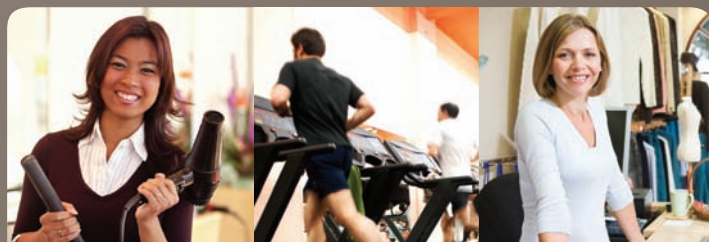


POSITION STATEMENT



 2010

CONTENTS

Introduction	1
A national industry led skills system that is responsive to workforce development	2
More equitable distribution of funding to respond to the skill needs of the service industries	3
Industry Skills Councils	4
Vocational education and training	5
Productivity Places Program	6
The Australian Service Industries: The facts	7
About Service Skills Australia	8



INTRODUCTION

This document represents the views of Service Skills Australia, for and on behalf of the service industries, in relation to key aspects of public policy in relation to skills development and vocational education and training. It has been developed on the basis of extensive consultation with the service industries enterprises, associations, unions, employees and training organisations.

The service industries employ almost 2.4 million people and represent nearly a quarter of the Australian workforce. These industries are a major contributor to the social and economic well-being of Australia and its population, and are the backbone of metropolitan and regional communities.

To support the success of the service industries, and facilitate projected growth, we need to ensure that the industries' enterprises have access to suitable, skilled labour. Access to appropriately skilled, quality personnel are integral to the success of business in any industry, but particularly to the service industries. The labour intensive nature of the service industries means that the quality of employees' skills is a key determinant of industry productivity.

The government must ensure that skills development policies and programs support these aims through the provision of a nationally consistent skills development system which is led by industry, for industry.

A NATIONAL INDUSTRY LED SKILLS SYSTEM THAT IS RESPONSIVE TO WORKFORCE DEVELOPMENT

It is critical that any industry led system define industry as including:

- Employers – large, medium, small and micro of a variety of business models including non-profit
- Employer Associations – state and federal
- Unions/Employee Representative Organisations – state and federal based organisations
- Employees and Volunteers

Governance arrangements need to support a coordinated national response to identifying and meeting Australia's skill needs, to avoid fragmented approach which fails to deliver on key objectives of the national system.



ACTION: We must invest in the development of a national, industry-led system of vocational education and training underpinned by a consistent regulatory framework that supports the delivery of industry outcomes.

MORE EQUITABLE DISTRIBUTION OF FUNDING TO RESPOND TO THE SKILL NEEDS OF THE SERVICE INDUSTRIES

ACTION: We want more efficient and equitable funding to respond to the skill needs of the service industries.

The service industries are the backbone of both regional and metropolitan Australia. They provide the services and employment on which communities survive and thrive, and are essential for social well-being.

The value of the service industries for Australia's economy and population cannot be underestimated. Sectors such as retail and hospitality often provide the first job for many Australians, whether a part-time job while studying or a first full-time job – for many individuals providing the basic 'know-how' for their future working life, in the service industries, or beyond.

Sectors like sport, fitness and outdoor and community recreation as well as tourism and events provide additional income for other industries, as they attract international visitors to sports events and promote Australia as a travel destination. The gross output multiplier for the tourism industry is estimated to be 1.85 – meaning that every dollar directly spent on tourism generates an additional 85 cents of activity in the rest of the economy.

The labour intensive nature of the service industries means that the quality of employees' skills is a key determinant of industry productivity. SSA strongly recommends that the interests of the service industries be better represented in policy making bodies, in particular Australian vocational education and training policy making bodies.

The service industries suffer under the broad misconception that their sectors comprise low skilled workers with a lesser need for support and resourcing to develop skills. Consequences include poor funding support, lack of recognition of careers in the industry, and ongoing issues in the quality of training and assessment.

SSA strongly recommends that the interests of the service industries be better represented in policy making bodies, in particular Australian vocational education and training policy making bodies. The services industries make up almost a quarter of the workforce, yet there is often insufficient recognition of the employment capacity of the industry, in the training, workplace relations or immigration sector policy processes. If the right numbers of appropriately skilled workers are not available for these industries, the effects on the economy will be dire.

ACTION: All programs to promote skills and workforce development must include the service industries in a manner equitable to its contribution to social and economic well-being.

