

OTHER SERVICES



Government of South Australia

Training and Skills Commission

www.tasc.sa.gov.au

Foreword



The Commission is pleased to present this report on South Australia's Industry Priority Qualifications (IPQs). This unique report details the extensive industry collaboration and consultation process undertaken by the Commission over the last 12 months, culminating in the identification of industry's priorities across the State economy and within 18 industry sectors; the first time this has been achieved. The level of engagement with industry stakeholders exceeded the Commission's expectations, and we acknowledge the hundreds of contributions made by industry. The scope and depth of the results achieved through this collaborative approach means this work will remain important and relevant for years to come.

These Priority Qualifications Lists are a direct reflection of industry feedback and will play an important role as one of a range of inputs used by Government to determine which Vocational Education and Training qualifications will receive publicly funded support.

South Australia needs a workforce that is innovative and adaptable but most importantly, in possession of the skills required to meet the ever-changing needs of industry and the South Australian economy. This report is a valuable tool to assist in meeting this challenge.

The detailed findings contained in this report are valuable across several domains; valuable to Government in guiding public investment in skills development, and valuable to industry to better understand and compare qualification priorities across sectors. These findings are also valuable to the Commission as they provide a platform for further exploration and policy deliberations which in turn will inform future recommendations to Government as part of our State Workforce Development Plan Skills for Future Jobs 2020 to be released at the end of 2016.

While it is acknowledged that the priorities of Government and public investment may differ from those of industry, we are encouraged by the fact that this is the first time Government will have a comprehensive understanding, informed directly by industry, of the needs of industry within the context of qualification and skills priorities.

On behalf of the Commission, we extend a sincere thank you to all contributors and respondents who participated in our consultations. It is clear that the challenges facing skills development for industry are significant, but so is the appetite from Government, industry and the community to actively pursue mutually beneficial solutions.



Anthony Kittel
CHAIR



Melinda OLeary
DEPUTY CHAIR

Our Members



Mr Anthony Kittel (Chair)
Chief Executive Officer, REDARC Electronics



Ms Melinda OLeary (Deputy Chair)
Nova Systems



Mr Adrian Smith
Managing Director, Rheinmetall Defence



Ms Adrienne Nieuwenhuis
Director, Office of Strategic Programs, Chancellery,
University of South Australia



Mr Jamie Newlyn
SA Branch Secretary, Maritime Union of Australia



Ms Kylie Heneker
Government Relations and Communications
Professional



Ms Lindsay Palmer
Former Member of Parliament, School Principal
and Industry Consultant



Mr Rob Bonner
Director, Operations & Strategy, Australian Nursing
& Midwifery Federation (SA Branch)



Mr Stephen Myatt
Director, Australian Industry Group (SA Branch)

Deputy Members



Ms Deb Black
Alternative dispute resolution specialist



Mr Ian Curry
National Coordinator: Skills, Training & Apprenticeships
with the Australian Manufacturing Workers' Union



Professor John Buchanan
Principal Advisor, Research Impact at the
University of Sydney Business School



Dr Karleen Thornton
Nursing Director, Northern Adelaide Local Health
Network

The Training and Skills Commission

The Commission, established in 2003 and later reformed in 2008, is comprised of industry, academic and community leaders with responsibility for advising the Minister for Higher Education and Skills on skills and workforce development priorities for South Australia and regulation of our Apprenticeship and Traineeship system.

The Commission also provides independent, strategic advice on how South Australia can invest in a sustainable, highly skilled workforce particularly in key growth sectors. This advice is crucial to meeting South Australia's economic and social needs, now and into the future.

Our Responsibilities

The Commission's responsibilities include:

- promoting and encouraging investment, equity and participation in, and access to vocational education and training (VET);
- monitoring, reporting and making recommendations to the Minister on the state of VET and workforce development in South Australia, including the expenditure of public money in these areas; and
- promoting pathways between the secondary school, VET, adult community education, and higher education sectors.

Executive Summary

This report represents the significant findings of the Commission's Industry Priority Qualifications Survey. With 1,138 Qualifications, Skill Sets and Accredited Courses (QSCs) identified by industry as a priority, this report provides a unique opportunity for the State Government to strategically align its investment in skills development with the qualification priorities of industry.

