

ACCOMMODATION & FOOD 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.

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Anthony Kittel
CHAIR

A handwritten signature in white ink, appearing to read 'Melinda OLeary'.

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



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SA Branch Secretary, Maritime Union of Australia



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Professional



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Former Member of Parliament, School Principal
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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.

Key Insights



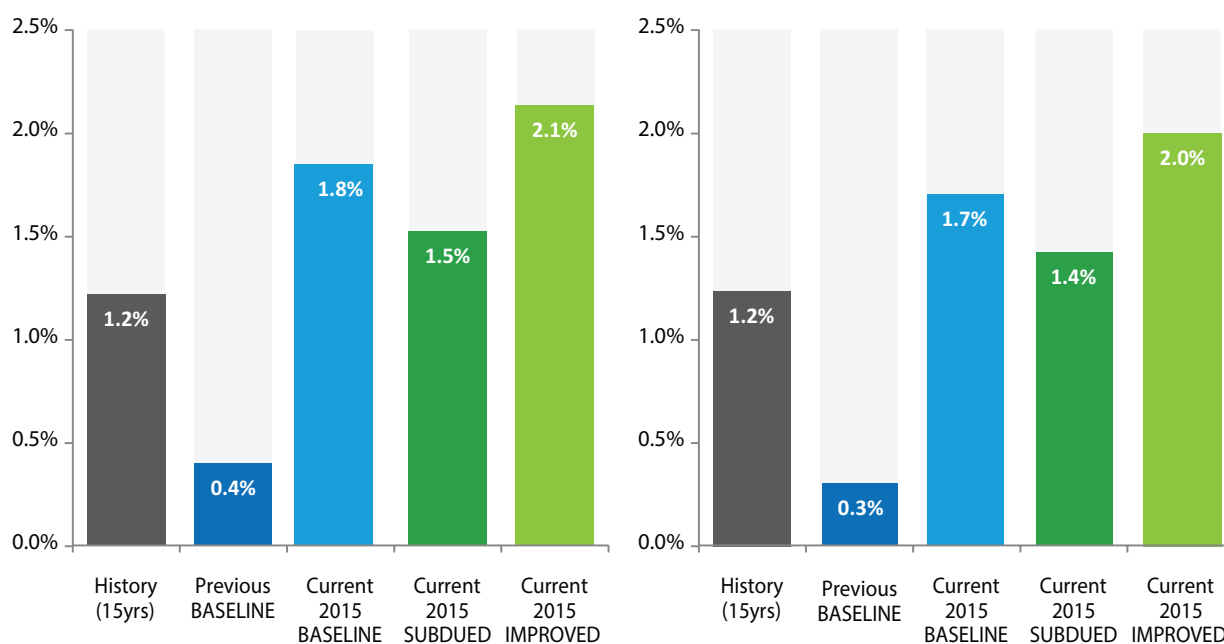
Accommodation and Food Services

Employment Outlook

According to the Commission's interim modelling, employment in the Accommodation and Food Services industry is projected to increase 1.8 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 1.2 percent per annum.

Over the long-term (2014-15 to 2024-25), the industry is expected to record continued employment growth above the state average. As a result, its share of the State's employment is projected to rise from 6.6 percent to 7.1 percent.

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



Source: Interim TaSC Economic Modelling, 2015

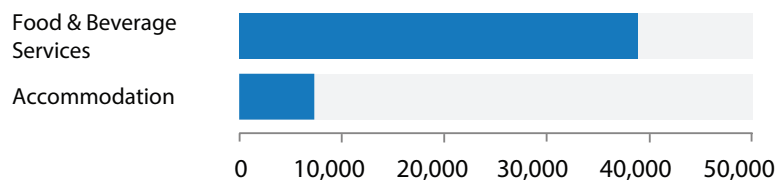
Industry Outlook

Accommodation and Food Services underpin tourism, travel and hospitality and are important contributors to South Australia's economy.

