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**House of Representatives Standing Committee on  
Employment, Workplace Relations and Workforce  
Participation**

**Inquiry into Workforce Challenges in the Australian Tourism  
Industry**

**Submission by**

**Tourism and Hospitality Skills (ACT and Region)**

**October 2006**

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## **Introduction**

The House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation has announced an Inquiry into Workforce Challenges in the Australian Tourism Sector. The Inquiry's Terms of Reference include a number of issues Tourism and Hospitality Skills (ACT & Region) (THS) have been working on, and THS appreciates the opportunity to provide a submission to the Inquiry.

### *Tourism and Hospitality Skills (ACT and Region)*

The tourism sector is a major and strategic element of the ACT economy, and the provision and maintenance of a highly skilled and motivated workforce is an essential element for the success of this industry sector. Tourism and Hospitality Skills (ACT & Region) is the ACT tourism sector industry training advisory body (ITAB), and was established to provide tourism and hospitality training advisory services to Government and industry organisations.

THS membership includes representatives of all major ACT tourism sector stakeholders:

- Australian Hotels Association (ACT Branch);
- Restaurant & Caterers Association (ACT Branch);
- Liquor Hospitality & Miscellaneous Union;
- University of Canberra;
- Canberra Institute of Technology;
- Australian International Hotel School;
- Chefs Network;
- ACT Government; and
- Tourism Industry Council (ACT & Region).

THS has taken a strongly proactive approach to researching existing ACT tourism industry employee skills, so as to be in a position to provide well founded evidence-based advice to Government and industry on tourism sector employment and skills issues.

Research has been pursued in two ways:

- Industry consultation and surveys to determine employment trends and skills shortages; and
- Commissioned research to investigate particular employment trends or skills issues.

In particular, THS has commissioned three major reports into ACT and region tourism and hospitality skills needs. These are:

- The Future's in our hands: Chef's Forum Report (October 2004);
- Tourism and Hospitality Training Needs Analysis ACT and Region (November 2004); and
- Training Needs Analysis Stage II (August 2006).

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Copies of these reports are appended to this Submission.

### *The ACT tourism industry*

Tourism is a significant and growing contributor to the ACT economy and community. Over 1,000 local businesses are directly involved in tourism, which contributes about \$690 m to the local economy and supports around 11,000 jobs<sup>1</sup>. As the national capital, many important national institutions, which of course are also major tourism attractions, are located in Canberra. Key tourism related activities in the ACT include:

- Attractions;
- Accommodation;
- Transport;
- Tour operators;
- Wineries and specialist food producers;
- Restaurants; and
- Entertainment.

Many other sectors of the local economy, including retail and property development, are also driven in part by tourism activity.

## **This Submission**

This submission presents the results of the research it has undertaken, and focuses on the following terms of reference:

- Current and future employment trends in the industry;
- Current and emerging skill shortages and appropriate recruitment, coordinated training and retention strategies; and
- Innovative workplace measures to support further employment opportunities and business growth in the tourism sector.

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<sup>1</sup> *Tourism and Hospitality Training Needs Analysis ACT and Region*, 2004, p3.

## **Terms of Reference 1: Current and future employment trends**

In responding to this first of the Committee's Terms of Reference, this submission can offer the results from two commissioned research reports.

### *Chef's Forum Report*

THS's first commissioned research study was undertaken in 2004 and focussed on the ACT hospitality industry, in particular the perceived ongoing shortage of trained chefs. Further information on results from this study dealing with skills shortages is presented below under Terms of Reference 2.

This work resulted in **The Future's in our hands: Chef's Forum Report** (October 2004), and a full copy of this report is at **Annex A**. This study was based on a number of *Chef's Forums*, which brought together over 40 industry members, including hospitality employees, employers, industry associations, training providers and ACT government agencies chefs to further explore the reasons for shortages and what could be done about them.

In terms of current and future employment trends, the *Chef's Forum Report* identified the problem as significant skills shortages in the hospitality industry, with the key problem being to simply 'the need to attract and retain good people in the industry'. That study found a number of dimensions to this issue, including:

- Shortage of chefs in the industry;
- Lower levels of entry to industry from high school and other sources; and
- Number of chefs leaving the industry – not finishing their qualifications, or finishing and leaving.

That is, there was not only a current shortage of chefs in the industry, but that the current inflow of new apprentices (and inflow of trained chefs rejoining the industry) was not going to make up for the shortages as chef's left the industry. In further exploring this issue, the study identified groups currently looking to enter the industry:

- School leavers;
- Food lovers;
- Mature Age workers looking to re-skill;
- Chefs – Australian qualified;
- Chefs – overseas qualified;
- Overseas students;
- Unemployed; and
- Kitchen hands.