The 'Whole of Economy' List of Priority Qualifications was informed by 850 responses to an industry designed survey, 20 half-day consultation sessions, discussion with peak employer and employee bodies and now a final revision after being available for feedback since the launch of the Interim Report on 8 December 2015. This document represents over 800 hours of consultation activity, and is arguably the most comprehensive exploration of industry demand conducted in any jurisdiction across Australia.

Across the breadth of our State's economy there are 106 QSCs identified as Highest Priority (Tier 1), 169 identified as a High Priority (Tier 2), 225 identified as a Priority (Tier 3), 639 identified as a Low Priority (Tier 4) and 2,961 were not selected (Tier 5).

As diverse as enterprises are within our State, the results of the Commission's stakeholder consultations indicate the wide application of generic and transferable qualifications across most industry sectors. Of the 106 qualifications identified as a Tier 1 priority, approximately 50 percent are highly transferable and non-industry specific. Leadership and management, general business related qualifications as well as work, health and safety qualifications were routinely identified as a high priority across most industry sectors.

These results are complemented by qualitative insights gathered from extensive conversations with our industry Partners, which in turn has enabled the identification of key trends and workforce development challenges in South Australia.

These include:

- The increasing complexity of the Vocational Education and Training (VET) sector is proving difficult to understand and navigate;

- Formal training is not always the answer to the workforce development needs of industry;
- Enterprises highly value skills that increase the internal mobility and capabilities of employees;
- The Australian Qualifications Framework (AQF) and Training Packages are inconsistent and often misunderstood by many engaged in the VET system;
- Continual changes to the level of public subsidy for VET qualifications at both a State and Commonwealth level diminishes business planning capability;
- The capacity of industry to invest in skills development varies widely between sectors and sub-sectors, as well as between small and large employers;
- As diverse and unique as our State's economy is in the national context, so too are the unique needs of our regions when compared to the broader South Australian economy; and
- High growth employers have demonstrated differing needs than those employers experiencing subdued conditions.

Throughout the process of consultation the Commission has remained committed to its principles of transparency with its approach and methodology.

The final consultation phase and work of the Commission has reaffirmed the strength of this engagement, with some (though not extensive) changes in priorities that reflect additional stakeholder feedback and analysis.

The Commission is confident that the 'Whole of Economy' Priority Qualifications List now represents the best platform South Australia has ever had to guide Government investment in VET towards industry need. These qualifications have been self-identified by industry and have been considered in the context of the wider economy. Discussions with our industry Partners and stakeholders were extensive to the point of being able to consider individual qualifications and their place in our diverse VET sector.

It is not always the case that VET qualifications are undertaken for the purposes of employment or improving business productivity. It is therefore important to understand the role that VET plays in our society in the broader context. The Commission has long provided support and analysis on the importance of the VET sector in social inclusion, and recognises the integral part that Adult Community Education (ACE) plays in providing pathways that encourage participation in work and community.

In this report, the Commission has provided suggestions on how the South Australian Government should treat the findings as well as identifying opportunities for future policy work.

That said, this report is a platform for industry as much as a blueprint for Government; one which provides better information on market demand and activity, as well as providing a tool to promote closer alignment of Government support to industry need.

As perhaps the only report of its kind – industry, government, training providers, employers and various other stakeholders now have yet another piece of the strategic puzzle, one which can respond to the question of ‘what training and skills should the Government support’?

This report, although not the complete answer, is a significant step forward and one that will provide insight into the skills needs of industry well into the future.

This report should be read in conjunction with the full Report on South Australia's Industry Priority Qualifications available at: www.tasc.sa.gov.au



Respondents

850 respondents completed the IPQ Survey representing employers, individuals, unions, registered training organisations and industry groups.



Employer Size

58% of employers surveyed identified as **micro or small businesses** with less than 20 employees.



Qualifications

Over 1,100 Qualifications, Skills Sets and Accredited Courses (QSCs) were identified by industry as a priority. This is just over 25% of all available QSCs (4,103) embedded within the IPQ Survey.



