SERVICESKILLS AUSTRALIA
TRENDS & INTELLIGENCE

TOURISM, HOSPITALITY AND EVENTS

ENVIRONMENTAL SCAN 2010

2010

Contents

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This document supports the *Service Skills Australia 2010 Environmental Scan*.
For information on trends in other service industries, see our Environmental Scan findings for:

- Community Pharmacy
- Funeral Services
- Hairdressing and Beauty Services
- Retail, Wholesale and Floristry
- Sport, Fitness, Community and Outdoor Recreation

All of these documents can be viewed and downloaded from our website, **www.serviceskills.com.au**

INTRODUCTION

THE ROLE OF SERVICE SKILLS AUSTRALIA

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

SSA is an independent, not-for-profit body, managed by industry members 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
- produce quality workforce development information and use industry intelligence to inform decision making.

SSA represents the tourism, hospitality and events; sport, fitness and recreation; and retail, wholesale and personal services sectors.

OBJECTIVES

This environmental scan provides an industry-specific overview of current and future trends and developments in the tourism, hospitality and events industries in relation to workforce development and vocational education and training (VET). Developed in partnership with industry and based on data mostly collected between February 2009 and January 2010, the scan reflects key issues and provides information on current and future skill demands, and their context, to inform the continuous improvement of the training package for these sectors.

> *"Any consideration of strategies to improve the capability of the tourism, hospitality and events workforce needs to be predicated on a clear understanding of these changes."*

KEY MESSAGES

Driven by changes in consumer trends and the demography of the Australian and international population, the nature of tourism and hospitality is changing. The complexity of the businesses, organisations and workforce that make up the industry needs to be understood by skill markets and policy makers to avoid a 'one size fits all' response to productivity and participation outcomes.

Any consideration of strategies to improve the capability of the tourism, hospitality and events workforce needs to be predicated on a clear understanding of these changes.

Industry has unanimously described its needs for the education and training system in the Tourism and Hospitality Workforce Development Strategy 2009[1]. Minister Ferguson has recommended that the Tourism Ministers' Council works with SSA to implement the strategy[2].

LATEST INDUSTRY INTELLIGENCE

UNDERSTANDING THE INDUSTRY

Tourism and hospitality businesses 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 national and international customer demands and expectations, as well as by an increasingly global marketplace.

The tourism, hospitality and events industries include accommodation, restaurants, cafés, bars, catering, gaming, meetings, events (business and leisure), conference organisers, tour operations, tourist information services, tour guiding, holiday parks and resorts, cultural tourism, casinos and caravan park operations.

Sectors within tourism and hospitality, such as business travel, major events and education travel provide potential benefits for other industries in promoting Australia and Australian products and services[3].

Tourism is a sector made up of a number of industry participants. It is generally accepted that the tourism product, the visitor experience, is provided through an amalgam of services across a broad range of industry participants; including but not limited to hospitality, transport, retail, business and major events, recreation, and educational and cultural services[4]. This is also true of the hospitality industry, which shares many of the service providers in the tourism sector.

As tourism is not an industry in the conventional sense, it does not appear in the national accounts or in international statistical classifications. In order to establish adequate statistical standards, an exact definition of tourism and the tourist has been agreed on by the United Nations World Tourism Organisation: 'Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited.'[5]

Industries are usually classified according to the product or service being provided but instead, tourism is defined according to the consumer of the product or service, and so may be considered an activity or market.

As shown in Figure 1 opposite, a high number of businesses in tourism, hospitality and events are active in two or more sectors. Hotels, for example, need tourism to generate part of their business, and events cooperate with tourism to promote their location[6].

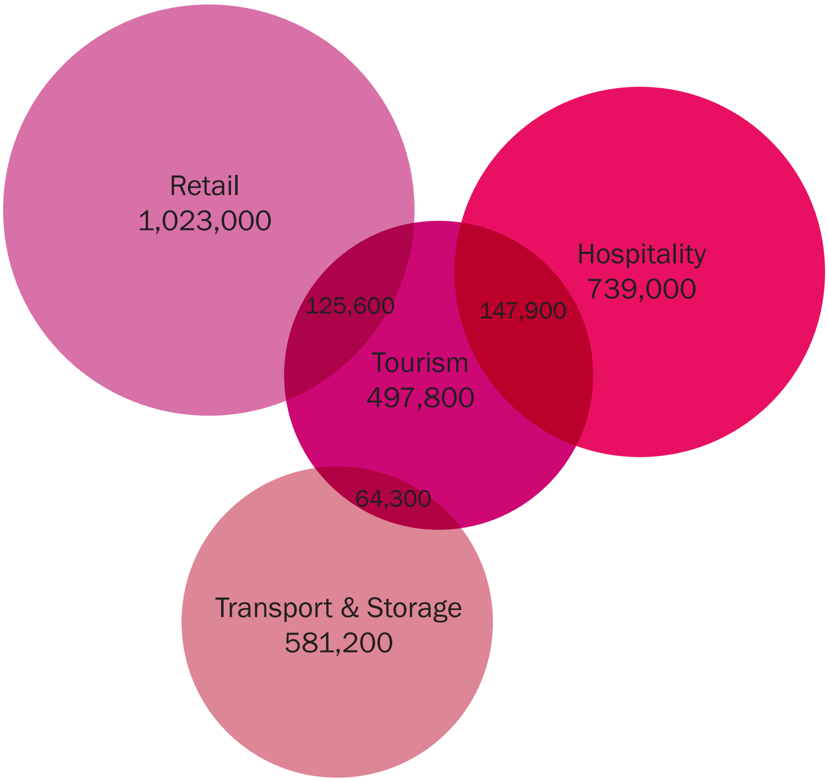

FIGURE 1 NUMBER OF EMPLOYEES ACTIVE IN SECTORS

INDUSTRY FACTORS

Key tourism, hospitality and events information includes:

- There are currently 1,236,800 employees in the tourism and hospitality sectors.
- There were 56,500 accommodation, pubs, taverns and bars, cafés and restaurants and clubs businesses in 2007[7].
- There were 5,770 travel agencies and 21 casinos in 2007.
- Large businesses (200 or more employees) represented less than 1% of the businesses by number, whereas companies with 1—19 employees make up more than 50% of the sectors[8].
- Micro businesses through to multinational companies are represented, as well as franchising concepts.
- In mid-2009 the accommodation and food and beverage services sectors employed almost 740,000 people (7% of the total workforce), an increase of 5.6% since early 2008[9]. The café, restaurant and takeaway food services sector accounted for the majority of sector employment, followed by accommodation and pubs, taverns and bars.
- 497,800 persons were employed in tourism in 2007—08, an increase of over 3.1% on 2006—07[10]. Industries that recorded an increase in tourism-related employment included travel agency and tour operator services, cafés and restaurants[11].
- There is a diverse employment mix across the sectors, with many young people commencing work in one of the sectors. Traditionally the industry has a high percentage of casual and part-time workers (within the accommodation and food services industry 55.4% of the jobs are part-time[12]).

- In 2007—08, the gross domestic product (GDP) of Australia's tourism industry increased by 4.4% to AUD40.6 billion. Domestic visitors contributed 74% to Australia's tourism industry GDP, a slight decline from 74.8% the previous year, while international visitors contributed 26%. This was mainly due to Australians travelling less in Australia and more overseas[13].
- Between 2000 and 2008, outbound travel increased by 66%, from 3.5 million to 5.8 million departures. It is predicted that outbound travel will reach 7.8 million departures in 2017, an average annual growth of 3.6% over the period 2007—2017. A strong outbound tourism sector provides important benefits to the Australian tourism industry, supporting sustainable aviation services, cruise shipping and the travel agent industry[14].
- Industry feedback indicates that Australians are increasingly spending their holidays near their place of residence and are trading down to save on their discretionary spending, e.g. staying at caravan parks instead of a hotel. This of course has major influences on upscale and luxury accommodation and the domestic airline market.
- There were an estimated 6.1 million business event travellers in 2008. Of these, 2.8 million were domestic overnight visitors, 2.8 million domestic day visitors, and 377,000 international visitors. Business events and incentive travellers accounted for 3% of all visitors, 5% of visitor nights and 7% of tourism expenditure in Australia in that year.
- Conferences, conventions and seminars attracted the majority of international (87%), domestic overnight (86%) and domestic day (69%) visitors, compared to trade fairs and exhibitions.
- The vast majority of those who attended an event for one to five nights spent extra nights in Australia before and/or after the event (87%)[15].

The contribution of accommodation and food services businesses to Australia's GDP for 2008—09 was almost AUD28.5 billion[16]. In 2007—08, tourism contributed over AUD40.6 billion to Australia's GDP, an increase from AUD38.9 billion in 2006—07[17].

The importance of the tourism, hospitality and events industries to Australia is widely under-estimated. Through the number and geographic spread of the jobs they create, the small businesses they support, the contribution they make to national exports, their economic role in Australia's regional and remote communities, as well as their capacity to protect and maintain Australia's natural heritage and built environment, they bring enormous benefits.

An economic analysis commissioned by the Department of Resources, Energy and Tourism demonstrated that the tourism industry has very strong linkages to the rest of the economy. The gross output multiplier for the industry is estimated to be 1.85. This means that every dollar directly spent on tourism generates an additional 85 cents of activity in the rest of the economy[18].