The study then identified those currently involved in the industry:

- Employees

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- ❖ Individuals;
- ❖ Employee associations;
- Employers
  - ❖ Individuals / firms;
  - ❖ Employer associations;
- Customers; and
- Government
  - ❖ ACT and Commonwealth Government agencies working in training and tourism.

Finally, the study identified those leaving the Industry:

- Apprentices, especially 2<sup>nd</sup> Year;
- Apprentices who have completed their trade qualification;
- Those who have non-trade training;
- Those who retire; and
- Those who make a career change, including moving into management.

### *Tourism and Hospitality Training Needs Analysis ACT and Region*

THS undertook a major study of the ACT tourism industry's training needs in 2004. This study aimed to identify the size and make-up of the local tourism and hospitality industry, and to identify attitudes to training as well as identifying training needs as perceived by the industry, employers, employees and students. The resulting report (**Tourism and Hospitality Training Needs Analysis ACT and Region** - full copy at **Annex B**) provides a good overview of current and future employment trends in the ACT and region.

### *The study*

In a series of focus groups and through surveys, the study polled:

- 250 tourism and hospitality businesses;
- 8 industry major stakeholder bodies- THS (then known as Tourism Training ACT & Region), Tourism Industry Council (ACT & Region), University of Canberra, Australian International Hotel School, Canberra Institute of Technology, Business ACT, Restaurant & Caterers Association – ACT Branch, and ACT Board of Senior Secondary Studies; and
- 42 students -from secondary colleges and the Canberra Institute of Technology.

### *Results*

In brief, this study found:

#### Industry views

- Increased communication and collaboration between tourism and hospitality education providers is increasing capacity to handle new educational needs;

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- Roles and responsibilities of tourism and hospitality support organisations is often misperceived by industry operators; and
- No demand driven training-supply issues were identified.

### Employees views

- 33% of employees in the tourism and hospitality industry are full time, 24% are part time, and 43% are casual;
- 36% of employees are currently participating in accredited training.

### Employers views

- 51% of owner/managers have a good understanding of existing training programs available in their industry, 15% had an extremely good understanding, 29% had a limited understanding and 5% had no understanding;
- 50% of respondents had believed the level of competency gained through accredited training met the needs of their business; 13% believed it did not meet their needs and 37% did not employ qualified staff;
- 22% of respondents identified customer service as the main future training need for businesses, particularly in the food and beverage sector;
- 68% of owners and managers saw a benefit in additional training for themselves, particularly in areas of marketing (22%) and human resources (19%);
- 58% of owners and managers prefer to recruit employees on work experience only as opposed to work experience with a qualification (39%) or a qualification only (5%).

### Students views

- The main reason for undertaking a VET tourism or hospitality course while at college was to make it easier to obtain a job when they travelled overseas;
- 30% of college students represented were contemplating a career in tourism or hospitality; and
- 70% of students represented were already employed in the hospitality industry.

## Terms of Reference 2: Current and emerging skills shortages and appropriate recruitment, coordinated training and retention strategies

### *ACT Chef's Forum*

The *Chef's Forum* report identified four strategies to be pursued in seeking to increase recruitment and enhance retention:

- Marketing cooking as a career to encouraging industry recruits;
  - ❖ Marketing to schools and school students;
  - ❖ Marketing to other potential recruits;
- Better quality skills development;
  - ❖ More effective training and education;
  - ❖ More effective recognition of skills and training;
- Supporting chefs on the job;
  - ❖ All Chefs;
  - ❖ Apprentices;
- Industry development;
  - ❖ Strengthen industry ties;
  - ❖ Review and promote industry standards; and
  - ❖ Industry issues register and resolution mechanisms.

An *Action Plan* was developed, with a list of six key priorities to be pursued, which are:

- Twice yearly industry fora;
- Establish and support apprentices support mechanisms, eg 'Young Chef's Club' at CIT;
- Develop and implement a mechanism for issues identification and processing;
- Strengthen recognition (including awards) systems for excellence;
- Stronger promotion of cheffing as a career at ACT schools and colleges; and
- Resolve issues with competency / skills assessment systems.

The full *Action Plan* can be accessed in the study report at **Annex A**.

### *Training Needs Analysis Stage II*

THS followed up its *Tourism and Hospitality Training Needs Analysis ACT and Region* study by commissioning the Centre for Tourism Research at the University of Canberra to undertake a further training needs analysis study to investigate the primary area of concern

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identified in Stage I of the training needs analysis: customer service. The resulting report (**Training Needs Analysis Stage II** – full copy at **Annex C**), received in August 2006, was built on a series of focus groups and an online survey were used to investigate employer and manager perceptions of customer service, and to ascertain what kind of training is needed in order to equip staff with customer service skills. Building on previous research and insights gained from the industry focus groups, the themes that were explored via the online survey included:

- Industry understanding of customer service;
- The importance of customer service;
- Personal experiences of developing customer service knowledge and skills;
- Strategic human resource management issues related to customer service.