Priorities

106 qualifications were identified as a **top priority** for industry over the next five years, while 169 were identified as a high priority and 225 identified as a priority. The remaining 639 were identified as lower priority.



Top Qualifications

Generic (business-related) qualifications were consistently identified as high priorities for industry and the SA economy. These qualifications were often considered applicable to multiple occupations and transferable across industry sectors.



Skills Clusters

Managerial and Leadership, Sales and Customer Service and Information and Technology skills were ranked most highly across industry sectors by survey respondents as the skills required in the next five years.



Key Challenges

Reskilling will be a **priority** to meet the skills and workforce needs of the future as structural change presents ongoing challenges for the South Australian economy.



Projected Employment Growth

TaSC Interim Modelling projects employment growth of **1.1 % per annum (43,000 new jobs)** over the next five-year period.



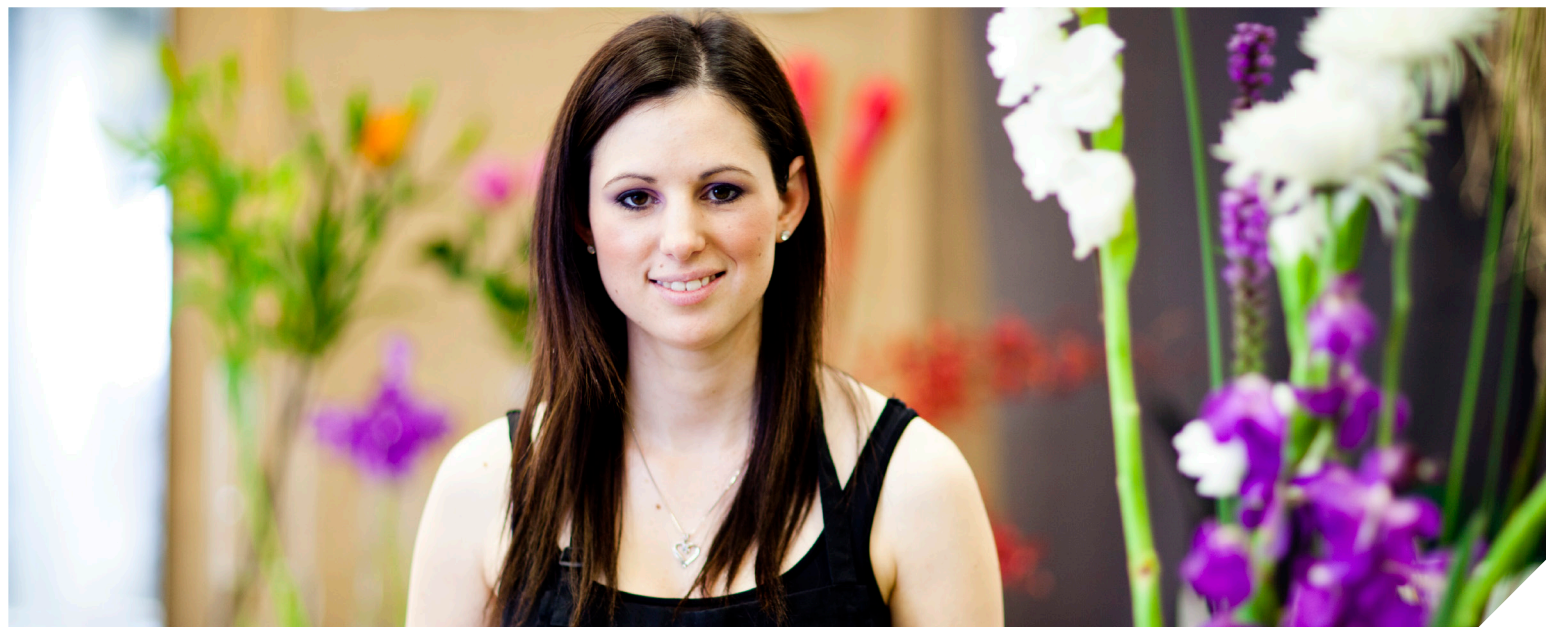
Regional Needs

The **Industry Priority Qualifications of State Government Regions** are **very diverse** and need to be better understood.



