

WA Hospitality & Tourism ITC

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INQUIRY INTO AUSTRALIA'S SERVICE INDUSTRIES

The House of Representatives Standing Committee on Economics, Finance and Public Administration is inquiring into where the service export sector now sits in Australia's export (and import competing) environment, focusing on, but not limited to: the tourism and education service sectors the impact of the resources boom on the services sector future global opportunities for Australian service exports policies for realizing these opportunities

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Hospitality and Tourism
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Australia's Service Sector*

The tourism and education service sectors

Opportunities to improve Australia's service exports so that when the demand for, or the prices of, our commodities eventually falls we can continue to enjoy strong growth. Without a focus on Australia's service sector and with all roads at present leading to the resource sector, chronic skill shortages are occurring with the hospitality and tourism service sector. The time is now to pay attention to these skill shortages and seek strategies that will best address these shortages to allow these industries to enjoy strong growth.

Skill Shortages in the Hospitality and Tourism Industries

There is a shortage of Cooks (Qualified), Short Order Cooks, Kitchen Attendants, Waitpersons, Food & Beverage Attendants, Bar Staff and Restaurant Supervisors

Reasons / Causes:

- Declining numbers of 15-21 year olds seeking apprenticeships in cookery
- Declining numbers of employers offering apprenticeships in cookery
- Declining take up rate of apprenticeships in cookery
- Increased institutional delivery of Certificate III in Hospitality (Commercial Cookery)
- Difficult to employ overseas qualified staff
- Overseas trained cooks seeking permanent residency in Australia are being declined due to lack of appropriate paperwork according to TRA
- The industry is unable to attract quality 15 – 24 year olds to the industry due to a lack of knowledge concerning the industry
- IR Issues – low apprenticeship wages, penalty rates, hours of work, inconsistent wages across the industry, lack of knowledge concerning payroll tax and the national training wage
- Perception of the industry by young people and their parents
- Declining traineeship numbers
- Lack of subsidies paid to employers due to differing industry requirements such as the nominal length required for a traineeship (9 months (state) vs 12 months (federal))
- Lack of skills recognition for non trade areas
- Skills recognition for cookery not highly publicised
- Apprenticeship length too long – possible to reduce to 3 years, however not all parties endorse the reduction (employers)
- Students who undertake training are not meeting employers needs in terms of training outcomes
- Training does not match industries requirements or needs
- Industry practices need to be addressed – IR, working hours, employment practices, recruitment and selection practices
- Image of apprenticeships by both the industry and young people needs improvement
- Lack of knowledge and understanding of apprenticeship by the industry.
- The overuse of VET in Schools work experience in the industry has led some employers to believe that this can assist them cut costs rather than value add to the experience for the student
- The lack of quality training and assessment requires the registration of trainers and assessors for the industry in both public and private training providers in line with intention of the training package ie experience of working in the industry

- Mismatch on the operation of projects and the need for a liaison organisation between the DET and industry.

General issues with skilled labour in the tourism sector in Western Australia

The tourism industry has always been thought of by many in the community as a job you did until you decide on your proper career or job or to help students with their living expenses as they make their way through University. School Career Councillors have in the past and in some cases still do promote the industry to students who are not academically inclined. In other cases they actively dissuade students from entering the hospitality and tourism industry by promoting the higher education / university pathway to a career.

This has meant that people working in the industry are often unskilled and who fell into the job, others who actively sought a career in Hospitality and may have started with a passion but find that their colleagues do not have the same passion and after some time they become tired of working the hours, for little reward let alone job satisfaction.

To deal with the unskilled component of this:

Develop and implement a Hospitality & Tourism Industry Induction Program, based on employability skills and delivered in a comprehensive and integrated program to new and current employees in the industry.

This would provide employers with staff that have undertaken some basic training prior to entering the industry. New entrants would be made aware of occupational health and safety issues, food safety requirements, and responsible service of alcohol as well as customer service skills

People that have done some cooking or have cooked for many years in one establishment may be penalised due to their lack of experience in other areas of the industry, i.e. they may never have prepared desserts or buffets. By allowing these people to attend short courses in areas that they have little or no experience would allow them to gain the knowledge and experience to make them more desirable to possible employers as they have the underpinning knowledge required and it would be current.

Offering Recognition of Prior learning (RPL) to the Hospitality industry is not new and something that the WA Hospitality and Tourism Industry Training Council offers as a service to industry. However, it does need to be more accessible to new entrants into the industry from overseas, i.e. people applying for visas or residency could be informed about the availability of RPL for Commercial Cookery and are invited to apply. Where there are skills gaps in their experience, they would be able to attend short courses. If their Literacy and Language skills are inadequate in terms of vocational language skills then the inclusion of an English short course tailor made for the Hospitality Industry would be developed and delivered.