The Industry has experienced strong employment growth over the last twenty years largely driven by strong growth in the Cafes, Restaurants and Takeaway Food sector.¹ For the year ending June 2015, despite 6.6 percent growth in the number of visitors and 8.2 percent growth in accommodation nights in Australia, South Australia experienced a 0.7 percent decline in visitors and a 4.9 percent decline in accommodation nights.² Visitors from Asia and China make up the biggest proportion of International visitors, closely followed by Europe.³

While the number of International seats into Adelaide declined between September 2014 and June 2015 by 1,000, domestic seats increased for the same period from 76,000 to 84,000. Recent announcements from International airlines regarding additional services into Adelaide are encouraging, and further growth is expected on the back of a weaker Australia dollar. There was a slight increase in the number of people employed in the tourism sector, rising from 31,000 to 32,000 during the same period.⁴⁵

Figure 2 - Accommodation & Food Services, Employment by Sub-Sector



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

1 - <https://cica.org.au/wp-content/uploads/2014-Accommodation-and-Food-Services-Industry-Outlook.pdf>

2 - http://tourism.sa.gov.au/assets/documents/IVS_Summary_Jun_15.pdf
3 - *ibid*

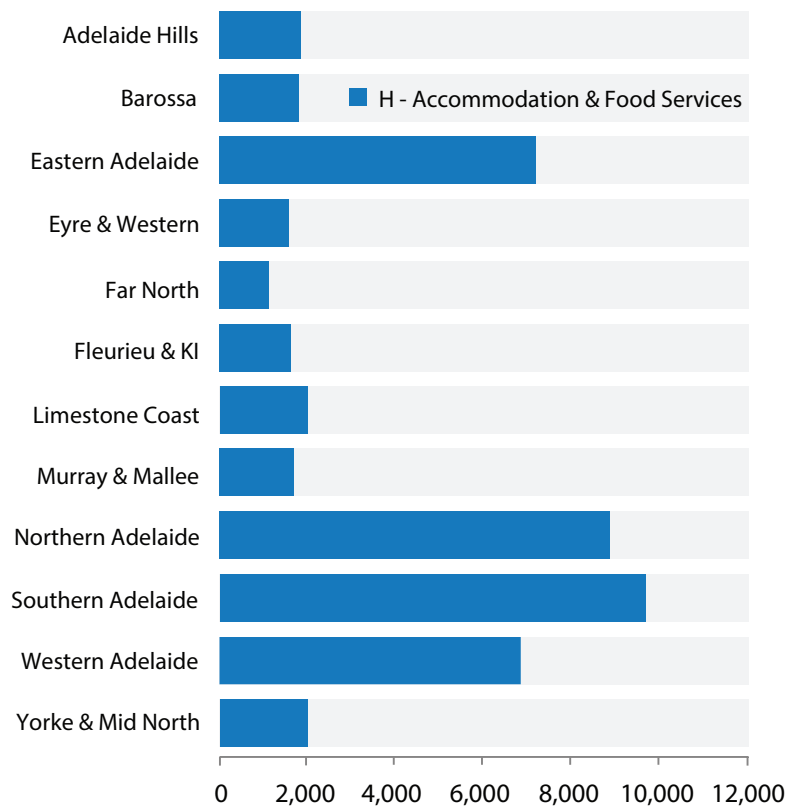
4 - [http://tourism.sa.gov.au/assets/documents/At_A_Glance_June_15\(2\).pdf](http://tourism.sa.gov.au/assets/documents/At_A_Glance_June_15(2).pdf)
5 - http://tourism.sa.gov.au/assets/documents/SATC_infogram_2_pager_S14.pdf

Building on evidence that 40 percent of all International visitors visited a National park in Australia during 2013-14, there is an action plan being developed for nature based tourism which should see new jobs created.⁶

Hospitality in health care is growing as South Australia's population ages and demand for home support services increases. The ageing population also brings opportunities for new products and services and domestic tourism for those with disposable incomes.

Digital disruption is impacting on businesses that are now part of a world online. The use of websites, e-newsletters and social media enables a wider marketing reach and encourages repeat business. This can be challenging for small and micro-businesses employing less than five employees, which generally dominate this industry.