High Growth & Small Employer Needs

Both High Growth and Small Employers have ranked **Marketing & Customer Engagement qualifications** as high priority.



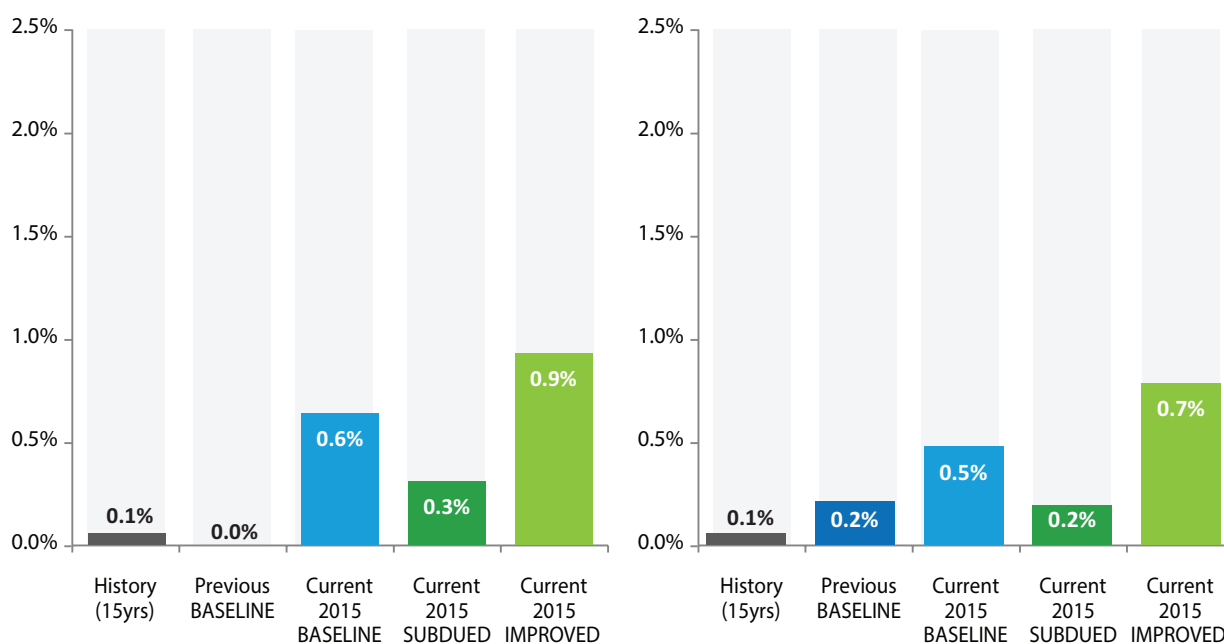
Other Services

Employment Outlook

According to the Commission's interim modelling, employment in the Other Services industry is projected to increase 0.6 percent a year over the next five (5) years under the baseline scenario. This compares with a rate of growth over the past 15 years of 0.1 percent per annum.

Over the long-term (2014-15 to 2024-25), the industry is expected to record continued employment growth below the State average. As a result, its share of the State's employment is projected to decline from 4.0 percent to 3.8 percent.

**Figure 1 - Other Services, Average Annual Employment Change
2014-15 to 2019-20 and 2014-15 to 2024-25**



Source: Interim TaSC Economic Modelling, 2015

Industry Outlook

The hairdressing sector is a customer service business faced with growing pressure to meet customer expectations around high levels of personalised service and the convenience of longer salon opening hours. Barbershops are re-emerging and demand for men's grooming services growing.

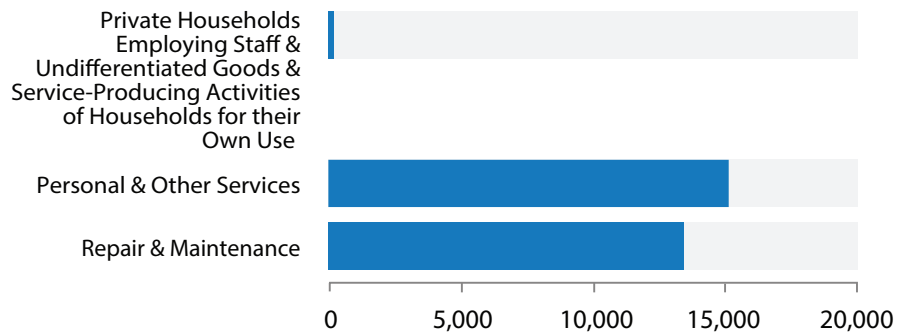
Diversification of services continues with hairdressing often combined with beauty treatments for women and men.