As industry is experiencing chronic skill shortages Industry are now willing to modify employees work hours to suit their needs. Training in Front Office, Reception, Bar and Waiting would allow people to return / commence work with the possibility of Job Sharing, working part time so that they could also meet family obligations such as in the case of Sole Parents.

Issues surround private investment in training the Tourism sector

Diminishing profit margins for industry organisations affects the number of people employed, the number of new staff accessing initial training and then upskilling of current employees.

Employers do not believe in the benefits of training as they feel it will take the employee off site from work. Employers are also concerned that if they were to upskill an employee then that employee may seek employment somewhere else, be poached by another employer not prepared to train their own staff or that the person would request more money to reflect their newly gained skills.

Some employees do not feel that the current training / courses reflect the industries requirement and that course duration is too long. The WA Government in 2005 implemented a Skills Formation Task Force with industry working groups formed to look at apprenticeship issues. One of these industry working groups was in the Hospitality industry and the recommendations from those groups are included at the end of this document.

Training strategies include train the trainer programs for industry trainers, e-learning for rural and remote students, adaptation of current resources for use in e-learning, development of new resources suitable for e-learning training for specific skill development such as management skills, up-skilling of existing staff through a fast track program

Working relationship between government and the tourism industry in the delivery of training

The Government and its various departments have been instrumental in seeking solutions for the skill shortages and various other areas within the Tourism Area i.e visitor centres, e-learning projects and introduction by the Immigration Dept - Worker Holiday Maker policies and the Migration Occupation in Demand Programs. Further work needs to be done in this area, particularly where industry is unable to recruit young Australians to employment opportunities in these industries. Possible solution would be to use international students who seek to study in Australia in Hospitality and Tourism and a bond system to Australian employers, to allow these students to remain in Australia and take up employment opportunities and gain experience in the industry in which they have studied. If they chose to remain longer than two years, then their application to stay in Australia would be viewed more favourably

School Apprenticeship Link Pilot

This initiative was developed by Department of Education and Training and refined further by the Industry Training Council to increase the number of young people entering into a Food Family of Trades apprenticeship. The program developed as part of the Youth Advantage Strategy as a response to skill shortages; lack of school to work programs; and decreased appeal of apprenticeships to young people. The Food Family of Trades consists of Baking/Bread making, Pastry Cooking and Commercial Cooking. The taster program that has been developed allows the student to try each of the three trade areas to experience the industry and providing with basic skills from each industry. At the completion of the first year, students are then able to choose which apprenticeship they would like to undertake. Successful completion of this year while still at school and then an offer of an apprenticeship of their choice has become highly desirable for some students still at school. However, there is a shortfall in uptake with the number of places available being more than the number of students interested in taking up a position in the program. Industry is very supportive of the project and the program has been extended.

Industry has taken on a major supportive role in this program and is keen to offer the students an experience while they are in their work placements

Areas that we feel that with the assistance of the Government will assist in reducing the skill shortages are:

Issue	Solution	Strategy
Incentives for employers - tax breaks, training subsidies etc	Seek additional incentives for employers	Lobby state and federal Governments for additional incentives for the industry
Delivery of training to include practical experience combined with institutional training - greater flexibility required	Training delivery to include work experience that is accessible	Review the delivery of training for the industry to implement an innovative approach that focuses on work skills formation
Insurance and costs associated with providing work experience for students	Lower insurance costs	Work with the Insurance council to find ways of lowering insurance costs for employers who provide work experience for students undertaking formal training
Mistrust of industry by schools	Teachers to work in industry placements	Develop a program that teachers are able to access to work in industry so that particular programs that their students undertake are demonstrated
Lack of suitable people applying for advertised jobs in the industry - unskilled and in need of basic training	Basic skills training offered on a regular intake basis for unskilled potential employees, through job network etc and established a networking link with industry Target specific cohorts such as recently arrived migrants	Seek support from DEWR to implement these basic skills training programs through the job network Link with organizations that deal with recently arrived migrants
Apprenticeships and Industry not attractive to today's students	Increase the attractiveness of apprenticeships and traineeships	Redevelop the Apprenticeship & Traineeship models for this industry - seeking multiple entry and exit points
School based trainees, structured workplace learning students, VET hospitality students in limbo at the end of their VET in schools training due to being unable to serve alcohol	Short courses in serving food and beverage and responsible service of alcohol with participants receiving an industry recognized ID card linked to a database held by the ITC	Work with the Director of Liquor Licensing to establish an appropriate proves that meets the regulations of the liquor licensing act and tracks these students through their employment until they reach 18