ECONOMIC FACTORS AND TOURISM, HOSPITALITY AND EVENTS INDUSTRY DYNAMICS

While the global financial crisis (GFC) produced a variety of activity and commentary that drew a mainly downbeat and pessimistic picture of Australia (and some areas of the tourism and hospitality industry did in fact report reduced revenue), significant parts of the industry reported continued growth throughout 2009.

Those areas that reported reduced revenue represent parts of the industry typically involved in distribution of tourism products and services, such as travel wholesalers, airlines and transport. This is supported by industry feedback, which suggests the existence of a 'two-speed' economy where some sectors are rebounding quite strongly with good employment prospects, while one in six other tourism businesses expect to make future cuts to staffing levels[19]. Worth noting in this context is the industry advice that in some cases discounting is being used to maintain sales volumes, and volume is being generated by low-yield sectors, such as visiting friends and relatives (VFR).

Other businesses in tourism and hospitality that can be described as 'product developers', such as accommodation, cafés and restaurants, reported a 7% increase in turnover in October 2009[20]. However, industry evidence suggests that this increase was generated by the 'non-tourism' component of the sector (i.e. localised spending).

In the pre-GFC period 2007—08, the domestic share of tourism GDP was $30.1 billion (74.0% of total tourism GDP), up 3.4% on 2006—07 levels. Total domestic tourism consumption was $65.1 billion (73.4% of total tourism consumption), up 4.0% on 2006—07 levels[21].

However, recent data for the restaurant and catering industry shows that the 2009 calendar year closed at $16 billion (7.2% up on the previous year) with December 2009 turning over one tenth of this figure ($1.6 billion), 14.5% up on December 2008. December 2009 was also the first month in which the industry in NSW achieved over $0.5 billion, having totalled over $1.5 billion for the final quarter[22].

According to 'Employment Outlook', employment growth in accommodation and food services has been quite strong over the past ten years, with an average growth rate of 1.8% per annum. 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[23].

Australia has gained market share in a falling international travel market, aided by a combination of factors including, according to Tourism Research Australia[24], expanding international capacity on Australian routes.

Other key factors influencing tourism demand in Australia include:

- the value of the Australian dollar
- reduced oil prices, which led to cuts or reductions in airline fuel surcharges and allowed airlines to reduce airfares more heavily on long-haul routes
- increased aviation capacity into Australia, particularly on routes to and from the United States, the Middle East and Asia, and
- considerably cheaper international airfares and package travel following the sharp discounting of international airfares.

Trends in consumer demographics and behaviour, have changed and continue to change the tourism environment, making it necessary for the industry to take a more strategic destination-management approach to its planning to remain competitive[25].

"Downturns in the market have been confused with the affects of the GFC, but there are often more nuanced reasons for the downward trends"

Distribution and purchasing

The inconsistent reports of effects of the GFC may be due to the earlier described 'two-speed' model – a fast-paced one that seems to have missed the effects of the collapse of the financial markets, and another slower one, where operators are reporting that the brunt of the financial crisis is being felt by consumers' unwillingness to spend money. It is important to consider that the variable effects of the GFC may be based on adjustments to the distribution of tourism product, rather than direct impact on profitability as a result of the collapse of the financial markets, and, that these changes in distribution were occurring prior to the GFC and will continue to occur.

The global distribution system for tourism and travel products has developed in recent years, with a greater access and range on offer in the online environment. This has been led mainly by major airlines, which have chosen to target a direct selling model to the consumer; and has gained pace within the domestic booking environment. With regard to accommodation products, major chains have also enhanced their internet model to present a more competitive pricing model to the consumer. This change has led to the development of more sophisticated online travel agent (OTA) websites, and there is a new arena of competition emerging in the direct selling model of travel and tourism products between these OTAs and the suppliers themselves. Meanwhile, the traditional distribution system, which makes up the majority of the workforce in the travel sector, continues to enjoy strong growth by way of a service differential model to the consumer and in outbound overseas airline bookings as well as the fast emerging cruise sector. For inbound tour operators, the traditional distribution model continues to play the primary role for international inbound visitors who are still accessing the 'Aussie Specialist' program established by Tourism Australia to support the inbound industry by way of better education for overseas travel agents.

In addition, the level of soft skills required to perform as a competent travel agent have been more emphasised, as customers now have a choice when it comes to making their travel arrangements.

As the new travel and tourism distribution model emerges over the next five years, industry is reviewing a number of government regulations to ensure that all operators in this industry are treated equally, as some concerns have arisen regarding the way in which consumer protection is provided across the entire distribution system. Direct selling by suppliers via the internet remains the biggest threat to both traditional and online travel agents and tour operators.

Downturns in the market created by these changes have been confused with the affects of the GFC, but there are often more nuanced reasons for the downward trends.

From a labour and skills perspective, lifestyle transitions provide a point of reference for understanding market impacts. Individuals' purchasing habits are a case in point. For instance, industry reports an increase in online and just in time purchasing of products. Distribution of messages and advertising of tourism destinations are increasingly promoted informally through social networking and instant communication vehicles, such as Facebook and Twitter. Employers involved in wholesaling and the distribution of tourism products will need to consider adopting more flexible and modern business models and seek leverage from these consumer trends[26].

REGIONAL ASPECTS

With most industries in SSA's scope, businesses are located in direct proportion to population size. Obviously, the population level of each state directly influences the number of potential customers, with more densely populated states usually having a higher proportion of businesses to service consumer demand. However, this is not always the case in tourism, hospitality and events, as some remote and less-populated areas in Australia are popular tourist destinations.

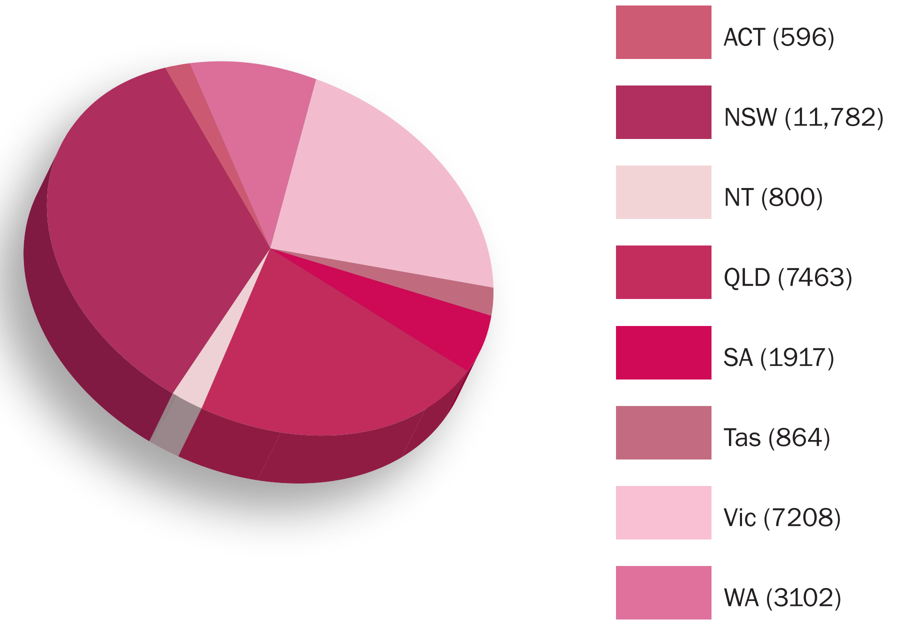

FIGURE 2 ESTIMATES OF DIRECT CONTRIBUTION TO AUSTRALIA'S TOURISM GROSS VALUE ADDED (GVA) BY STATE AND TERRITORY IN AUD MILLION (2007—2008)[27]

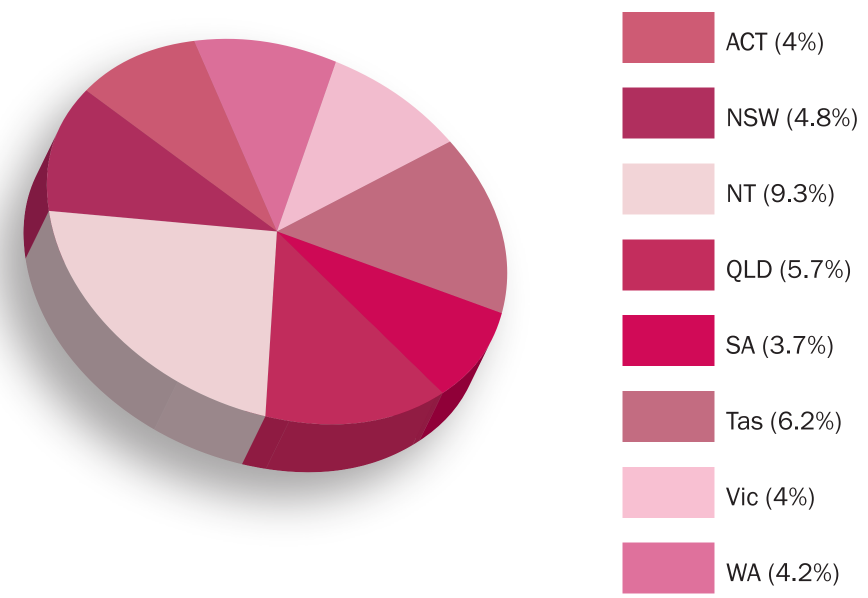

FIGURE 3 PERCENTAGE OF TOURISM SHARE OF EMPLOYMENT BY STATE/TERRITORY (2007—2008)[28]

