



Australian Hotels Association
WESTERN AUSTRALIA

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AHA(WA) Member Bulletin

Date: 28 May 2010
Re: Workforce Development Strategies Western Australia
– Tourism & Hospitality

Seeking members to provide return feedback via email

The Australian Hotels Association (WA) is addressing short, medium and long term issues associated with our industry's staffing and workforce needs for the future.

The AHA is working with "Hospitality Group Training" and "Future Now – Creative & Leisure Industries Training Council", to address industry challenges. The Association is represented on both Boards of these Associations by myself.

Through Future Now, we have considered a range of issues affecting the supply and demand of labour in Western Australian, including;

- Western Australia's changing workforce
- Attracting and retaining staff
- Training, apprenticeships and recruitment
- Long term planning and industry needs

The State Minister for Training and Workforce Development, the Hon Peter Collier, is also developing a statewide workforce development plan for all industries throughout Western Australia and we will all be providing substantial submissions to the State Government's investigation and consideration process.

Please find attached the draft tourism and hospitality development workforce plan for your consideration prior to it being submitted to the State Government.

We would greatly appreciate any feedback or comments you can give us to assist in this process, as soon as possible, via email to kht@ahawa.asn.au.

Regards

Bradley Woods
CEO/Executive Director

Workforce Development Strategies to Address Barriers to Training and Employment

Tourism, Hospitality and Events Industries – Western Australia

Barrier to Training	Recommended Strategies/Outcomes
<p>Industry Image</p> <ul style="list-style-type: none"> Demographics of industry – 43.9% of workers aged 15 - 24 Perception of temporary/transient employment Working conditions – 24/7, low wages, skill shortages = burn out Small to medium enterprise limits professional progression Seasonal employment 	<ul style="list-style-type: none"> Increase training, pathways and careers promotion to schools, VET facilitators, advisers and the community through positive and realistic mediums – promote success stories - involve young industry professionals as ambassadors. Identify and promote global and best practice industry promotion. Encourage industry to undertake strategic business planning (to include training). Promote industry partnerships for seasonal work eg: Busselton / Broome employer arrangements. Case study: Matilda Bay Restaurant Staff Exchange Program.
<p>Lack of Formal Qualifications in Industry</p> <ul style="list-style-type: none"> 63.9% of workers in the accommodation and food services industry do not have a post school qualification <ul style="list-style-type: none"> - 13.4% have a Certificate III or IV - 6.4% have a Diploma or Advanced Diploma Many employers are unaware of vocational education and training, industry qualifications, recognition of prior learning and flexible training options. 	<ul style="list-style-type: none"> Increase industry awareness of the benefits of training, flexible training options, funding/incentives available. Example: FutureNow Guide to Training for Holiday Parks and Resorts, developed in partnership with Caravan Industry Association (WA) Industry Training Councils (ITCs), Registered Training Organisations (RTOs) and Government to promote opportunities to provide Recognition of Prior Learning (RPL) and skills gap training for existing workers. Streamline RPL processes to be industry friendly – case study promotion. Improve the language of training e.g. the word ‘Traineeship’ may not appeal to mature aged employees or entrants to industry – look for alternative terminology from a marketing perspective (corporate internship).