Issue	Solution	Strategy
Number of Potential employers of apprentices is high - around 200	More assistance to employers, less bureaucracy, simplified processes for employers, greater recognition for employers, increased incentives	Restructure apprenticeship and traineeship training to meet the needs of this industry rather than all the other industries. Provide better information to employers about apprenticeships and traineeships Review apprenticeship and traineeship guidelines for employers Review and restructure the payment of employer incentives

The current institutional and funding arrangements for the delivery of tourism training in Western Australia, including nature and location of training courses

As mentioned previously the incentives received through funding need to be addressed. In our experience it is the actual apprentice / trainee that pays their enrolment fee rather than the employer who accepts the payments but does little to assist the apprentice / trainee.

Payment incentives could also be issued to the apprentice / trainee on completion of their training to encourage them to at least stay within the industry. This could be in the form of a subsidy or bonus payment, or tax rebates.

During our research we continually found that people in remote / regional areas within Western Australia are hesitant about undertaking formal training. Staff are often unable to leave the workplace to undertake training during the day and due to family commitments are unable to attend night classes even if they were available. Learning centers may not be close enough to make attendance feasible.

Staff may not be comfortable about returning to school after what could be an extensive absence from an education institution or class room environment. By developing e-learning projects, web based training or distance delivery, this would allow people to commence self paced learning, at times that are convenient to them so they can learn around their work and family commitments.

Another possible solution in conjunction with other Government Departments such as: Tourism WA, Small Business Development Corp and Tourism Council WA, the Industry Training Council presents sessions on training opportunities for business operators in the regions that assist in meeting the strategic priorities of industry. The objective is to build better tourism businesses through applying general concepts of marketing, research and customer service improvements and a greater understanding of the assistance available to them.

Other Strategies:

- Short courses that provide individuals with the necessary training on individual areas within the industry that are most affected by skills shortage
- Recognising possible new entrants into the industry i.e. Migrants that hold overseas qualifications, or have had life experiences that will assist them in making the transition into the WA Hospitality Industry. Processes such as Recognition of Prior Learning. In areas where they do not meet industry standards attendance at short courses in the areas where they are deficient.
- Young Migrants aged between 18 – 30 who have little or no experience in hospitality but wanting to enter the Industry, attend special courses that cover the basic front & back of house skills required, whilst are attending English classes. On completion of the course they would be job ready and be able to enter the workforce with confidence. Organise a 'Hospitality Road Show' Due to the negative image portrayed in the media about the hospitality industry. Industry people to attend schools for talks, career days as well as students going on excursions where they can see behind the scenes of local hotels, restaurant and even training colleges.

Industry Working Group Recommendations

- Reduce the duration of the apprenticeship from four to three years
- Reduce the off the job training delivery to 4 semesters rather than 6
- Change of nomenclature from apprentice cook to apprentice chef
- Formal recognition of skills and competencies up front to allow for fast tracking through the apprenticeship quickly
- Allow for multiple exit pathways If a person is deemed competent both on and off the job and leaves their apprenticeships
- Certificate III in Hospitality (Commercial Cookery) delivered outside of an apprenticeship pathway will require a significant component of workplace experience to be undertaken before the qualification can be awarded to the student.
- Trial a pilot program for part time apprenticeship arrangements
- Trial a pilot program for school based apprenticeships with IR arrangements established at Federal level, however this will rely on what is indicated in the State award.

Conclusion:

The Tourism industry is characterised by fragmentation and lack of unification of bodies representing industry. While this remains the state of play, it will be difficult to formulate policies that are intended to provide the service sector with their needs. The larger organizations have political clout or belong to organizations that have political clout. Much of the industry is characterised by small business and are not often represented by a relevant industry association, or an industry association that does not see itself as part of the tourism industry. For the tourism industry to grow strong, there needs to be a view that tourism is important to the economy of Australia. While Government does not see the industry as a significant contributor to the economy of Australia, it will languish due to lack of interest, from government and investors who need to invest in the product to provide that attraction that draws tourists to Australia. While at a school level, the industry is not recognised for the careers and work opportunities it provides. In

addition, Australia does not have a service culture instilled through education or service programs at school or university. The lack of response to opportunities within this industry, demonstrates the abysmal lack of knowledge of parents, teachers, students and the community in general about tourism and service sectors of Australian industry.

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