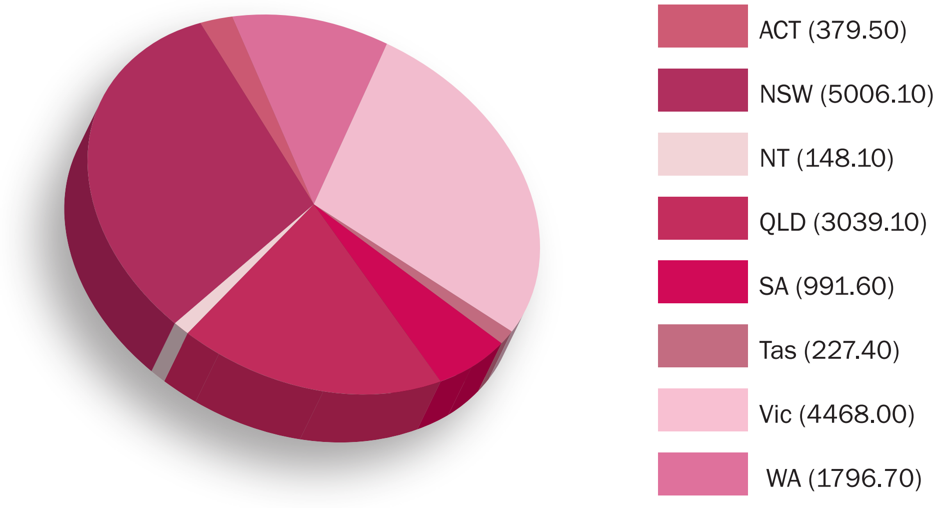

FIGURE 4 RETAIL TURNOVER FOR CAFES, RESTAURANTS AND CATERING SERVICES BY STATE AND TERRITORY IN AUD MILLION (CALENDAR YEAR 2009)[29]

New South Wales

New South Wales (NSW) had the highest number of tourism and hospitality businesses in Australia in 2007[30] and in 2007—08 at 4.8% direct tourism employment was slightly above the Australia-wide percentage of 4.7%[31].

Data from 2007 indicates that visitors in NSW spent AUD22.7 billion, with domestic overnight visitors accounting for 53% of total spending. In the same year, 75.5 million people visited the state, of which 64% were domestic day visitors. Interestingly, the experiences that visitors sought out were strongly linked to the state's food and wine sectors. Of note is that international visitors who were in NSW for education purposes took a 30% share of the nights stayed of international visitors[32].

As illustrated in Figure 4 above, NSW recorded the highest retail turnover for cafés, restaurants and catering services in Australia in 2009 (AUD5.1 billion).

Victoria

In 2007, Victoria had the second highest number of tourism and hospitality businesses in Australia after NSW[33]. The tourism industry brought AUD14.9 billion to the Victorian economy in 2007 with 54.9 million visitors, of which 66% were domestic day visitors. Crucially, 38% of the nights share for international visitors was based on the state's education market[34].

As a reaction to the growing interest in sustainability issues, Tourism Victoria released its Environmentally Sustainable Tourism Strategic Plan 2009–2012 in 2009. The plan promotes businesses that demonstrate environmental credentials, through accreditation programs, developing and distributing a carbon footprint toolkit for use by businesses and destinations, and working with the Victorian Employers' Chamber of Commerce and Industry to ensure that tourism is an integral part of the 'Grow Me the Money' and 'CarbonDown' programs. The plan also promotes and continues to enhance the Sustainability in Tourism section of the Tourism Excellence program[35].

Queensland

Queensland continues to be the most popular destination for Australians moving interstate. The state is projected to experience the largest percentage increase in population between mid-2007 and 2056 of any state or territory, more than doubling the 2007 population of 4.2 million to 8.7 million people by 2056.

From 2008 to 2009, Cairns airport showed the most significant decline in international arrivals (-40.5%)[36]. As Japan is the main target market of Tropical North Queensland, the region feels the negative effects of the H1N1 virus and the 2008—09 Japanese recession.

South Australia

By 2056, SA is forecast to have the second highest median age in Australia (43.9)[37]. The effects of this ageing population will be felt, and so employers should support the participation of older workers, to not only maintain the skill and experience base but also to better align their workforce with the ageing customer base[38].

In 2007, the tourism industry contributed AUD4.2 billion to the SA economy with 16.3 million visitors to the state[39]. As the state is aiming to increase visitor numbers, length of stay and yield per visitor, the tourism workforce will become more crucial to the state's growth and prosperity[40].

In South Australia, the tourism and hospitality industry is a significant trainer of Indigenous Australians, females, and most notably young people (67.6% of VET enrolments are 15 to 24 years old, compared to the state average of 51.4%)[41].

It is estimated that the tourism and hospitality industry will represent 5.3% of the total demand for qualifications in South Australia over the five-year period 2007–08 to 2012–13. The largest demand for qualifications within the industry is estimated to be at the Certificate III level (46.7%). It is estimated that the tourism and hospitality industry will receive 4.1% of the total supply of publicly funded VET and higher education qualifications over the same period[42].

Western Australia

The continuous increase in Western Australia's (WA) population, which is projected to more than double between 2007 and 2056, reaching 4.3 million people[43], will further boost the demand for service industries.

The tourism sector brought AUD7.5 billion to the economy in 2007, with 20.8 million visitors staying 50.6 million nights. In WA, the education market accounted for 23% of the share of international visitor night stays[44].

Feedback to SSA indicated that WA's events industry in general does not participate in formal training. Most workers in the industry do not hold an industry-relevant qualification, particularly in the production/technical areas. This is partly because the events industry consists of mostly small companies with only one or two full-time employees and a large proportion of casual employees, thus finding it difficult to find the time to train staff. Information regarding flexible training and professional development opportunities is needed (see also Current Impact of Training Packages on page 17).

Tasmania

Tasmania is forecast to have the fastest ageing population in Australia, which will result in Australia's highest median age of 45.7 in 2056, compared to an Australia-wide median age of 42.4[45]. This trend is mainly based on the fact that Tasmania traditionally experiences a loss to interstate migration in younger age groups and a gain in older age groups[46]. The major effect that this age demographic signals is the even greater competition it will mean for available workers in the tourism, hospitality and events industries.

For the year ending March 2009, overall visits to Tasmania increased by 7% compared to the year ending March 2008. Total visitor nights grew by 4% to 7.45 million nights, and total spending in Tasmania rose by 7% to AUD1.43 billion. Growth was strongest in the number of interstate holiday visitors to the state[47].

Feedback to SSA indicated concern with the Tasmania Tomorrow reforms (where TAFE has split into the Polytechnic Skills Institute). Businesses already only marginally connected to VET have now even less knowledge about the new structure and system. It was felt that the Polytechnic may have lost its focus on more mature entrants to tourism and hospitality.

Northern Territory

As shown in Figure 3 on page 7, the Northern Territory (NT) has the highest tourism share of employment Australia-wide with 9.3% in 2007—08. There has been a reduction in domestic and international flights into Darwin as Royal Brunei and Garuda Airlines have closed their Darwin route. Jetstar, Qantas and Virgin Blue have scheduled domestic services to Darwin but industry feedback suggests that these are not sufficient to meet demand during the dry season.

In 2007, 2.4 million visitors (46% being domestic day visitors) spent AUD1.8 billion in the NT[48].

Industry feedback indicates a strong need for tour guides with language skills to accommodate international visitors.

Two important trends in the NT demographic for the tourism, hospitality and events industry are the age structure of the territory and its forecast growth.

The population of the NT is the youngest of any Australian state or territory, and will continue to be so in the future. In mid 2007, the NT had a median age of 31.1, followed by the ACT with 34.5. By 2056, the median age in the NT will have only increased to 34.5, while the Australia-wide median age is forecast to be 42.4. Additionally, NT's population is projected to increase by 186,600 people between mid 2007 and 2056, to 401,600 people. This is a significant increase relative to the NT's population of 214,900 people in 2007[49].

Australian Capital Territory

Of importance for employers is that between June 1998 and June 2008, the Australian Capital Territory's (ACT) net interstate migration fluctuated considerably, but declined overall. In 2007—08, the ACT recorded a net loss of 265 persons[50].

Typical consumer expectations of tourism in the ACT are strongly linked to the visitor's desire to experience our nation's history, with more than half the visitors being from New South Wales (58%), reasonably evenly balanced between business visitors (24%) and visiting friends and family (21%) in 2005—06[51].

MACRO-ENVIRONMENT FACTORS

In 2008, Tourism Research Australia reported increasing pressures on discretionary time and income coming from growing choices and changes in the social environment, especially around work culture. At the same time, cultural and technological changes have resulted in lowered tolerance for deferring gratification, and an increasingly frequent need to update possessions[52].

This research went on to identify a range of factors affecting tourism, including changing demographics and social issues such as:

- the ageing population
- changing family structures, and
- increasing preference to purchase 'stress relieving activities', which extend to value for money transactions.