As a personalised service, the impact of technology is not as widespread on the workforce but does offer some improvements such as Wi-Fi for customers, social media marketing and online booking capabilities.

Home hair and beauty salons while providing hairdressers and beauty therapists with flexible work options are seen as tarnishing the professionalism of the Industry and posing some risks to the public in terms of health and safety requirements.

The beauty sector is changing with three business models emerging; traditional salons; those offering specialist treatments, ranging from basic nail bars to high end skin rejuvenation clinics; and spas offering body treatments and wellness experiences.

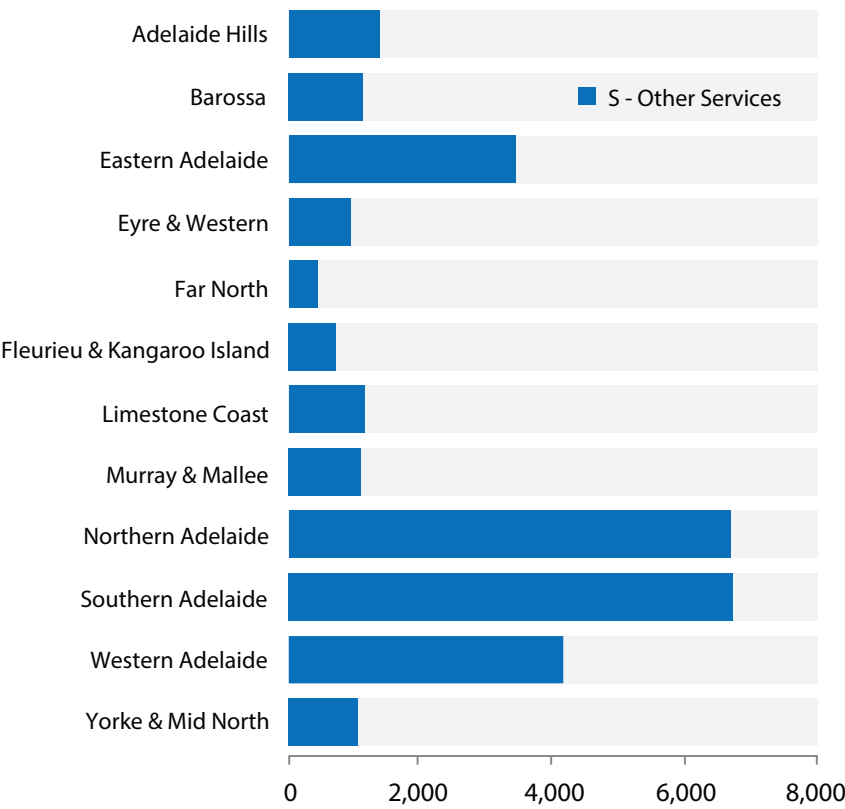
Figure 2 - Other Services, Employment by Sub-Sector



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011

Activity in the funeral services sector closely parallels South Australia's ageing population with expectations of a continued increase in demand peaking in the 2030s. The multi-cultural composition of society means greater diversity is required in funeral services. Greater diversity has also led to more cremations, which are traditional in some cultures and are popular among those with no religious affiliation.

Figure 3 - Other Services, Employment by Region



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011

The number of motor vehicle repair and maintenance businesses is in decline. Tight business conditions, constraints in accessing OEM technical servicing and repair information, new industry standards for vehicle body repair workshops, the costs of capital equipment and skills training, retirements and consolidation are all reasons cited by operators for the reduction in businesses¹.



¹ - Auto Skills Australia, 2015, Automotive Environmental Escan 2015

Skills needs

Survey respondents ranked the Sales and Customer Service skills cluster as having the highest importance, followed by the Managerial and Leadership and then the Marketing and Engagement skills clusters.