<p>Lack of Knowledgeable Career Information and Advice</p> <ul style="list-style-type: none"> • Qualifications, Skills Sets, Initiatives and Government Incentives are always changing creating challenges to be well-informed career advisers, school coordinators, lecturers, trainers, training organisations and employers. 	<ul style="list-style-type: none"> • Provide a link between secondary schools, VET facilitators, advisers and ITCs for the dissemination of current VET and career pathways information. • Link schools to industry associations and Local Community Partnership brokers through ITCs. • Provide professional development for VET and career advisers in schools e.g. VET training and networking/partnering with industry skills.
<p>Access to Quality Training</p> <ul style="list-style-type: none"> • Access is difficult for people and employers in regional and remote areas or metropolitan areas with minimal public transport. • RTOs operating in regional/remote areas (particularly to provide training in the workplace) is minimal. • Lack of training investment, flexibility and cultural awareness. 	<ul style="list-style-type: none"> • Improve infrastructure (accommodation, transport, broadband access) to enable better access to training. • Increase flexible and online training options. • Increase quality on the job training by RTOs in regional and remote areas to service the demand. • The provision of Cultural Awareness Training may improve employment and retention of Indigenous employees.
<p>Access to Quality Work Placements</p> <ul style="list-style-type: none"> • Employers are often unaware of the benefits of training; training options; and financial incentives available. • Placements for apprentices and trainees are hard to find. • Lack of qualified supervisors reduce eligibility to take on Apprentices. • Small businesses are deterred by cost and the administration of training. 	<ul style="list-style-type: none"> • Increase industry awareness of the benefits of training, flexible training options, funding/incentives available. • Increase industry awareness of the importance of taking on apprentices and trainees to address the future skill needs of industry. • Provision of support services for businesses engaging in training – streamline administrative processes, implement supervisory skills sets.
<p>Industry’s Perception of VET and Registered Training Organisations</p> <p>Industry concerns include:</p> <ul style="list-style-type: none"> • Perceived increase in classroom, as opposed to workplace focus • Gaps in core technical or outdated skills in graduates • Lack of industry practitioner involvement in classroom training • Lack of industry involvement (particularly from SMEs) • Industry perception that the RPL process is too difficult • Poor performing and quick course RTOs have a negative impact • Lack of targeted industry core management and business skills training 	<ul style="list-style-type: none"> • Create a more responsive training and learning system. • Increase on the job training. • Identify poor performing RTOs through regular and robust auditing systems and act accordingly to ensure compliance. • RTOs to develop working partnerships with industry / industry to get involved. • Increase focus on management and business skills training delivery.

provided by RTOs	
<p>Lack of Flexibility in the Training System and Training Delivery Feedback from industry reveals:</p> <ul style="list-style-type: none"> • Training is too focussed on the nominal hours of training and experience rather than actual skills. • Training has an emphasis on '9 to 5' classroom learning – should reflect the real world business hours of the tourism, hospitality and events industries. 	<ul style="list-style-type: none"> • Increase quality on the job training by RTOs (particularly in regional and remote areas), to service the demand. • Improve access to industry operations for work and training experience. • Improve access to online training, RPL and traineeships/apprenticeships – include mature aged, Indigenous, regional and remote workers.
<p>Reduction of apprentice/trainee commencement and completions</p> <ul style="list-style-type: none"> • Apprentice /trainee placements in industry were significantly reduced in 2009 due in part to business operators streamlining operations and restructuring staffing levels as a result of the global financial crisis. Business and consumer spending is still wary. • Chef apprenticeship commencements have decreased by 25% in the past three years from 562 commencements in 2007, down to 418 in 2009¹. Typically low completion rates in this sector show cause for significant alarm as Western Australia will not be qualifying anywhere near enough chefs and pastry chefs to service the demand for skilled staff in forthcoming years. 	<ul style="list-style-type: none"> • Training needs to expand the traditional workforce to service the demand for skilled workers. RTOs and Industry to improve participations rates by developing strategies to target: people with disabilities; parents and welfare recipients returning to the workforce, mature aged workers, Indigenous people; overseas workers; and the existing workforce. • Industry to improve retention and professional development opportunities – better business planning and working/pay conditions, access to training and RPL to develop industry professionals and sustainability. • Government to consider the potential benefits of allowing overseas students to access participation in apprenticeships and traineeships in WA (fee for service training).
<p>Fair Work Act - Impact of Modern Awards e.g. Hospitality Industry (General) Award 2010, Restaurant Industry Award 2010</p> <ul style="list-style-type: none"> • Decline in opening hours of business to avoid penalty rates for staff (reducing the overall number of employees; qualified staff suitable to supervise trainees/apprentices; and budget/access to professional development). • Reduction in the number of businesses eligible to take on apprentices and trainees (due to reduced operational hours). • Certificate III graduate salary increase entitlements may deter training. 	<ul style="list-style-type: none"> • Industry, industry associations and ITCs to communicate any negative impacts of the Fair Work Act and new Modern Awards system with State Government and Fair Work Australia.
<p>Access to Publicly Funded Training Places – PPP, Skills Sets Employment in Australia's hospitality and tourism industries has steadily</p>	<ul style="list-style-type: none"> • Industries are usually classified according to the product or service being provided however tourism for example is defined

