



Restaurant
& Catering

2 February 2018

SAVOUR
AUSTRALIA



Committee Secretary
Senate Education and Employment Committees
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Canberra ACT 2600

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Dear Committee Secretary,

Restaurant & Catering Australia (R&CA) appreciates the opportunity to provide the Committee with a submission in relation to its Inquiry on TAFE SA. As the only national association representing the hospitality industry which employs 28,000 apprentices and trainees (the second largest out of any industry)¹, R&CA is well-placed to provide comment on issues affecting the vocational education and training (VET) sector. In South Australia specifically, R&CA represents the interests of over 2,400 individual cafés, restaurants and catering businesses located across the state.²

R&CA strongly believes that a robust, highly-functioning VET sector is of critical importance for the ongoing sustainability and viability of the State's hospitality sector. As the largest provider of training courses in South Australia, TAFE SA undoubtedly has a crucial role to play in meeting the demands of employers for skilled and qualified local staff, particularly amongst the key hospitality occupations of chef, cook and café and restaurant manager. The Commonwealth Government's recent policy measures heavily restricting the sector's access to qualified workers from overseas have also magnified the importance of maintaining a strong workforce of skilled local graduates.

R&CA is highly concerned by recent evidence demonstrating a significant decline in the commencement rate of apprenticeships and trainees in South Australia. The most recently available data from the National Centre for Vocational Education Research (NCVER) shows that there were 15,700 apprentices and trainees in training across South Australia as of 30 June 2017, an 8 per cent decrease from June 2016.³ According to the same data, there were 9,040 apprentice and trainee commencements in South Australia over the 12 months to June 2017, a 3.4 per cent decrease on the previous 12-month period.⁴ Declines in the number of qualified,

¹ Department of Employment (2017) *2017 Australian Jobs*, 28 June.

² ABS (2017) *8165.0 - Counts of Australian Businesses, including Entries and Exits, Jun 2012 to Jun 2016*.

³ National Centre for Vocational Education Research (NCVER) *Apprentices and trainees 2017 - June quarter SOUTH AUSTRALIA*

⁴ Ibid.

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locally trained apprentices and trainees are particularly problematic for the hospitality sector, given the forecasted employment growth over the next five years. Overall, the sector is expected to generate 84,100 new jobs by May 2022 which is the highest out of any industry subsector.⁵

The declining enrolment and retention rates in South Australia's VET sector have coincided with significant decreases in the amount of allocated Government funding over a sustained period of time. R&CA believes that the stripping of financial resources from TAFE SA has, in large part, contributed to a marked decline in training outcomes from the courses being delivered. Deficiencies in the administration of the courses on offer at TAFE SA have encompassed hospitality training, with the Certificate III in Commercial Cookery one of 10 courses suspended by the Australian Skills Quality Authority (ASQA) in December 2017.⁶ In R&CA's view, the perception of substandard hospitality courses being delivered at TAFE SA is particularly harmful for the industry, given the wide range of competencies and skills that are required at an apprentice-level to excel in the workplace.

R&CA believes that issues concerning the mismanagement of TAFE SA will exacerbate the negative perceptions that students, parents and other community stakeholders hold regarding the VET sector. It is an unfortunate reality that the VET sector already suffers from a host of negative perceptions among young people and other sections of the community. For instance, a 2017 report published by Year13 found that young people do not view universities and apprenticeships as being on equal footing.⁷ According to this research, 74 per cent of young people would not consider an apprenticeship or traineeship as a career.⁸ Without proper management of the VET sector, R&CA argues that there is a strong risk of these perceptions becoming further ingrained, subsequently leading to declines in the enrolment, retention and completion rates of hospitality courses among VET students.

R&CA argues that in the absence of adequate government funding and investment in the VET sector, chronic skills shortages affecting the South Australian hospitality sector will continue to worsen. According to a 2015 Deloitte Access Economics Report, South Australia had the highest levels of tourism and hospitality businesses reporting skills deficiencies at 75 per cent.⁹ R&CA's own research has found that 68.4 per cent of hospitality businesses have experienced some or extreme difficulty in filling vacancies over the last 12 months.¹⁰ The difficulties of hospitality employers in recruiting staff were most prevalent amongst skilled occupations, with 70.7 per cent of businesses reporting some or extreme difficulty in recruiting chefs and 58.9 per cent reporting some or extreme difficulty in recruiting cooks.¹¹ Given the worsening labour market conditions across the hospitality, R&CA argues that funding should be restored to the VET sector as a matter of urgent priority to restore the community's confidence in TAFE SA and the VET sector as a whole to ensure a reliable supply of skilled local graduates.

⁵ Department of Employment (2017) *Employment Projections to May 2022*.

⁶ Australian Skills Quality Authority (2017) *ASQA suspends 10 qualifications at TAFE SA*, Media Release, 6 December.

⁷ Year13 (2017) *After The ATAR: Understanding How Gen Z Transition Into Further Education and Employment*.

⁸ Ibid.

⁹ Deloitte Access Economics (2015), *Australian Tourism Labour Force Report: 2015-2020*, Australian Trade Commission, Austrade, October 2015.

¹⁰ Restaurant & Catering Australia (R&CA), *2017 Industry Benchmarking Report*.

¹¹ Ibid.

Once again, I thank the Committee for the opportunity to provide a submission to this Inquiry. Should there be anything you wish to discuss in relation to this submission, I may be contacted

Yours sincerely,

Juliana Payne
Chief Executive Officer
Restaurant & Catering Australia