Figure 3 - Accommodation & Food Services, Employment by Region



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

⁶ - <http://yoursay.sa.gov.au/decisions/nature-based-tourism/about>

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 Work Health and Safety (WHS) skills clusters.

Entrepreneurial and Language, Literacy and Numeracy (LLN) skills clusters were ranked of lowest importance by the Accommodation and Food Services Survey respondents.

Table 1 - Accommodation & Food Services, Ranked Skills Clusters

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

Workforce development themes and issues

Customer service is paramount in this industry and intrinsically linked to a skilled workforce. The majority of businesses feel that workforce issues are affecting the performance of their business and will continue to do so.⁷

The workforce is made up of two distinct groups of workers, those with specialised skills and long-term career prospects such as Chefs, Café and Restaurant Managers and a high proportion of part-time and casual workers, such as waiters and kitchenhands that meet the industry's need for flexibility and address the seasonal nature of work in the Industry.

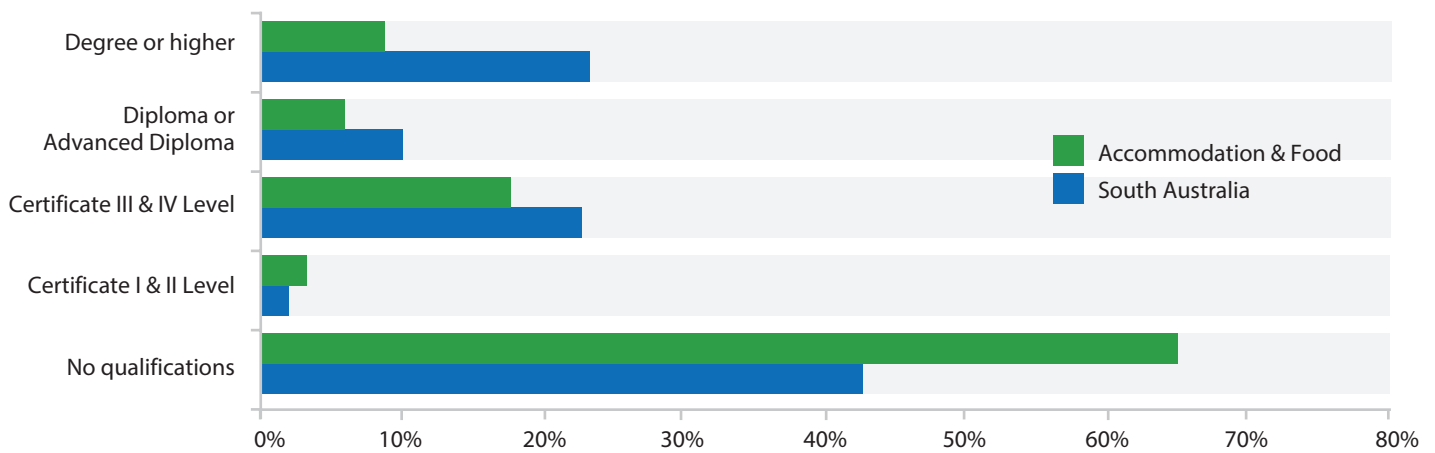
Attraction of staff remains an issue with perceptions of low skilled jobs and limited career prospects making both attraction and retention of staff more challenging. This is reflected in the age profile of the workforce with the median age for Accommodation and Food Services workforce being 27 years. This sector has the lowest median age workforce of all industry sectors. By contrast, 2 percent of the workers are aged 45 to 64, which is significantly lower than the State (35.5 percent).⁸

Employers in this sector are looking for the right attitude as well as skills in problem solving and decision making. Opportunities may exist for employers to recruit people who want to return to work, such as parents and people with disabilities, who may have the skills and life experience they seek. Pre-employment training and a training model for casual workers based on number of hours worked may address the time and cost constraints on small business to provide on-the-job training.