Consumer research undertaken by industry clearly identifies the impact of consumer sentiment on the tourism market:

A person's attitude to travel as a suitable way of using disposable income or spare time depends on a combination of his or her life stage and psychographic profile; each factor on its own insufficient to explain the attitude fully. The psychographic profile is driven by the extent to which the sense of self is defined by the approval of others or by ourselves, the individual feeling comfortable or secure about him or herself and where he or she is in life, and whether doing (or experiencing) rather than having fulfils needs [53].

When viewed alongside the regional variability associated with different demographics and economic impacts of tourism briefly described earlier, this complexity of consumer behaviour combines to present a complex picture of the nature of the tourism business.

Sustainability: Driven by consumer need

Given the high level of customer contact in the tourism, hospitality and events industries, they are in a strong position to build awareness of sustainability issues.

Green skills are driven by consumer demand. Companies are being urged to become more environmentally friendly because customers are looking for companies that incorporate sustainable practice and provide green products and services.

Furthermore, so-called 'green collar' skills are not only covering areas like trade skills (such as green plumbing, construction of energy efficient buildings, renewable energy and low input gardening) but also business leadership, entrepreneurialism and project management.

Making the transition to a sustainable and more resource-efficient economy will require innovation across all industry sectors. For many employers in the tourism, hospitality and events industry, green skills have always been a part of best practice activity. The issue for the service industries is contextualising existing skills and changing behaviour. When a customer sees sustainable practice in a hotel, or local food supported in their favourite café, it promotes sustainable practice, engages customers and helps to change their existing mindsets. Given the growth predicted for the service industries, such sustainable business practice can be promoted to existing and potential customers and used to increase productivity, and save energy and money.

Waste management and energy conservation to reduce costs are effective strategies to impact business bottom line. In the hospitality sector, programs like Green Table, EC3 and Ecotourism Australia promote sustainable practices and support companies to adapt sustainable solutions (including programs to provide skills to business operators). This includes recycling waste, energy saving through the use of special light bulbs and insulation, green purchasing by buying local, water reduction activities in relation to garden design and the use of efficient appliances, using special cleaning products, reducing laundry and grey water disposal, and changing stationery use (e.g. green printing and use of recycled paper)[54].

Use of income – a perspective across life stages

More specific understanding of how income from consumers flows through the tourism and hospitality industry can assist in understanding where the workforce and skilled labour are located.

According to Tourism Research Australia[55], there are four significant life stages in purchasing tourism product and services.

- 'Adultescents' – single, under 35, probably still living at home.
- Families – travelling with children, if they took a holiday.
- Childless working couples – double income no kids (DINKS).
- Empty nesters and grey nomads – retired or semi-retired, no children at home.

The most significant pull on income was servicing of household debt. From 2003—04 to 2005—06, the median amount of debt among indebted Australian households rose from AUD37,700 to AUD50,500, a real increase of 34%[56]. For adultescents and families, managing household debt (mortgage, credit cards, etc.) is particularly important. Hence, future increases in interest rates will have a significant bearing on their decisions to purchase tourism and hospitality products.

As far as discretionary spending is concerned, adultescents tended to allocate discretionary income to goods and services that would reward themselves now, like DVDs, nights out, concerts and toys. DINKS allocated their discretionary income to goods and services that would secure their future or as a reward for themselves now. Families were concerned with securing their future, as well as with taking care of their family. Their discretionary income was more likely to be allocated to home improvements, things for the children and school or university fees. Empty nesters' discretionary income was most likely used for investing and travel, as well as for helping their children establish themselves.

UNDERSTANDING THE LABOUR MARKET

Besides economic factors, the value of tourism, hospitality and events for Australia's economy and population cannot be underestimated. These service industries 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.

In October 2009, Skills Australia released the *Workforce Futures* paper[57] in which it suggests that a 'one size fits all' approach to workforce development is possible, if not the most appropriate approach for the Australian workforce. The paper describes Skills Australia's recommended approach for workforce planning for future skills. It identifies a need for more and higher qualified workers, and the implicit message is that resources will be concentrated at the traditional trade and professional levels. However, much of the rhetoric in the paper does not reflect the reality of the workforce today, or for that matter the future.

Work in the service industries dominates the economy, and working in these industries demands a range of different skills to those required in other industries, such as traditional trades[58]. Workforce development is about ensuring that the Australian industry has access to appropriate numbers of skilled workers to address need into the future. It aims to tackle the skill shortages that will come about as a result of trends such as the ageing population, by increasing levels of workforce participation and developing the skills of the current workforce. Any course of action to solve skill shortages and increase workforce participation will depend on the sector-specific labour market in imbalance – as each market may need a tailored solution[59]. It is also important that any skill training allows for transferability and national recognition. If the Skills Australia recommended blanket approach to workforce development is adopted, the result will be an under-representation of the development of service industries workers.

The reality is that the majority of jobs that will be available in the service industries in the future will be at entry level – that is, Certificates II and III. These skill levels suit the majority of employer needs, with most employees commencing with basic skills in customer service and then, for some, gaining skills and experience in specialised fields. Workforce development needs to ensure the development and recognition of skills, and the retention of those skills within the industry. The industry needs to provide career pathways and career growth that are sustainable and real. In the accommodation and food service sector as at May 2008, 62.3% of workers were without non-school qualifications[60]. This skills gap needs to be addressed. It should be noted though that while the mismatch in supply and demand does represent a need for higher-level skills for those who do not possess a qualification, it does not reflect a demand for training only at diploma, management or trade level.

To provide a more detailed view of the training needs of the service industries, SSA recently engaged Monash University through its Faculty of Education Centre for the Economics of Education and Training to develop a labour and skills forecast for the service industries in 2010.

Ageing population

Population ageing is occurring globally, with a substantial shift in the age structure towards older ages. The median age of Australia's population (36.8 mid 2007) is projected to increase to between 38.7—40.7 in 2026 and to between 41.9—45.2 in 2056[61].

One effect of the ageing population is the reduction of the proportion of younger people. Australia's population aged 15—64, which encompasses much of the working-age population, is projected to decline from 67% in 2004, to between 57—59% in 2051[62]. As labour force growth is forecast to be slower than population growth, participation rate decreases.

This is a significant issue for the many sectors within tourism, hospitality and events as they have traditionally looked to younger labour to fulfil their workforce needs. The accommodation and food services industry has a relatively young workforce, with 43.9% of workers aged 15 to 24, compared with 17.7% for all Australian industries. Hence, in 2008, the median age of workers in accommodation and food services was 27, compared to the median age for all industries of 37. Industry feedback to SSA has suggested that the fast-paced dynamics of the hospitality sector can result in employers looking for younger people that fit well with their existing employee profile.

Mirroring this, accommodation and food services has currently the lowest share of all industries of workers aged 45 and over, with only 1.1% of the industry workforce being aged 65 and over, compared with 2.4% for all industries. The accommodation and food services industry also has the lowest share of workers aged 45 to 54 (13.0%) and 55 to 64 (7.1%)[63].

As a result of projected population growth and current workforce participation rates, tourism, hospitality and events will have to increase their share of total national employment to meet labour demand forecasts. However as many companies are already struggling in the short term to find appropriate employees to sustain their business, long-term strategies often do not exist. Having said this, SSA applauds the forward-looking Indigenous training initiatives being undertaken by leading industry stakeholders who are investing in training and workforce development, for example such as Seaworld Gold Coast (Queensland), Burswood Entertainment Complex (WA), Accor Group, Tourism WA, Hospitality Pty Ltd (WA), and Compass Group (WA).

The industry does provide good opportunities for older people looking for lifestyle changes and so moving into the industry as small business operators in bars, cafés and motels. Bearing in mind though that for many operators and employees, much of the work is physically demanding and the effort and energy required to do it can have their own lifespan.

Population movement

As mentioned earlier, Australia's population is constantly on the move interstate. Queensland continues to be the most popular destination. The state is projected to double its 2007 population of 4.2 million to 8.7 million people by 2056. Queensland is also the major beneficiary of interstate migration in the age group 20–34, an important labour pool for the tourism, hospitality and events industries.

Western Australia's population is also projected to more than double between 2007 and 2056 to reach 4.3 million people, further boosting the demand for the service industries.

The highest increase in population will occur in the Northern Territory, where the population is projected to increase by 186,600 between mid 2007 and 2056, to 401,600 people. This is a significant increase of 214,900 people in the 2007 NT population[64]. Obviously, this will have major effects on the tourism, hospitality and events industries and their workforces, as there will be even greater competition between industries for available workers.

In terms of age, it is forecast that the effect of an ageing population as described above, while still noticeable will not be felt as keenly in the NT, which will continue to have the youngest population in Australia; as opposed to South Australia and Tasmania, which are forecast to have the oldest.

"Solutions to improve the capacity and capability of the labour market must be as nuanced and tailored as the industry that they serve"

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[65]. Faced with increased competition for skilled labour, often from mining and construction industries, a typical context that operators find themselves in will be:

1. There is growth in restaurant and café business in major and growing population centres.
2. The way that consumers are spending their money and the channels that this is typically flowing through are changing.
3. 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.

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, and
- 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 above, 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[66]. Industry feedback indicates that the availability of staff at the junior or frontline level continues to be an area of great concern[67].

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 (RSA), customer service, food hygiene and responsible service of gaming services (RSG) would be an effective introduction to training for industry and may lead to employees considering undertaking a full qualification or further professional development. Linked to this is whether these skills and qualifications are recognised by employers 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[68]. 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 which address these in many industry areas, such as Enterprise Connect[69] for the manufacturing sector, Innovation Centres in Mining, Creative Industries, Clean Energy as well as Commercialisation Australia[70] 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.

