and implement industry focused user guides                               | <p><b>User Guides</b></p> <p>User Guides for each of our sectors will be developed to assist in the quality implementation of the service industries training packages. These guides will carry appropriate industry advice on implementing industry training packages.</p> <p>These will be done for:</p> <ul style="list-style-type: none"> <li>- Sport and Recreation Training Package</li> <li>- Floristry Training Package</li> <li>- Beauty Training Package</li> </ul> <p>Updates and improvements will be made to existing user guides in:</p> <ul style="list-style-type: none"> <li>- Tourism, Hospitality and Events</li> <li>- Retail Services</li> <li>- Hairdressing</li> </ul> |
| Training package quality assurance (internal capacity building)                            | Continue implementation of the training package quality assurance process and ensure that the business capacity continues to support this work  |

| Activity     |   |
|--------------|---|
| The New Deal | <p>This project started at the beginning of 2009 as a result of clear ongoing feedback on concerns of the quality of VET products and services. Implementation and response to findings from the New Deal Projects including:</p> <p><b>Project 1: ISC role in quality training and assessment</b></p> <p>The first project investigates how SSA can contribute through the development of policies, practices, programs and services in the provision of best practice delivery and assessment in the industries under their coverage. The project involves research of training and assessment in the industries under SSA's scope and current regulatory system of registering and auditing RTOs to determine what role SSA should have in ensuring quality training and assessment across all of its industries. The research and consultations for this project have almost been completed with a final report expected to be available by June 2009.</p> <p><b>Project 2: Workforce development for service industries VET practitioners</b></p> <p>The objective of this project is to develop a national workforce development strategy for the service industries VET sector to ensure it has the capability to respond to the current and future training and skill needs of its industries.</p> <p>The project will involve an examination of the service industries current VET workforce and consideration of existing strategies, relevant outcomes of research and recent work undertaken by various stakeholders.</p> <p>Work on this project has commenced and it is expected that the national workforce development strategy will be completed by October 2009.</p> <p><b>Project 3: ISC 'Tick of approval' products and support materials</b></p> <p>The third project will examine and develop criteria for approving and validating training products, services and support materials that are developed for the service industries and their qualifications. The methodology of this project will involve research and consultation with key stakeholders on process and outcomes in order to recommend strategies for developing an effective service for assessing individuals and organisations seeking SSA endorsement as a quality provider</p> <p>The project is running concurrently with project 2 and will be completed by July 2009 with roll out to commence after board sign off.</p> <p>This project is funded through allocated funds as part of a strategic board level project</p> |

Key measures of success for activities under the heading “Quality” will be the effectiveness and value that its adds to industry’s engagement with vocational education and training. Activities under this group will be conducted by staff across the organisation.

## Workforce development

Workforce development is a growing area of Service Skills Australia’s business. Whilst it was initially envisaged that ISC would have a strong role in the allocation of training places (under the Productivity Places Program) activities falling under workforce development are far reaching and tie into a range of agendas including skills utilisation, productivity and participation.

In some cases, to address workforce development issues in our sectors, activity will need to be supported by funding outside the core funding agreement. When this occurs, the activity will be:

- consistent with the organisation’s mission, to drive higher skills capability in the service industries workforce and service industries enterprises,
- further the organisation’s strategic objectives and respond to industry needs, and
- Compliment the roles and functions outlined in the funding agreement.

Processes to support activity funded outside of the main DEEWR contract will include tendering and preparing funding submissions for projects, conducting events on a commercial basis, and licensing/distribution of materials. Other activities will be added as required, according to funding opportunities and client/stakeholder need.

Quality control will be ensured through processes for Board approval of project concepts, and the management and reporting of projects in accordance with additional contracts and funding agreements relating to individual projects. We will undertake regular monitoring of client satisfaction in relation to specific projects and events.

Service Skills Australia will undertake the activities listed below in order to implement the strategies identified under

*Functions 5: Offer independent workforce development advice to businesses*

These activities will also contribute to implementing *Function 4: Develop, maintain and disseminate other training and workforce development resources*. This business stream will also make a significant contribution to activities supporting *Function 8: Actively engage and communicate with a wide range of stakeholders*.

*Function 10: Other areas of work in which Service Skills Australia will engage, which are not funded through the Funding Agreement.*

These activities will also contribute to implementing *Function 4: Develop, maintain and disseminate other training and workforce development resources*. This business stream will also make a significant contribution to activities supporting *Function 8: Actively engage and communicate with a wide range of stakeholders*.