INDUSTRY SKILLS COUNCILS

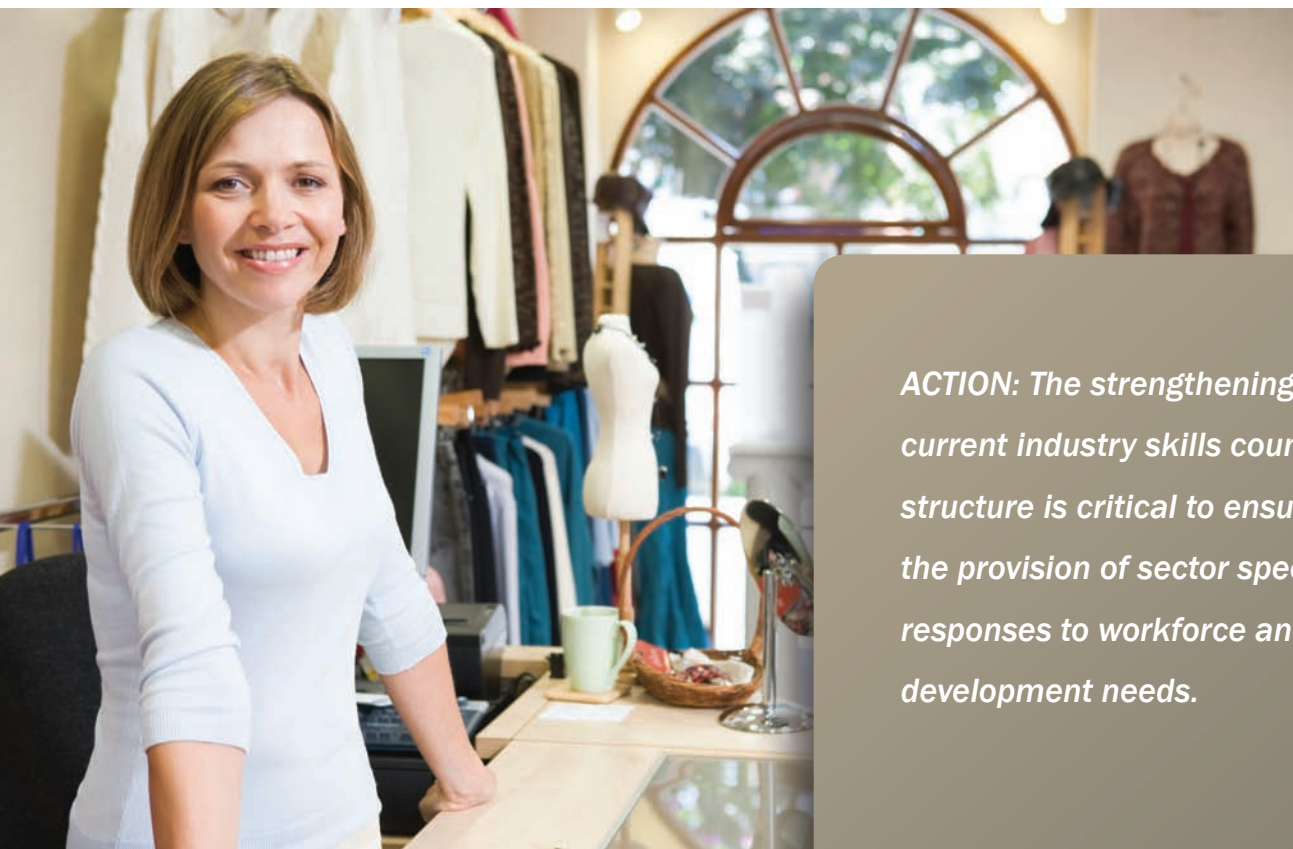
Industry Skills Councils are the industry they represent – they are governed by industry representatives and exist to serve the interests of industry. ISCs are bi-partite, expert organisations that understand the needs of their industry, whilst remaining accountable to the government and supporting productivity and participation targets.

Industry Skills Councils bring together industry, educators and governments and unite them on a common industry-led agenda for action on skills and workforce development.

The current industry skills council structure allows each council to tailor timely and efficient responses to the specific needs of their industry.

The strength of the industry skills council lies in the bi-partite nature of industry consultations. This together with consultations across state and federal governments enables an ISC to be at the heart of skills and workforce development issues, and provide expert, tailored solutions to skill needs with specific industry sectors.

Since the establishment of Service Skills Australia the number of students enrolled in food, hospitality and personal services courses and qualifications have increased from 151,900 in 2005 to 183,400 in 2009. Similarly, students studying under training packages produced by Service Skills Australia have increased from 173,200 in 2005 to 236,900 in 2009. Qualification completions have also increased in this same period from 48,800 to 60,600. This can be attributed to the work of Service Skills Australia to promote skills development and also the high quality of the training packages produced by the industry skills council.



ACTION: The strengthening of the current industry skills council structure is critical to ensure the provision of sector specific responses to workforce and skills development needs.