Recognition of prior learning

During 2009, SSA worked with industry to develop a new model of recognition of prior learning (RPL) as feedback to SSA 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 to ensuring quality customer experiences[71].

A skills recognition process that is appropriate for the service industries needs to be industry and work focused. Skills recognition candidates need to describe and/or demonstrate the jobs and tasks they do and describe and/or demonstrate what the jobs and tasks involve. Taking into account the feedback on capability, a crucial part of the process involves an industry savvy 'specialist' assessor who 'translates' the information provided to meet VET requirements. It is the specialist assessor who decides whether the information presented could be equivalent to a qualification or part of a qualification – not the candidate. The candidate's role is to know what they do in their industry.

One of the major strengths of this model is that it is very simple for new, existing and potential workers to understand. As this more interactive, facilitated process does not require individuals to have strong literacy skills or knowledge of competencies and the VET framework, it also meets the diverse needs of the service industries' workforce. In reality the approach is based on the candidate's experience and skill with duties and tasks. It is the assessor's responsibility to link the candidate's information to competencies[72].

"It is imperative for the economic survival and competitiveness of the industry that trainees are able to 'hit the ground running'"

CURRENT IMPACT OF TRAINING PACKAGES

Future domestic, social and economic changes will have multiple effects on the workforce within tourism, hospitality and events. Leadership and entrepreneurial skills are particularly important for handling changes in Australian society, for example growth in the cultural diversity of employees and the reduced proportion of younger people.

Recruitment, retention and motivation of skilled employees are vital tasks for supervisors and managers; tasks of increasing significance for continued growth and productivity. High staff turnover has a major impact on the quality and continuity of the product or service offered. The development of flexible career pathways and progression opportunities for employees will increase retention rates and improve job satisfaction. It is important that these factors are viewed in the context of other employment and industry factors, in order to improve workforce development and ensure sustainability in the tourism and hospitality sector.

The quality of training and work readiness of graduates has been an issue for many employers in tourism, hospitality and events. Employers have mixed experiences with the content of training and assessment and of the capacities of some trainers[73]. Feedback to SSA indicates that institute or wholly classroom-based learning in training kitchens is seen as inadequate, unable to produce work-ready employees. It is imperative for the economic survival and competitiveness of the industry that trainees are able to 'hit the ground running'. Having work experience is a key to success in these industries rather than just having a piece of paper with a qualification. Feedback to SSA was that the skill and knowledge level of qualified commercial cooks is decreasing due to the fact that they are often being supervised or trained in the workplace by unqualified cooks. Hence, there is the need to better balance on-the-job and off-the-job training, as well as to better connect workplaces, enterprises and businesses in tourism, hospitality and events with the training.

Increased knowledge about training options in VET as pathways to training, as well as pathways to further education opportunities, are essential to increasing industry's skill base and to working towards improving workforce development, particularly in areas of skill shortage[74].

PARTICIPATION IN VOCATIONAL EDUCATION

Information publicly available[75] 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.

Most course enrolments in tourism and hospitality training packages in 2008 were in Certificate II in Hospitality Operations, Certificate II in Tourism (Operations), Certificate III in Tourism (International Retail Travel Sales) and Diploma of Event Management. This latter qualification mirrors the image of events as a 'sexy' industry, attracting an increasing number of students.

When gaining employment after graduation, hospitality and service managers show a very low match between intended and destination occupation (11%)[76]. Reasons for this can be a combination of low availability of manager positions and high number of graduates, as well as the young age and therefore relative immaturity of graduates. Students may start employment without finishing their studies or may have selected higher qualifications than needed; others may opt to travel overseas.

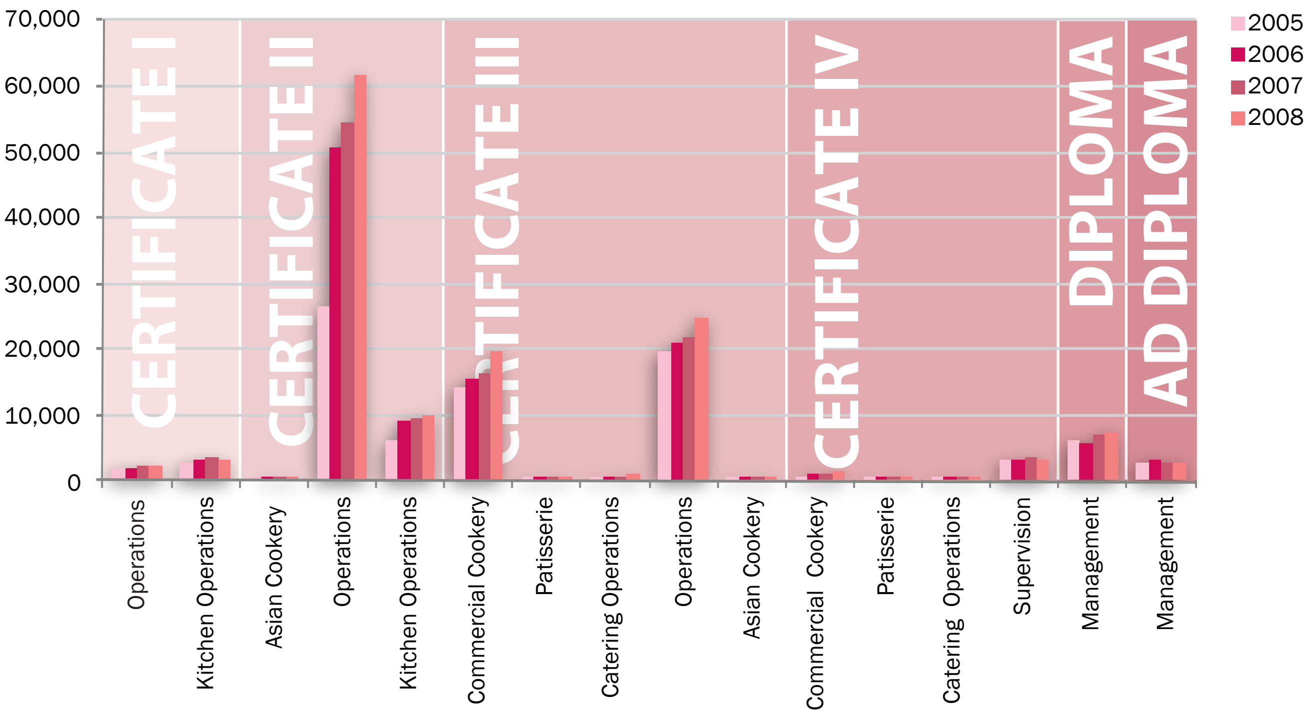

FIGURE 5 VOCATIONAL COURSE ENROLMENTS BY HOSPITALITY QUALIFICATION (2005—2008)

As may be seen in Figure 5 above, the number of enrolments in hospitality qualifications has mostly seen a constant average annual growth (13%).

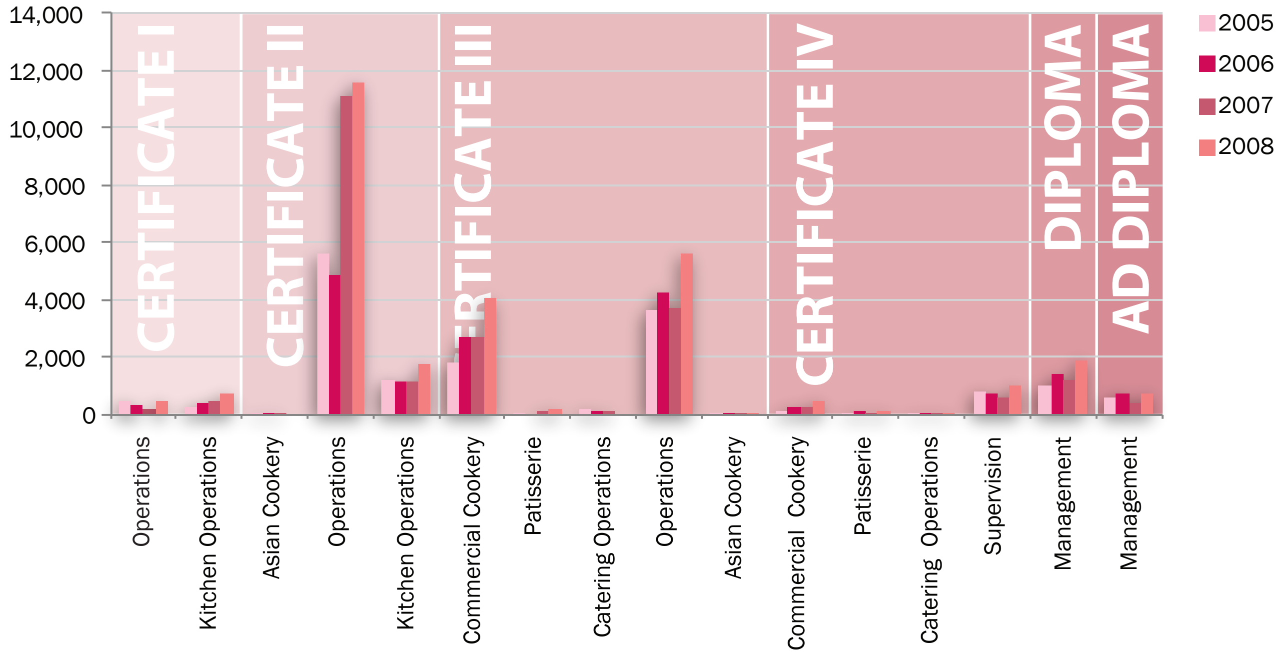

FIGURE 6 VOCATIONAL COURSE COMPLETIONS BY HOSPITALITY QUALIFICATION (2005—2008)

Feedback to SSA indicates that Certificate II qualifications are seen as useful, provided the training is effective and equips the learner with foundational skills and knowledge. It was also considered important that training include essential skills, such as customer service and dealing with people from all backgrounds, as staff often lack the soft skills required by industry.