### Activities for 2009-2010

| Activity |  |
|----------|--|
|----------|--|

| Activity  |  |
|---|--|
| Promote enterprise skills and workforce development | <p>Engage with industry to develop and articulate the workforce development needs of industry. Specifically,</p> <ul style="list-style-type: none"> <li>- Continue the development of the Sport and Recreation Industry Workforce Development Strategy</li> <li>- Roll out and implement the outcomes of the Tourism and Hospitality Workforce Development Strategy</li> <li>- Engage in strategic ongoing conversations with industry on forecasting and understanding future workforce development needs</li> <li>- Respond to recommendations in the 2009 Environmental Scan as they relate to Workforce Development</li> </ul> <p>Communicate and advocate for the workforce development needs of industry to policy makers, in the development of industry plans and the reform of the nation's education and training system</p> <p>Attending and presenting at industry conferences etc</p> |
| Support enterprise skills and workforce development | <p>Produce resources to support workforce development planning</p> <p>Provide advice and brokering services to support enterprise workforce development</p> <p>Work on shared infrastructure, documentation, processes, staff skills etc with other ISCs</p> <p>Work with relevant agencies and local projects where appropriate to identify and respond to workforce development needs at the local level</p> <p>Work with enterprise to identify and select appropriate RTO using agreed selection criteria (User Guides)</p> <p>Develop and roll out national training programs under the Productivity Places Program initiative</p> <p>Work with state advisory bodies and mechanisms to ensure that the needs of the service industries are addressed in local/state workforce development policy and implementation</p>  |
| Retail Ready  | <p>This is a continuation of a project that started in February 2009 through DEEWR.</p> <p>Due to complete in early 2010.</p> <p>This project is funded through external sources</p>   |

| Activity  |  |
|---|--|
| Higher Education and VET Pathways (UWS and SSA)       | <p>This project will explore approaches to integration and pathways between the VET sector and higher education. UWS will be a key partner in this project and a model will be developed that meets the needs of the retail industry.</p> <p>Commencing in May 2009 with completion of the first stage by November 2009.</p> <p>Awaiting funding approval through external sources</p>   |
| Recognition for Volunteers for the Service Industries | <p>Develop a model for recognising prior learning/current competence of volunteers in the service industries. Raised as a key issue by the Sport and Recreation sector this project will commence in the latter half of 2009 and be completed by November 2010.</p> <p>Awaiting funding approval through external sources</p>  |
| Service industries RPL                                | <p>In response to feedback from the 2009 Environmental Scan a number of our sectors have identified a range of issues associated with recognition of skills.</p> <p>To be completed by November 2009</p>   |
| Distribution and licensing of resources               | <p>Scan for third-party materials and negotiate distribution agreements</p> <p>Manage licensing arrangements on SSA products</p>   |
| Workplace English, Language Literacy and Numeracy     | <p>Undertaking further WELL work as required through the WELL Program</p> <p>This work will be funded through the WELL program</p>   |
| NSW Sport and Recreation ITAB                         | <p>Service Skills Australia is responsible for performing the role of the Industry Training Advisory Body for the NSW Sport and Recreation industry. This project incorporates two funding sources:</p> <ul style="list-style-type: none"> <li>– The NSW Department of Sport and Recreation Sports Development Program; and</li> <li>– The NSW Department of Education and Training Industry Advisory Services funding agreement.</li> </ul> |

## Endnotes

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- i Based on ABS 8165.0 Counts of Australian Businesses, including Entries and Exits, June 2007; please note that these figures are based on the information provided by the company to the ATO when they register for an ABN. Prior to 1st July 2007, businesses with turnover of at least AUD50,000 per annum (AUD100,000 in the case of non-profit organisations) were required to register for an ABN and remit GST. Businesses with turnover under AUD50,000 were able to voluntarily register and these voluntarily-registered businesses are included in the counts
- ii ACRS The 2007 Australian Retail Snapshot, ACRS Secondary Research Report 2008 and IBIS World Retail trade in Australia, March 2008
- iii ABS 6291.0.55.003 Labour Force, Australia, Detailed, Quarterly, August 2008, table 6291.0.55.003 E15\_AUG06 - Employed persons by Sex, Industry (ANZSIC06), State, Status in Employment
- iv ABS 4441.0 Voluntary Work, Australia, 2006; table 18 Volunteering, Organisation type
- v The Academy of the Social Sciences in Australia 2008, Occasional Paper 6/2008 The Labour Market, Skills Demand and Skills Formation, page 2
- vi ABS 6291.0.55.003 Labour Force, Australia, Detailed, Quarterly, August 2008, table 6291.0.55.003 E15\_AUG06 - Employed persons by Sex, Industry (ANZSIC06), State, Status in Employment
- vii ABS 1301.0 Year Book Australia, 2006
- viii ABS 5204.0 Australian System of National Accounts 2007/08; table 11 Industry Gross Value Added, current prices; please note that these figures include also sectors (e.g. motor vehicle wholesaling) which are not covered by Service Skills Australia
- ix ABS Tourism Satellite Account 2006/07; please note that this value can not be added to the ones mentioned above as it is an aggregation of parts of several industries
- x IBIS World Retail trade in Australia, March 2008
- xi ABS Job Search Experience Survey, July 2007, 32% of first jobs were in the occupation of Sales Assistants and Salespersons
- xii Skillsinfo.gov.au Employment Outlook for Retail Trade, July 2008, please note that this includes motor vehicle retailing and Employment Outlook for Wholesale Trade, July 2008, please note that this includes motor vehicle wholesaling
- xiii Skills shortages: Concepts, Measurement and Policy Responses, Ch. Sha and G. Burke, 2005
- xiv Please refer to such sources as NCVET Consortium research and Dr. Erica Smith's paper on traineeships, John Mitchells literature review on quality amongst others