<p>increased from 693,400 workers in 1997-98 to 1,022,100 workers in 2006-07. This trend however was not reflected in publicly funded training places².</p> <ul style="list-style-type: none"> The Commonwealth Government's Productivity Placement Program (PPP) initiative does not include funding for skills sets, only full qualifications, which for many employers and employees is a barrier to up-skilling and retraining as not all the skills and knowledge are seen as relevant and is an added burden in time and costs for both parties. 	<p>according to the consumer of the product or service, and so may be considered an activity or market resulting in government and policy decision makers provided with insufficient research, data and analysis to make informed decisions.</p> <ul style="list-style-type: none"> Allowances could be made for skills sets to be funded only where workers have some existing qualifications in the first instance.
<p>VET articulation to higher education</p> <ul style="list-style-type: none"> Lack of articulation from VET to higher education qualifications 	<ul style="list-style-type: none"> The promotion of and actualisation of VET graduate articulation to higher level qualifications and tertiary studies may be achieved through recognition of VET qualifications and industry requirements. This may result in improved career opportunities and an improved industry image of 'professional' occupations.

Barrier to Employment	Recommended Strategy
<p>Industry Image</p> <ul style="list-style-type: none"> Demographics of industry – 43.9% of workers aged 15 - 24 Perception of temporary/transient employment Working conditions – 24/7, low wages, skill shortages = burn out Small to medium enterprise limits professional progression Seasonal employment 	<ul style="list-style-type: none"> Increase training, pathways and careers promotion to schools, VET facilitators, advisers and the community through positive and realistic mediums – promote success stories - involve young industry professionals as ambassadors. Encourage industry to undertake strategic business planning. Promote industry partnerships for seasonal work eg: Busselton / Broome employer arrangements. Case study: Matilda Bay Restaurant Staff Exchange Program. Identify and promote global and best practice industry promotion.
<p>Employment Conditions</p> <ul style="list-style-type: none"> Working hours, work/life balance, low wages Skill and labour conditions can often lead to increased pressure on existing staff to work harder and for longer hours leading to burn out and high staff turnover Majority of industry is small to medium enterprise prohibiting in-house progression and promotion for career growth. Low profit margins in the food service industry reduce the sustainability 	<ul style="list-style-type: none"> Provide industry operators with the knowledge to better facilitate improved business practices and strategic planning, for example: <ul style="list-style-type: none"> importance and benefits of training for retention, progression, professional development and sustainability flexibility of employment – working hours and conditions to suit retirees, parents and welfare recipients access to flexible, industry friendly business and management training