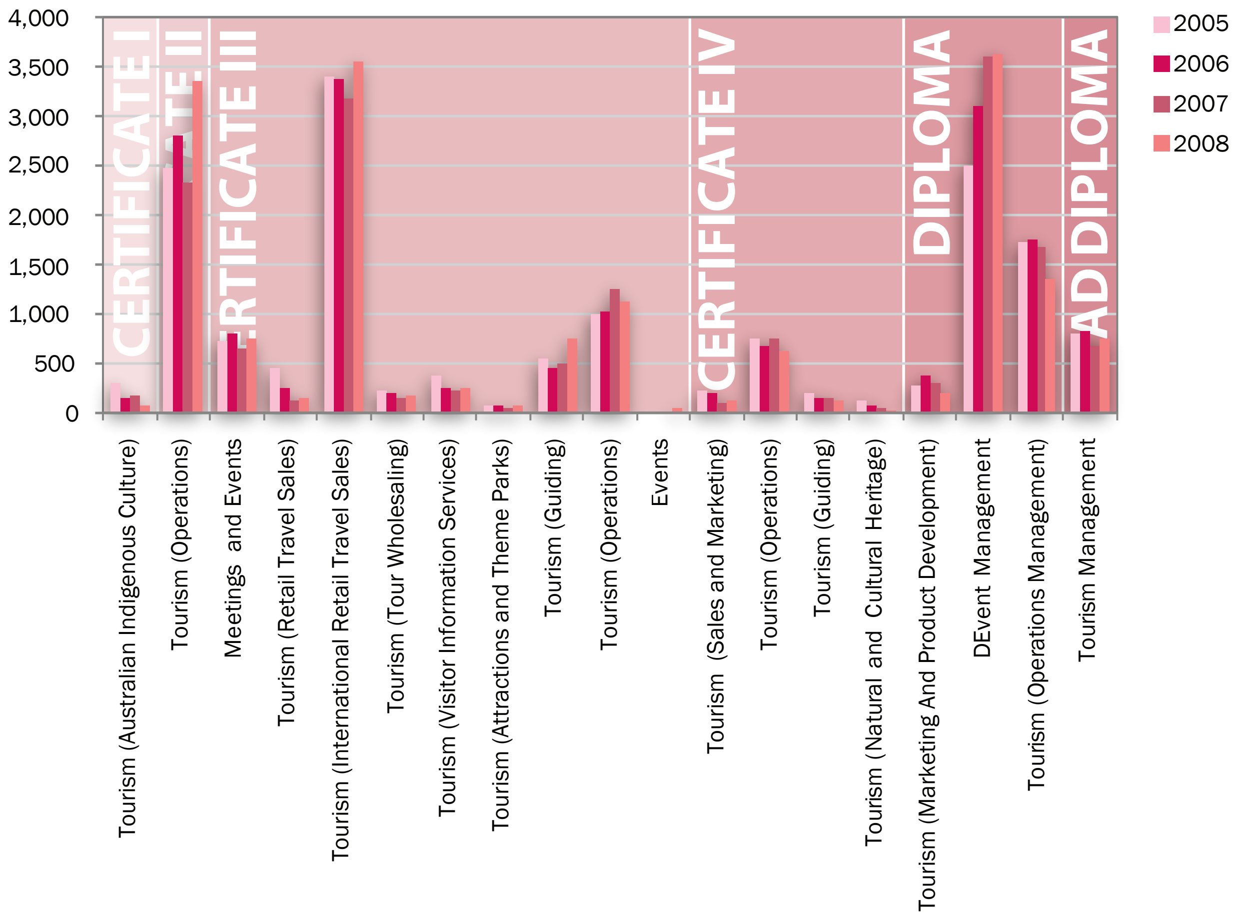

FIGURE 7 VOCATIONAL COURSE ENROLMENTS BY TOURISM QUALIFICATION (2005—2008)

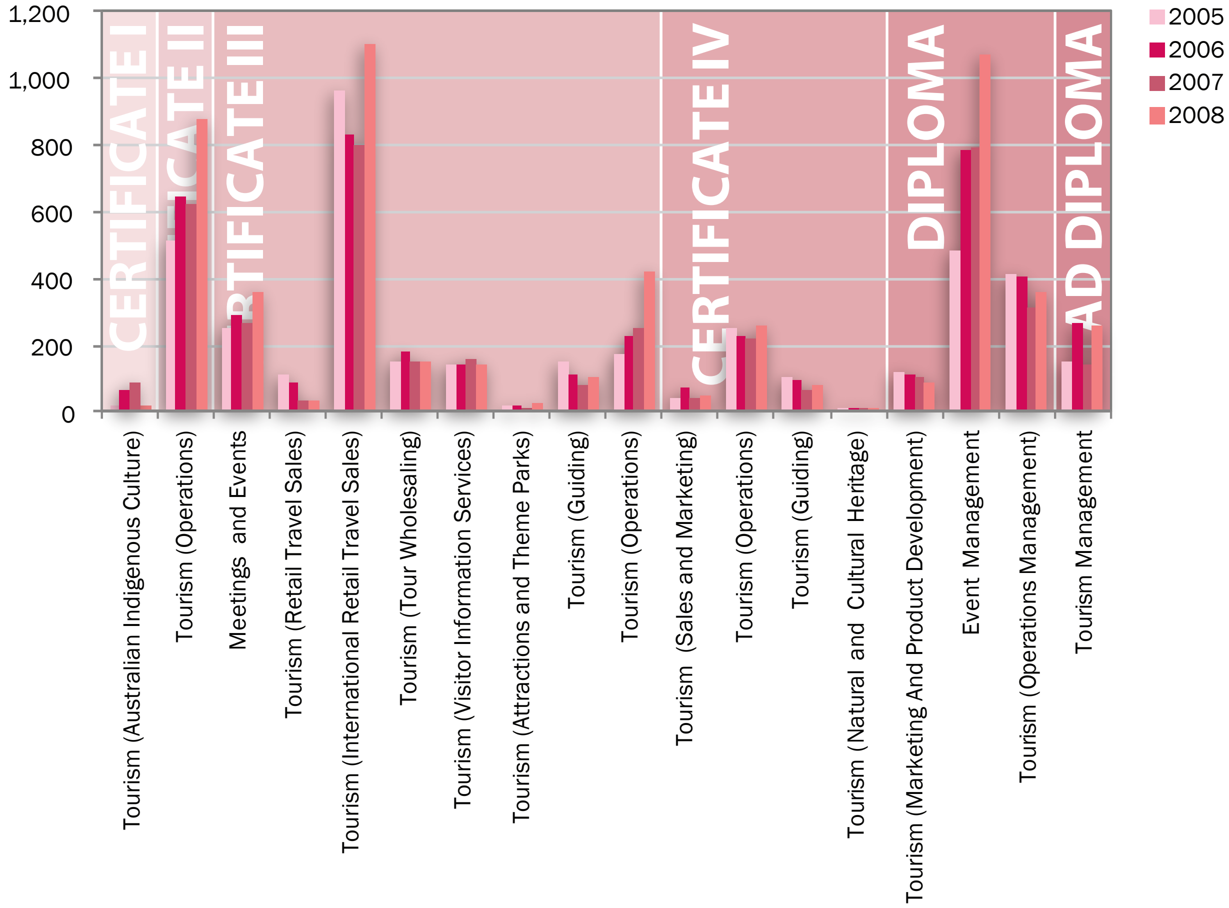

FIGURE 8 VOCATIONAL COURSE COMPLETIONS BY TOURISM QUALIFICATION (2005—2008)

As a result of the review of THC04 Caravan Industry Training Package, the contents of the training package were absorbed as components of other relevant training packages.

- The qualifications in Holiday Parks and Resorts were subsumed into SIT07 Tourism, Hospitality and Events Training Package.
- The qualifications in recreational vehicle manufacturing and recreational vehicle servicing were subsumed into manufacturing training packages.
- The qualifications in recreational vehicle and accessories retailing were removed due to poor take-up and given the existing option to achieve similar and appropriate qualifications through SIT07 Retail Services or automotive training packages.

International students

International students are important contributors to the economy through their tuition fees, their accommodation and services spend, as well as the spending of their visiting friends and relatives. Furthermore, they represent an important labour pool for the tourism, hospitality and events industry. The top three fields of education for international students accounted for four in five enrolments and commencements in the VET sector in 2008. Management and commerce attracted 55% of enrolments; food, hospitality and personal services ranked second, contributing 17% of enrolments; followed by society and culture with 10% of enrolments[77].