Language, Literacy and Numeracy (LLN) and Entrepreneurial skills clusters were ranked of lowest importance by respondents in the Other Services Industry.

Table 1 - Other Services, Ranked Skills Clusters

Skills Clusters	This Industry	All Respondents	Compare
Sales & Customer Service	1	2	↑
Managerial & Leadership	2	1	↓
Marketing & Engagement	3	7	↑
Administration & Support	4	5	↑
Information & Technology	5	3	↓
Work Health & Safety (WHS)	6	4	↓
Financial	7	6	↓
Human Resources	8	8	↔
Sustainability & Environmental	9	9	↔
Entrepreneurial	10	11	↑
Language, Literacy & Numeracy (LLN)	11	10	↓

Workforce development themes and issues

Hairdressing and beauty salon staff need to be well trained in managing client expectations and providing high levels of customer service. The sectors report problems finding suitable Apprentices and attracting skilled staff, particularly in some regional areas.

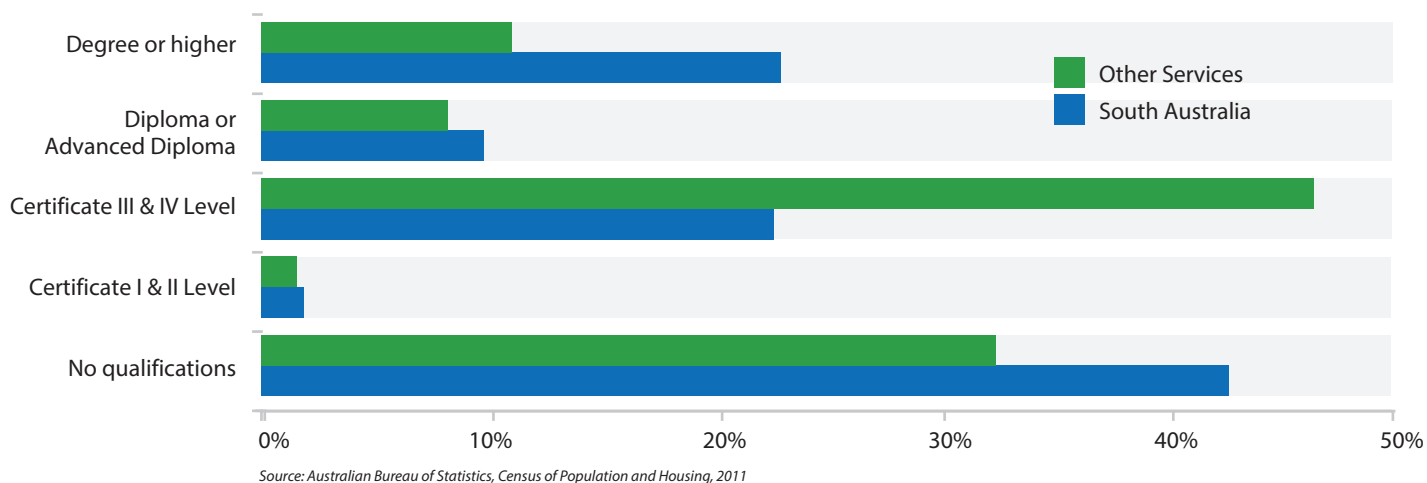
Low Apprenticeship commencements and completions pose problems for the sector longer term as do large fluctuations in subsidies, as seen during the Skills for All funding.²

Unless part of a chain, salons are usually small businesses who use non-accredited training from product companies to upskill. Salon managers need business skills, particularly those around financial management and compliance.

Qualified barbers are in short supply with the only training options in men's styling in the past being non-accredited barbering courses or the Certificate III in Hairdressing. A new Certificate III in Barbering has been developed to address the growing demand offering skills in cutting and styling using barbering techniques, facial hair grooming, and wet shaving.