<p>of small businesses and their ability to stay open during seasonal and economical fluctuations.</p> <ul style="list-style-type: none"> • Difficult conditions in industry make metropolitan hospitality workers in particular (such as kitchen hands, cooks and chefs) susceptible to poaching by resource industry mine camp hospitality service contractors. Note: Hospitality workers can develop professionally and increase their income considerably in this sector. 	<ul style="list-style-type: none"> • Government to consider tax free thresholds, tax concessions or incentives. For example: <ul style="list-style-type: none"> - off-set tax credits against pay roll tax for training undertaken by organisations - training guarantee levy - incentives for employers to provide full time employment • Promotion of work/lifestyle arrangements versus a work/salary focus marketed by competing industries (such as the resource industry).
<p>Access to Employment</p> <ul style="list-style-type: none"> • Access to employment in industry is particularly difficult in areas of minimal or poor infrastructure, regional and remote areas. • Availability of public transport during industry operational times (early mornings, late evenings, weekends and public holidays), particularly for young workers under the age of 17 years, who are yet to apply for a Driver's Licence is an issue (this is also common concern for parents who may feel more comfortable steering their children towards a more conventional industry that operates within typical business hours). 	<ul style="list-style-type: none"> • Improve infrastructure (reasonably priced accommodation for workers, increased transport options to suit operational times, child care facilities etc) to enable better access to employment. • Reduce red tape to enable urgently needed land releases for the development of housing and tourism growth (hotels, venues etc) • Increase capacity for hotel rooms in Perth. • Improve access to regional destinations with the development of regional airports and capitalising on opportunities for international aviation gateways. • Improve bids/funding, development and marketing for events in Western Australia. • The provision of Cultural Awareness Training may improve employment and retention of Indigenous employees. • Increase on the job training for apprenticeship and traineeship opportunities in regional and remote areas to service the demand.
<p>The Global Economy, a Competitive Market</p> <ul style="list-style-type: none"> • Domestic and international competition and the global economy directly impacts service industries such as tourism, hospitality and events. Reported reduced revenue and staffing requirements has been identified in parts of the industry typically involved in the distribution of tourism products and services, such as travel wholesalers, airlines and transport in 2009 – discounting to maintain sales volumes has been a result of this. • Global mobility – trained and skilled Australians are leaving the state and the country for higher salary opportunities, promotion/progression 	<ul style="list-style-type: none"> • Trends in consumer demographics and behaviour have changed and continue to change the tourism, hospitality and events environment making it necessary for industry to take a more strategic destination management approach to its planning to remain competitive³. • Development of mutual recognition strategies with overseas qualification bodies in conjunction with Service Skills Australia may increase access to suitably qualified staff to ease the impact of skill and labour shortages.

or to pursue international industry experience.	
<p>Competing Industries</p> <ul style="list-style-type: none"> • Demand for skilled labour in a host of other industries (such as the resource sector) that may provide better wages and working conditions is increasing across Western Australia. 	<ul style="list-style-type: none"> • Promotion by industry of work/lifestyle arrangements versus a work/salary focus marketed by competing industries (such as the resource sector).
<p>Strategic Business Planning</p> <ul style="list-style-type: none"> • As the majority of tourism, hospitality and events businesses are made up of small to medium enterprise (Large businesses with 200 or more employees represent less than 1% of the businesses in Australia by number⁴) and the fact that almost two-thirds of employees in the accommodation and food services industry for example do not have a post school qualification (63.9%), strategic business planning for workforce development and sustainability may not be on the agenda of industry operators, where the focus is often on the day to day and short term prospects of the business. 	<ul style="list-style-type: none"> • Enhancing business and management skills of managers is required to develop and maintain the capacity of managers in the industry to strategically plan and run operations effectively, implement succession planning and to attract, develop and retain staff⁵.
<p>Lack of Access to Industry Data for Business Planning</p> <p>Industry's access to relevant data, research and analysis is a serious obstacle to the development of sustainable business plans by tourism, hospitality and events operators⁶. Key areas of concern include gaps in, or the lack of:</p> <ul style="list-style-type: none"> • Timely and broadly available operational data in the sector • Data structured by sector, rather than occupation, and the lack of data covering many tourism occupations • Regional workforce data for the entire industry, and the various sectors within it • Consistency of collection • Availability and comparability of data from existing sources. 	<ul style="list-style-type: none"> • Robust research is needed to underpin the tourism policy, industry development and marketing of Australia. Current and ongoing research is vital to understand market developments, labour market trends and industry performance, and to anticipate the impacts of climate change, shifting consumer preferences and demography. Once research and data are available, they must be provided as broadly as possible in a format that enables stakeholders to make informed decisions⁷.
<p>Fair Work Act - Modern Awards</p> <p>Businesses affected by the Hospitality Industry (General) Award 2010 and Restaurant Industry Award 2010 have expressed major concerns in some of the following areas:</p> <ul style="list-style-type: none"> • Penalty rates; casual rates; allowances; superannuation guarantee threshold; and conditions for casual, part time, junior and apprentice employees. 	<ul style="list-style-type: none"> • Industry, industry associations and ITCs to work together to communicate any negative impacts of the Fair Work Act and new Modern Awards system with State Government and Fair Work Australia.