FOOD AND HOSPITALITY	LEVEL OF STUDY	2008	2009
Baking and pastry making total		1,959	4,230
Butchery total		0	9
Cookery	Certificate II	2	17
	Certificate III	4,283	6,705
	Certificate IV	3,892	6,281
	Diploma	1,048	1,171
	Advanced Diploma	150	271
Cookery total		**9,375**	**14,445**

TABLE 1 INTERNATIONAL VET STUDENT ENROLMENTS IN FOOD, HOSPITALITY AND PERSONAL SERVICES BY DETAILED FIELD OF EDUCATION AND LEVEL OF STUDY (YTD AUGUST 2009)

Negative international publicity regarding the experiences of some Indian, Nepalese and Bangladeshi students can be seen as attributing to the reported 38% drop in student visa applications for VET courses between October and December 2009[78]. This drop will result in fewer international students being available to fill roles in the hospitality industry, and will potentially impact upon the education export industry and wider economy. Industry feedback to SSA has recognised the breadth of contribution that this workforce makes and has stated that an accurate picture of that contribution is needed in order to ensure effective workforce planning. SSA's own position on this matter was outlined in a response to the *Inquiry into the Welfare of International Students* in August 2009[79].The response concentrated on the quality of training and assessment and, to a lesser extent, the impact of this issue on the tourist market.

FUTURE DIRECTIONS FOR ENDORSED COMPONENTS OF TRAINING PACKAGES

SSA began consultation in June 2008 as a part of the continuous improvement plan for SIT07 Tourism, Hospitality and Events Training Package. Three projects that exemplify the proposed improvements are:

- The review and restructure of wine knowledge units and the development of skill sets to reflect the skills of sommeliers.
- To meet the needs of different job roles and reflect the content needed by industry, this project will create a more streamlined set of units for beverage skills and knowledge, as well as two new skill sets recognising the skills of Australian sommeliers and wine waiters.
- The inclusion of inert gas safety and the review of the way that it is covered in units of competency.
- This project will ensure that SIT07 clearly reflects the skills and knowledge needed by hospitality workers to work safely with and around inert gas. The issue arose as a result of the introduction in October 2005 of the Australian standard AS5034-2005: Installation and Use of Inert Gasses for Beverage Dispensing. AS5034 covers the design, location and installation, testing, commissioning, safe use and maintenance of the compressed inert gas or refrigerated liquid equipment and reticulated and portable systems necessary to dispense beverages. The standard was a direct result of the death of a bar worker in Victoria in 1998. Minor adjustments to five existing units, the modification of an existing unit, and the addition of a newly developed unit are part of this project.
- The review of the holiday parks and resorts units and qualifications, which have recently been included in SIT07.

For detailed information on the continuous improvement of SIT07 Tourism, Hospitality and Events Training Package, refer to Appendix A. For a list of occupations in demand, refer to Appendix B.

There are four specific units of competency in SIT07 that directly relate to environmental sustainability. These units deal with environmental and resource efficiency issues, related improvement plans, and the scope of sustainability policy. The first three are cross-sector units that have commonality, in that they are incorporated into Certificate III to Advanced Diploma qualifications.

- SITXENV001A Participate in environmentally sustainable work practices.
- SITXENV002A Implement and monitor environmentally sustainable work practices.
- SITXENV003A Develop workplace policy and procedures for sustainability.
- BSBMGT507A Manage environmental performance.

Other units that have an impact in relation to environmental sustainability are:

- HLTFA301B Apply first aid (with particular reference to environmental, biological and chemical risks).
- SITXFSA001A Implement food safety procedures (which includes reference to the safe disposal of food to avoid cross-contamination and maintenance of a clean environment).

APPENDIX A – REPORT OF CONTINUOUS IMPROVEMENT OF SIT07 TOURISM, HOSPITALITY AND EVENTS

TRAINING PACKAGE	SIT07 TOURISM, HOSPITALITY AND EVENTS TRAINING PACKAGE			
BRIEF SUMMARY OF CHANGE	INDUSTRY IMPERATIVES/RATIONALE FOR CHANGE	DATE SUBMITTED TO NQC SECRETARIAT	DATE ENDORSED BY NQC/OR ISC UPGRADE	DATE MADE PUBLIC THROUGH NTIS
Through continuous improvement, Service Skills Australia made a submission in May 2009 that consisted of two parts that received NQC endorsement: Part A: Holiday Parks and Resorts Part B: Gas Safety in Beverage Dispensing and Specialised Wine Appreciation This submission also included five skill sets. Barista Beverage specialist Essential business skills for a restaurant manager Responsible service of alcohol Sommelier The submission also included the following ISC upgrades: Updating of imported units from the Business Services; Funeral Services; Screen and Media; Property Services; Resources and Infrastructure; Transport and Logistics; and Gas Industry Training Packages.		16 May 2009	1 June 2009	June 2009

TRAINING PACKAGE	SIT07 TOURISM, HOSPITALITY AND EVENTS TRAINING PACKAGE			
BRIEF SUMMARY OF CHANGE	INDUSTRY IMPERATIVES/RATIONALE FOR CHANGE	DATE SUBMITTED TO NQC SECRETARIAT	DATE ENDORSED BY NQC/OR ISC UPGRADE	DATE MADE PUBLIC THROUGH NTIS
Part A: Holiday Parks and Resorts In 2007 Service Skills Australia undertook the review of THC04 Caravan Industry Training Package. As a result of this review, the contents of the training package were absorbed as components of other relevant training packages. The caravan parks qualifications were retitled 'holiday parks and resorts' and were subsumed into SIT07 Tourism, Hospitality and Events Training Package. The review produced four revised qualifications and four holiday parks and resorts specific units of competency. Employability skills were embedded into all qualifications and units of competency.	Industry identified a significant image issue currently being faced, which is emphasised by poor training culture within the industry. To assist industry in addressing these issues, the review resulted in more flexible qualifications to encourage quality delivery and take up by industry. The change in qualification title was intended to provide a more appealing option to potential trainees and thus lift the image of the industry.	16 May 2009	1 June 2009	June 2009

TRAINING PACKAGE	SIT07 TOURISM, HOSPITALITY AND EVENTS TRAINING PACKAGE			
BRIEF SUMMARY OF CHANGE	**INDUSTRY IMPERATIVES/RATIONALE FOR CHANGE**	**DATE SUBMITTED TO NQC SECRETARIAT**	**DATE ENDORSED BY NQC/OR ISC UPGRADE**	**DATE MADE PUBLIC THROUGH NTIS**
Part B: Gas Safety in Beverage Dispensing and Specialised Wine Appreciation The three areas of change included the: review and restructure of wine knowledge units from the superseded FDF03 Food Processing Industry Training Package – this resulted in six new units of competency development of a skill set to reflect the skills of sommeliers – the Sommelier skill set review the way inert gas safety was previously addressed in SIT07 – this resulted in one new unit of competency and minor adjustments to five existing units of competency.	Service Skills Australia seeks to enhance SIT07 Tourism, Hospitality and Events Training Package to better reflect industry needs. A new Australian standard AS5034-2005: Installation and Use of Inert Gases for Beverage Dispensing was introduced in October 2005. AS5034 covers the design, location and installation, testing, commissioning, safe use and maintenance of the compressed inert gas or refrigerated liquid equipment and reticulated and portable systems necessary to dispense beverages. The standard was a direct result of the death of a bar worker in Victoria. Incidents of illness as a result of gas exposure are also reported to WorkCover authorities. There is a requirement within the standard for all workers to be adequately trained. The key aim of the wine knowledge project was to ensure that SIT07 adequately reflected the skills and knowledge needed by hospitality workers to work safely with or around inert gas.	16 May 2009	1 June 2009	June 2009

TRAINING PACKAGE	SIT07 TOURISM, HOSPITALITY AND EVENTS TRAINING PACKAGE			
BRIEF SUMMARY OF CHANGE	INDUSTRY IMPERATIVES/RATIONALE FOR CHANGE	DATE SUBMITTED TO NQC SECRETARIAT	DATE ENDORSED BY NQC/OR ISC UPGRADE	DATE MADE PUBLIC THROUGH NTIS
	This project aimed to create: • a more streamlined set of units for wine skills and knowledge that reflects the content that industry needs and can be used effectively to meet the needs of different job roles • two new skill sets that recognise the skills of sommeliers and specialised wine waiters in Australia • a mapping showing the relationship between the training package and selected established international sommelier programs to allow for mutual recognition of skills.			