While the response levels were lower than expected, the research highlight the importance of life and work experience, organisational standards and role modelling and mentoring by management as key strategies for developing effective customer service skills.

This research confirms the importance of customer service for organisational success. In both focus groups and the online survey, employers and managers indicated that the way they had learned about customer service is more about work and life experiences than formal training programs.

These results highlight the need for managers and supervisors to have effective skills to role model and mentor in the workplace, as well as developing an individual employee's skill to reflect upon their experiences in order to learn and apply in another context. This is reinforced by the recommendations for improving customer service that highlight the need for:

- Clear understanding of customer needs which is achieved through customer surveys and feedback;
- Setting of specific standards of performance; and
- On-the-job training with effective feedback systems to support the above for both managers and employees.

In order to ensure that these needs are met, recruitment, staff training and employee retention need to be considered and enhanced.

High quality training in tourism and hospitality in both the public and private sectors at vocational and tertiary level takes place at a number of institutions in both the public and private sectors, including the University of Canberra, CIT and in secondary colleges.



## **Terms of Reference 5: Innovative workplace measures to support further employment opportunities and business growth in the tourism sector.**

The research outlined above, along with other studies of the hospitality industry, in particular the *A Recipe for Change: The Future of Commercial Cookery in Australia* Report<sup>2</sup> encouraged THS to work to develop innovative new means to provide effective training for chefs that would meet the needs of students, training providers and employers.

### *Accelerated Chefs Apprenticeships Program*

In response, THS in partnership with the Canberra Institute of Technology and the Liquor, Hospitality & Miscellaneous Workers Union developed an innovative new chef's training program. The *Accelerated Chefs Apprenticeship Program* aims to produce trained chefs/cooks who have a clearer understanding of the industry and its positive aspects as a career. It also aims to increase the number of trained chefs/cooks over a shorter timeframe, chefs who are more likely to remain in the industry. The first intake was in July 2006.

In essence, this initiative allows apprentices to reduce the length of their training from four years to two years through a more controlled and structured program:

- The first stage involves six months of intensive off the job training at the Canberra Institute of Technology;
- The second stage involves eighteen months of combined industry placement and off the job training. This stage will require certain competencies to be achieved on the job and completion of the Certificate 3 in Hospitality (Commercial Cookery); and
- The third and final stage of the program, which is crucial to the quality of the training outcome, will be a trade equivalency test that each participant must satisfactorily complete before being certified trade qualified and given early release from their training contract.

The program is not so much a new approach, as a hybrid of successful training strategies taken from the various Australian models, City and Guilds of London (UK) models and models used in the United States and Canada.

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<sup>2</sup> Food Trades Skills Shortages Working Group (2001) *A Recipe for Change: The Future of Commercial Cookery in Australia*. Commonwealth Government, Canberra.

## Summary

THS' *Chef's Forum* and *Training Needs Analysis* work found there were significant and ongoing skills shortages in the tourism and hospitality sectors.

The *Chef's Forum* study focussed on the hospitality sector, and found a number of factors driving these shortages of skills, including:

- Shortage of chefs in the industry;
- Lower levels of entry to industry from high school and other sources; and
- Number of chefs leaving the industry – not finishing their qualifications, or finishing and leaving.

The second study focussed on:

- Industry understanding of customer service;
- The importance of customer service;
- Personal experiences of developing customer service knowledge and skills; and
- Strategic human resource management issues related to customer service.

The final study, *Training Needs Analysis Stage II*, which focussed on customer service training, highlighted the need for:

- Clear understanding of customer needs which is achieved through customer surveys and feedback;
- Setting of specific standards of performance; and
- On-the-job training with effective feedback systems to support the above for both managers and employees.

In order to ensure that these needs are met, recruitment, staff training and employee retention need to be considered and enhanced.

In response to this and other work, THS has led the development of an innovative new approach to chef's training, the *Accelerated Chefs Apprenticeship Program*, which aims to produce trained chefs/cooks who have a clearer understanding of the industry and its positive aspects as a career. It also aims to increase the number of trained chefs/cooks over a shorter timeframe, and produce chefs who are more likely to remain in the industry.

The lessons from these exercises include:

- The benefit of having all major stakeholders participating in a forum (in the ACT's case THS) which is empowered to study, consider and develop innovative new solutions to workforce challenges in the ACT tourism industry;
- The sense of urgency created by significant and ongoing skills shortages in a crucial tourism industry sector (hospitality, and in particular chefs) provided a strong impetus for first detailed research, then strong and we believe, effective, action; and

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- The collegiate nature of the forum provided strong support for an open-minded focus on finding the best solutions to issues raised, and a united approach to study, consideration and concerted action.

## Further participation

THS hopes this Submission and attachments is of use to the Committee in its deliberations.

If THS can be of any additional assistance, the ITAB would welcome the opportunity to further participate in the Committee's inquiry process.

## Contact for further information

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