Skilled Migration

- The omission of Chefs and Pastry Chefs on the national Skilled Occupations List will have a severe impact on industry's ability to access skilled staff. Industry and the VET sector are not training, qualifying and retaining enough chefs and pastry chefs to service the demand for skilled workers.

Other areas of concern include:

- Visa compliance
- English proficiency – new standards may be set too high
- Recognition of qualifications
- Difficult, lengthy and expensive process for small-medium enterprise to access critically needed staff eg. Chefs

- Government to review the impacts of changes to Skilled Migration with industries experiencing critical skills shortages.
- Further innovation in the area of immigration and visa processing is required.
- It is imperative that chefs and pastry cooks be included in the new Western Australian Skilled Priority Occupations List (SPOL).
- Government to consider the potential benefits of allowing overseas students to access participation in apprenticeships and traineeships in WA (fee for service training) to address skill and labour shortages in industry.
- Promote the establishment of relationships with identified countries that provide access to suitably qualified workers. Include the development of training programs to certain qualification levels, then link to a fast track visa nomination process.

Human Resources in Industry

Typically the tourism, hospitality and events industries employ younger people and sustain a culture of limited working arrangements to suit this demographic. This may prohibit business growth and sustainability in the medium to long term.

- Small 'perceived' scope of access to quality employees by employers.
- Lack of trained/qualified personnel.
- High performing and qualified employees are often 'poached' by competing businesses due to skill shortages and high overall business performance expectations/pressures.
- Lack of flexible working arrangements that may encourage new workers to industry.
- Tax free threshold and financial viability of having two jobs with separate employers (50% tax rate on a second job).

- Improve the attraction and retention of staff by using customised recruitment tools and screening processes that assess aptitude for the industry, establish attitude to work, recognise relevant prior learning and experience, and establish skills gap for potential and existing employees.
- Enhanced retention strategies including greater collaboration between management and staff to establish and maintain a culture that fosters innovation and rewards effort.
- The provision of flexible working conditions such as working hours and salary conditions to attract workers such as retirees, single parents and return to work mums may increase access to suitable employees.
- Encourage professional development/training for mature aged existing workers by improving the image of training e.g. The word 'Traineeship' may not appeal to mature aged employees or entrants to industry – look for alternative terminology from a marketing perspective (corporate internship/traineeship etc.)
- Government review of the tax free threshold

<p>Aging Workforce and Increased Population</p> <ul style="list-style-type: none"> Increase in Western Australia's population, projected to more than double between 2007 and 2056 reaching 4.3 million people⁸ will further boost the demand for service industries such as tourism, hospitality and events. 	<ul style="list-style-type: none"> The median age of Australia's population from 36.8 mid 2007 to 38.7-40.7 in 2026 to 41.9 - 45.2 in 2056⁹. An aging workforce and decreased participation in the labour force nationally will highlight the need for industry to attract mature aged, Indigenous, underemployed and other under-represented groups by increasing levels of workforce participation and the development of skills in the current workforce.
<p>Engaging the Indigenous Labour Force</p> <p>Indigenous people are under-represented in the Western Australian labour force and tourism, hospitality and events industries.</p> <ul style="list-style-type: none"> Indigenous people bring a unique skill set and cultural opportunity to industry yet many tourism, hospitality and events businesses may experience difficulties attracting, engaging and retaining Aboriginal employees due to a lack of cultural awareness, particularly in regional/remote areas of Western Australia. 	<ul style="list-style-type: none"> The value of natural, cultural and heritage assets is likely to become increasingly important as consumers actively seek sustainable and authentic tourism experiences. The economic value of these assets is significant. In 2008, 23 million people visited Australia's cultural and heritage locations, comprising 70% of all international visitors and 27% of domestic visitors. Heritage and cultural tourism is a growth market, contributing 37% of world travel and growing by 15% per annum¹⁰. Cultural awareness training is paramount to laying the foundations for successful Indigenous training, employment and retention.
<p>Industry Employment / Training Disconnect – the industry employment and training disconnect is misleading (and potentially disillusioning) tourism, hospitality and events students. Unrealistic graduation expectations are common. Examples include:</p> <ul style="list-style-type: none"> Trainee misconceptions about the real world nature of the jobs for which they are qualified A misfit between the graduate's perception of their qualification value and their expected work level, and the workplace actuality with graduate expectations often too high for entry-level job roles. A finding by smaller tourism and hospitality businesses that some TAFE graduates have an unrealistic opinion of their skill levels. The focus by private RTOs on international students, despite the fact that many cannot be placed for practical experience due to language and/or cultural issues. Qualifications leading to an increase in pay rate, without commensurate experience or productivity. 	<ul style="list-style-type: none"> Realistic training outcomes to be communicated by RTOs, ITCs and careers advisers (focus on RTO marketing materials during auditing process). Improve RTO to industry partnerships to increase work based training/experience. Involve industry in the assessment process of training.