APPENDIX B – TOURISM, HOSPITALITY AND EVENTS OCCUPATIONS IN DEMAND

ANZSCO CODE	OCCUPATION	TRAINING PACKAGE QUALIFICATION	JUSTIFICATION/EVIDENCE
431111 431112 431211 431511 542113 351411 351112	Bar attendant Barista Café worker Waiter Hotel receptionist Cook Pastry cook	Certificate II in Hospitality Certificate II in Hospitality (Kitchen Operations) Certificate II in Hospitality (Asian Cookery) Certificate III in Hospitality Certificate III in Hospitality (Commercial Cookery) Certificate III in Hospitality (Asian Cookery) Certificate III in Hospitality (Catering Operations) Certificate III in Hospitality (Patisserie) Certificate III in Events	There is a discrepancy between the required supply of skilled labour to the hospitality and events industry and that which is being delivered. A significant amount of hospitality labour sits at AQF levels 2 and 3. This discrepancy is linked to both issues in the quality and the quantity of supply. Industry feedback indicates that the availability of staff at junior or frontline levels continues to be of great concern for the industry (Tourism Transport Forum Tourism Industry Sentiment Survey October 2009). Furthermore, in the accommodation and food service sector, 62.3% of workers were without non-school qualifications as at May 2008, a gap which needs to be addressed with the delivery of qualifications at Certificates II and III levels.
451611 451612	Tourist info officer Travel consultant	Certificate II in Tourism Certificate III in Tourism Certificate III in Tourism (Retail Travel Sales) Certificate III in Tourism (Wholesaling) Certificate III in Tourism (Visitor Information Services) Certificate III in Tourism (Guiding)	There is a discrepancy between the required supply of skilled labour to the tourism industry and that which is being delivered. A significant amount of tourism labour sits at AQF levels 2 and 3. This discrepancy is linked to both issues in the quality and the quantity of supply.

ANZSCO CODE	OCCUPATION	TRAINING PACKAGE QUALIFICATION	JUSTIFICATION/EVIDENCE
431111	Bar attendant	Cross-sector units 'Provide quality customer service', 'Manage quality customer service', 'Deal with conflict situations', 'Communicate on the telephone'	Industry feedback enforced the importance of high quality customer service as a main factor for continued business success.
431112	Barista		
431211	Café worker		
431511	Waiter		
542113	Hotel receptionist		
451611	Tourist info officer		
451612	Travel consultant		
141111	Cafe or restaurant manager	Certificate IV in Hospitality Certificate IV in Hospitality (Commercial Cookery) Certificate IV in Hospitality (Asian Cookery) Certificate IV in Hospitality (Catering Operations) Certificate IV in Hospitality (Patisserie) Diploma of Hospitality Advanced Diploma of Hospitality Diploma of Events Advanced Diploma of Events	Leadership and entrepreneurial skills are particularly important for handling changes in Australian society, for example growth in cultural diversity of employees and a reduction of the proportion of younger people. Recruitment, retention and motivation of skilled employees are vital tasks of supervisors and managers which will gain importance for continued growth and productivity of the tourism, hospitality and events industry. The development of flexible career pathways and progression opportunities for employees will increase retention rates and improve job satisfaction. While the economic downturn has alleviated the labour shortages in the short term, the industry still struggles to attract sufficient quality workers.
141211	Caravan park and camping ground manager		
141311	Hotel or motel manager		
141411	Licensed club manager		
141911	Bed and breakfast operator		
141999	Accommodation and hospitality manager		
149111	Amusement centre manager		
149311	Conference and event organiser		
149999	Hospitality, retail and service managers nec		
351311	Chef		

ANZSCO CODE	OCCUPATION	TRAINING PACKAGE QUALIFICATION	JUSTIFICATION/EVIDENCE
111111	Chief executive or managing director (board members)	Cross-sector units 'Develop and update legal knowledge required for business compliance', 'Interpret financial information', 'Manage finances within a budget', and 'Manage financial operations'	Personnel are often promoted from within clubs to higher positions regardless of whether or not they have appropriate qualifications. A high number of board members need VET to increase the professionalism of this occupation and knowledge of duties and governance.

ENDNOTES

1 The Tourism and Hospitality Workforce Development Strategy, 2009, can be downloaded from the SSA website: http://www.serviceskills.com.au/index.php?option=com_content&task=view&id=1015&Itemid=2287

2 National Long-Term Tourism Strategy Steering Committee, The Jackson Report, informing the National Long-Term Tourism Strategy, 2009

3 Australian Government, Department of Resources, Energy and Tourism, National Long-Term Tourism Strategy, Discussion Paper 2009

4 As also described in the *Australian Accommodation Industry Issues Agenda*, The Hotel, Motel and Accommodation Association, January 2008

5 ABS 5249.0 Tourism Satellite Account 2006/07

6 ABS 5249.0 Tourism Satellite Account 2007/08

7 ABS 8165.0 Counts of Australian Businesses, including Entries and Exits, June 2007, latest data available; 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

8 ABS 8165.0 Counts of Australian Businesses, including Entries and Exits, June 2007, latest data available; 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

9 ABS 6291.0.55.003 Labour Force, Australia, Detailed, Quarterly, Aug 2009, table 6291.0.55.003 E15_AUG06 - Employed persons by Sex, Industry (ANZSIC06), State, Status in Employment; ABS defines part time as working less then 35 hours per week in all jobs and can be permanent or casual

10 Please note that this figure (497,800) also includes parts of the hospitality figure (739,000) mentioned above

11 ABS 5249.0 Tourism Satellite Account 2007/08, Table 12 people employed in tourism

12 Skillsinfo.gov.au, *Employment Outlook for Accommodation and Food Services*, 2009

13 ABS 5249.0 Tourism Satellite Account 2007/08, Table 2 Tourism Industry GDP, by type of visitor

14 National Long-Term Tourism Strategy Steering Committee, The Jackson Report, informing the National Long-Term Tourism Strategy, 2009

15 Tourism Research Australia, *Business Events in Australia*, 2009

16 ABS 5204.0 Australian System of National Accounts 2008/09; Table 11 Industry Gross Value Added, current prices

17 ABS 5249.0 Tourism Satellite Account 2007/08, please note that this value cannot be added to the ones mentioned above as it is an aggregate of parts of several industries

18 National Long-Term Tourism Strategy Steering Committee, The Jackson Report, informing the National Long-Term Tourism Strategy, 2009

19 Tourism Transport Forum Tourism – MasterCard- Industry Sentiment Survey, October 2009

20 ABS 8501.0 Retail Trade, October 2009, Table 2 Retail percentage growth, by industry group, original

21 ABS 5249.0 Tourism Satellite Account 2007/08, Table 2 - Tourism Industry GDP by type of visitor, Table 7 – Tourism consumption by type of visitor

22 8501.0 Retail Trade, Australia, Table 11 Retail Turnover, State by Industry Subgroup(1), Original

23 Skillsinfo.gov.au, *Employment Outlook for Accommodation and Food Services*, 2009

24 Tourism Research Australia, Tourism Forecasting Committee, Forecast 2009, Issue 1

25 Also noted in analysis of national, state, regional and local tourism strategies and plans, Cooperative Research Centre for Sustainable Tourism, 2008

26 It should be noted that the issues associated with changes in distribution of products and services are something that many in the service industries are having to deal with

27 Sustainable Tourism Cooperative Research Centre, Tourism Satellite Accounts 2007–08: Summary Spreadsheets

28 Sustainable Tourism Cooperative Research Centre, Tourism Satellite Accounts 2007–08: Summary Spreadsheets

29 ABS 8501.0 Retail Trade, Table 11, State by Industry Subgroup

30 ABS 8165.0 Counts of Australian Businesses, including entries and exits, June 2007

31 Sustainable Tourism Cooperative Research Centre, Tourism Satellite Accounts 2007–08: Summary Spreadsheets

32 Tourism Research Australia, *Regional Tourism Profile* 2007, New South Wales

33 ABS 8165.0 Counts of Australian Businesses, including entries and exits, June 2007

34 Tourism Research Australia, *Regional Tourism Profile* 2007, Victoria

35 Tourism Victoria, *Environmentally Sustainable Tourism Strategic Plan 2009–2012*

36 Tourism Transport Forum presentation Queensland

37 ABS 3222.0 Population Projections, Australia, 2006 to 2101, Series B

38 Business Council of Australia, *Age can work: A business guide for supporting older workers*, 2003

39 Tourism Research Australia, *Regional Tourism Profile* 2007, South Australia

40 South Australian Tourism Alliance Workforce Development Strategy 2007-2012

41 Government of South Australia, Training and Skills Commission, *Skills for Jobs* report, Tourism and Hospitality

42 Government of South Australia, Training and Skills Commission, *Skills for Jobs* report, Tourism and Hospitality

43 ABS 3222.0 Population Projections, Australia, 2006 to 2101

44 Tourism Research Australia, *Regional Tourism Profile* 2007, Western Australia

45 ABS 3222.0 Population Projections, Australia, 2006 to 2101, Series B

46 ABS 3412.0 Migration Australia, 2006-07

47 Press release *Record Tourist Numbers Visiting Tasmania*, Michelle O'Byrne, MP Minister for Tourism Wednesday, 17 June 2009

48 Tourism Research Australia, Regional Tourism Profile 2007, Northern Territory

49 ABS 3222.0 Population Projections, Australia, 2006 to 2101, Series B

50 AB S 3412.0 Migration, Australia, 2007-08

51 Tourism Research Australia, *Australian Capital Territory Visitor Profile and Report*, 2007

52 Tourism Research Australia, *The future of domestic tourism in Australia* February 2008, p1

53 Tourism Research Australia, *Changing consumer behaviour: Impact on the Australian domestic tourism market*, 2007

54 Sustainable Tourism Cooperative Research Centre, *Environmentally sustainable practices of Victorian tourism enterprises*, 2007

55 Travel Research Australia, *Changing consumer behaviour: Impact on Australian domestic market*, 2007

56 ABS 4102.0 Australian Social Trends, March 2009

57 Skills Australia, *Workforce Futures*, October 2009

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