VOCATIONAL EDUCATION AND TRAINING

Confidence in the quality of assessment and training to VET industry standards has been an ongoing concern for Service Skills Australia's stakeholders. For every review of every training package that is undertaken by SSA, the majority of comments to the skills council are on the issues of implementation and quality of provision.

Often, these issues are incorrectly attributed to the requirements of the training packages, but the reality is that these issues commonly relate to the arrangements of state training authorities. These arrangements vary from state to state, often with little consistency.

It is crucial that the needs of industry are responded to as the end user and customer of the nation's vocational system is industry – they are the drivers of the nation's productivity.

ACTION: The national system of vocational education and training should continue to be constructed on industry developed standards, qualifications and assessment guidelines.

The establishment of a national vocational education and training regulator is a step in the right direction to ensuring national consistency; but more needs to be done.

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

ACTION: We need bipartite industry representation and involvement to ensure quality implementation, supported by a nationally consistent, whole of government approach to vocational education and training policy.

PRODUCTIVITY PLACES PROGRAM

The Productivity Places Program (PPP) has the potential to deliver for industry a national program, targeted to industry skill requirements, delivered by high quality training providers, and implemented in a streamlined and consistent manner.

However, industry perceives the program for both existing workers and job seekers as bureaucratic, inconsistent in its application and not capitalising on the outcomes it was poised to deliver. These difficulties are being exacerbated further by the differing models each state or territory is taking in the implementation of PPP.

Furthermore, the drive for higher level skills does not suit the needs of the service industries. As most employees in the service industries are in operational jobs, the engagement in higher level AQF qualifications in the service industries is low. Most are engaged in work that is at Certificate II and III level. If the government is serious about raising workforce participation levels, it would seem to follow that training should primarily be concentrated at entry-level skills in these industries.

The Productivity Places Program, or indeed any government program to deliver training to jobseekers and existing workers, needs to be implemented with productivity in front of mind and ultimately lead to workforce development. Such programs needs to be industry-driven in order to fulfil existing and future skills demands as well as needing to appropriately address the qualifications identified by industry as those most in need.


In order to achieve this, the knowledge, expertise and experiences possessed by the Industry Skills Councils and their stakeholders need to be consulted and effectively involved more throughout this process in order for this program to deliver quality outcomes, particularly for existing workers.

To date, Service Skills Australia has not been adequately engaged in PPP to ensure the program reaches its potential.




ACTION: More effective engagement with Industry Skills Councils (ISCs) and their stakeholders is required to produce improved quality of delivery with the Productivity Places Program.

THE AUSTRALIAN SERVICE INDUSTRIES: THE FACTS

 *The service industries employ almost 2.4 million people and represent nearly a quarter of the Australian workforce.*

The contribution of the service industries to Australia's gross domestic product (GDP) for 2008-09 was AUD57 billion (4.9%) for wholesale trade and over AUD54 billion for the retail trade sector, almost AUD28.5 billion (2.5%) for accommodation and food services and AUD 9.8 billion (0.8%) for the arts and recreational services sector. In 2007-08, tourism contributed over AUD40.6 billion to Australia's GDP.

 *The contribution of these service sectors to Australia's Gross Domestic Product collectively was in excess of AUD 158 billion or 16.4%.*

Twenty percent of all workers first jobs were in the occupation of sales assistant and salesperson.

The service industries are dominated by small businesses, with 70% of companies employing fewer than 20 persons.

 *There were 344,655 service industry businesses in mid-2007.*

Employment across the sectors is diverse in terms of demography. Many young people commence work in one of the sectors and 54% of all working women are employed in the service industries. 48% of employees work part-time and traditionally the industry has a high casual workforce (in 2004, 45% of all retail employees).

In the four years to 2013–14, employment in accommodation and food services is expected to grow at an average rate of 1.4% per annum, which equates to around 49,900 new jobs. During the same period, employment in the retail industry is expected to grow at an average rate of 1.1% per annum, which equates to around 67,600 new jobs. Within this industry, supermarket and grocery stores are expected to have the strongest annual employment growth of 3.3% per annum, followed by specialised food retail (2.8% per annum).

ABOUT SERVICE SKILLS AUSTRALIA

Service Skills Australia is the Industry Skills Council for the service industries. Skills councils are the recognised national bodies providing advice on industry training and skills development needs to government and industry.

Service Skills Australia represents the tourism, hospitality and events, sport, fitness and recreation, and retail, wholesale and personal services sectors.

Service Skills Australia is an independent, not-for-profit body, managed by industry representatives and funded by the Australian Government to:

- develop a culture within the service industries which promotes and enhances the skills development of its workforce,
- develop policies, programs and services, including industry training packages, that support industry needs in relation to skills and workforce development,
- achieve quality skills outcomes throughout the service industries, and
- produce quality workforce development information and use industry intelligence to inform decision making.

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