Consumer Sentiment and GDP Growth

- Changes in consumer sentiment have an impact on expenditure on discretionary spending including eating out, travel, accommodation etc. (business, leisure and incentive travel).

GDP Growth in areas such as East Asia, European Union and the USA has a significant impact on international travel to Australia and on demand for tourism and hospitality services¹¹.

Therefore employment in the tourism, hospitality and events industries is often dependent on economic status locally, regionally, or even internationally.

- Changes in the participation rate of the workforce and particularly of married women in the workforce influence the level of discretionary expenditure on items in the accommodation, cafes and restaurants sector¹².
- Improving access to training and employment by removing barriers and expanding the traditional workforce will have a direct impact. Easing the pressure of staff shortages and financial burdens on industry will prevent (or maintain) the cost of hospitality and tourism expenses – such as accommodation and food.

¹ WA Department of Training and Workforce Development TRS Cube at January 2010

² Service Skills Australia Tourism, Hospitality and Events Environmental Scan 2009

³ Service Skills Australia Tourism, Hospitality and Events Environmental Scan 2010

⁴ Service Skills Australia Tourism, Hospitality and Events Environmental Scan 2010

⁵ Service Skills Australia Tourism and Hospitality Workforce Development Strategy 2009

⁶ Service Skills Australia Tourism, Hospitality and Events Environmental Scan 2009

⁷ National Long-Term Tourism Strategy: Australian Government - Department of Resources, Energy and Tourism, Dec 2009

⁸ Australian Bureau of Statistics 3222.0 Population Projections 2006 to 2101

⁹ Australian Bureau of Statistics 3222.0 Population Projections 2006 to 2101

¹⁰ National Long-Term Tourism Strategy: Australian Government - Department of Resources, Energy and Tourism, Dec 2009

¹¹ Hotel Accommodation in Australia – IBISWorld Industry Report, December 2009

¹² Accommodation, Cafes and Restaurant in Australia – IBISWorld Industry Report, June 2009

Skilled Occupations in Demand for the Tourism, Hospitality and Events Industries in Western Australia

Western Australian Tourism, Hospitality and Events Industry Skilled Occupations in Demand

Bar attendant	Caravan park / holiday parks and resorts managers
Catering contract manager / supervisor (resource sector)	Chef
Chef de partie	Events logistics coordinator
Executive chef	Food attendant
Manager (hotel/motel/pub/tavern/bar)	Manager (licensed club)
Manager (restaurant/cafe/caterers)	Pastry chef / patissier / pastry cook
Service supervisor (hotel/motel/restaurant/caterer/pub/tavern/bar/club)	

National Tourism, Hospitality and Events Industry Skilled Occupations in Demand

Accommodation and hospitality manager	Amusement centre manager
Bar attendant	Barista
Bed and breakfast operator	Cafe or restaurant manager
Cafe worker	Caravan park and camping ground manager
Chef	Chief executive or managing director (board members)
Conference and event organiser	Cook
Hospitality, retail, service managers nec	Hotel or motel manager
Hotel receptionist	Licensed club manager
Pastry Cook	Tourist information officer
Travel consultant	Waiter