² - <https://www.serviceskills.com.au/sites/default/files/files/Environmental%20Scans/2015-SSA-Escan-WRAPs.pdf>

Figure 4 - Other Services, Employment Share by Post-School Qualification Level



Social media and apps are being used as marketing tools requiring staff to be skilled not only in beauty, but also online content management and complaints handling. The beauty sector has raised concerns about graduates' varying level of proficiency in common treatments and lacking the ability to organise themselves, work efficiently and sell products. The Certificate III in Beauty Services has overtaken the Certificate II in Retail Make-Up and Skin Care as the most popular qualification. This increase could be attributed to South Australia's Skills for All funding program, which saw a 122 percent increase in uptake of the Certificate III in Beauty Services³.

In the auto repair and maintenance sector, skills shortages for fully qualified and good quality tradespersons are a concern, stemming from insufficient new entrants, competition from other Industries such as Mining and Construction, and poor quality candidates. Concerns exist around the quality of Apprentices, with employers raising poor Language, Literacy and Numeracy, inability to grasp technical concepts, poor diagnostic skills and poor work ethic as common workplace issues.

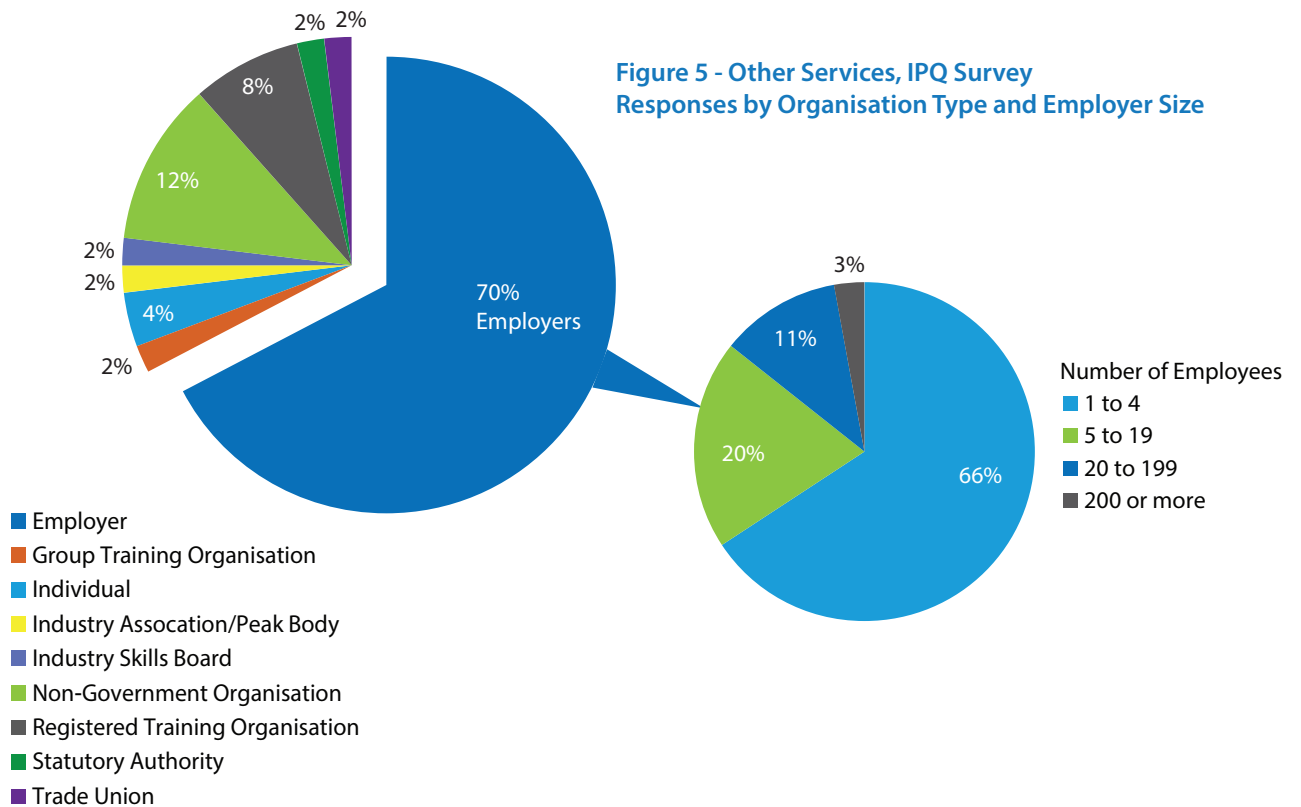
Recommendations to address these included; more effective marketing of the Industry as a viable career option, licensing of automotive trade occupations to enhance standards, and improved quality of trade teachers.⁴

³ - ABS, 2014, 81650, Counts of Australian Businesses, including Entries and Exits, Jun 2009 to Jun 2013.

⁴ - Auto Skills Australia, 2015, Automotive Environmental Escan 2015

Industry Priority Qualifications

The Other Services industry received a total of 50 responses to the Survey. This exceeded the target number of responses for this Industry, with excellent sub-sector distribution.



The vast majority of employers in this Industry sector were small to medium size enterprises. Around two-thirds of employers reported likely additions to staff in the short to medium-term.

Stakeholders made few changes to the raw Survey data, with only a few of the sub-sector critical qualifications moving from Tier 4 to Tier 3 (specifically automotive repair qualifications).

Table 28 - Other Services, Prioritised Qualifications

Other Services

Tier 1 (Highest Priority)

Certificate IV in Small Business Management
Certificate IV in Work Health and Safety
Certificate III in Hairdressing
Certificate III in Work Health and Safety

Tier 2 (High Priority)

Advanced Diploma of Work Health and Safety
Diploma of Leadership and Management
Diploma of Work Health and Safety
Certificate IV in Beauty Therapy
Certificate IV in Hairdressing
Certificate IV in Human Resources
Certificate IV in Leadership and Management
Certificate IV in Project Management Practice
Certificate III in Beauty Services
Certificate III in Business
Certificate III in Business Administration
Certificate II in Nail Technology

Tier 3 (Priority)

Advanced Diploma of Business
Advanced Diploma of Community Sector
Management
Advanced Diploma of Leadership & Management
Diploma of Beauty Therapy
Diploma of Salon Management
Certificate IV in Business
Certificate IV in Business Administration
Certificate IV in Embalming
Certificate IV in Mediation
Certificate IV in Volunteer Program Coordination
Certificate III in Accounts Administration
Certificate III in Agricultural Mechanical
Technology
Certificate III in Automotive Body Repair
Technology
Certificate III in Automotive Diesel Engine
Technology
Certificate III in Automotive Electrical Technology
Certificate III in Automotive Refinishing Technology
Certificate III in Light Vehicle Mechanical
Technology
Certificate III in Mobile Plant Technology
Certificate II in Automotive Electrical Technology
Certificate II in Automotive Servicing Technology
Certificate II in Automotive Tyre Servicing
Technology
Certificate II in Business
Certificate II in Emergency Medical Service First
Response
Certificate II in Hairdressing
Certificate II in Retail Make-Up and Skin Care

A full list of **Tier 4** (Low Priority) Industry Prioritised
Qualifications are available in the IPQ Dataset
www.tasc.sa.gov.au



Government of South Australia
Training and Skills Commission

.....

Disclaimer: The material contained in this report has been developed by the Training and Skills Commission and was informed through a detailed survey of industry and consultations with key industry partners and groups. The information contained in this report does not necessarily reflect the views of the Government of South Australia or the Department of State Development, or indicate any commitment to a particular course of action.

The information contained in the report is provided in good faith and all reasonable care has been taken in its preparation. The Training and Skills Commission recommends users exercise care in interpreting this report and carefully evaluate the relevance of the material for their purpose and where necessary obtain appropriate advice specific to their particular circumstances.

A full copy of the Report on South Australia's Industry Priority Qualifications can be accessed electronically at:
www.tasc.sa.gov.au

Images have been supplied by the Department of State Development and the South Australian Tourism Commission.

Acknowledgements: The Training and Skills Commission expresses its sincere gratitude to its key Industry Partners and industry stakeholders who responded to the IPQ survey and have provided detailed information to inform this report. The Commission also acknowledges the contributions of Joshua Rayner, Angela Niedorfer, Heidi Greaves, Joel Pillar and Kimberley Hoey in producing this report.

.....

www.tasc.sa.gov.au