7 - <https://www.serviceskills.com.au/sites/default/files/files/Environmentalpercent20Scans/2015-SSA-Escan-TTH.pdf>

8 - <https://cica.org.au/wp-content/uploads/2014-Accommodation-and-Food-Services-Industry-Outlook.pdf>

Figure 4 - Accommodation & Food Services, Employment Share by Post-School Qualification



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

Industry Priority Qualifications

Consumers are using the internet to undertake research, make bookings and share their experiences. Therefore, businesses need to hire staff with technology skills to use websites, manage social media, and write and curate content. A globally connected world increases both opportunity and competition. Training in customer service and cultural awareness will assist staff to meet the expectations of International visitors and domestic travellers.

Employers continue to be concerned about the competence of graduates with formal qualifications, and in some cases with the skills developed, which may be beneficial to the learner in the future, but not of relevance in the short-term.

The Accommodation and Food Services industry received a total of 21 responses to the IPQ Survey. This was below the target number of responses, however the distribution among sub-sectors and organisation types was satisfactory, and the sector had strong stakeholder representation.

The overwhelming majority of employers in this Industry were small to medium size enterprises, and reported moderate expected growth to their number of employees.

Stakeholders were generally pleased with the raw results from the Survey, with very few moderations made.

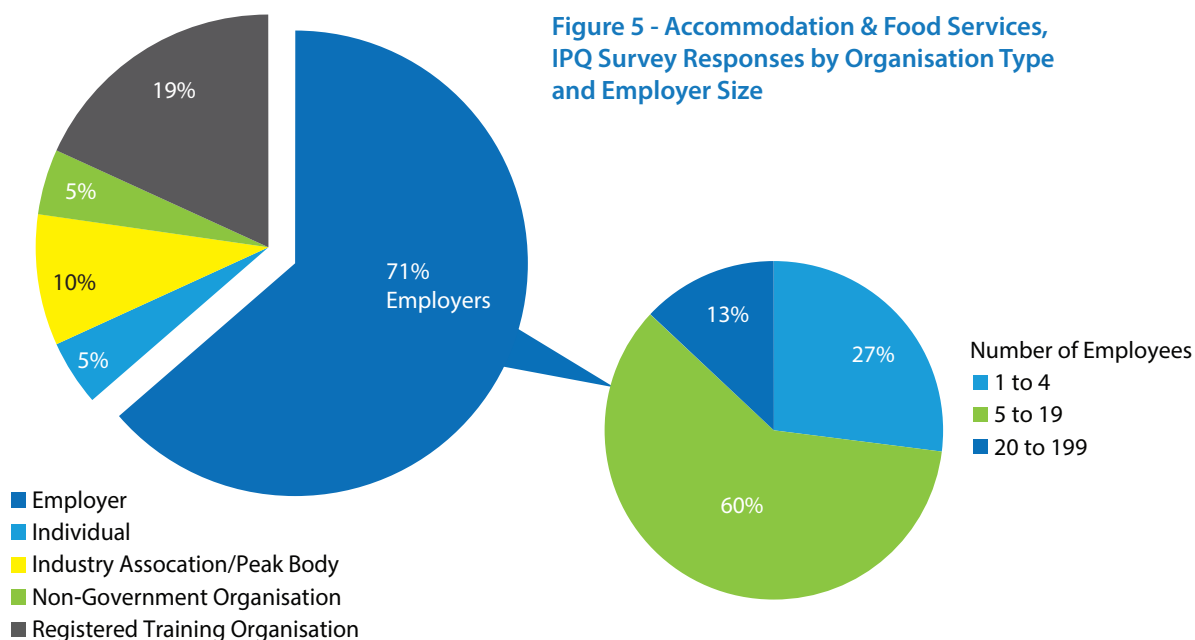


Table 2 - Accommodation & Food Services, Prioritised Qualifications

Accommodation & Food Services

Tier 1 (Highest Priority)	Tier 3 (Priority)
Certificate III in Commercial Cookery Certificate III in Hospitality Certificate II in Kitchen Operations	Advanced Diploma of Hospitality Diploma of Business Diploma of Holiday Parks and Resorts Diploma of Travel and Tourism Certificate IV in Business Administration Certificate IV in Business Sales Certificate IV in Holiday Parks and Resorts Certificate IV in Leadership and Management Certificate IV in Marketing Certificate IV in Patisserie Certificate IV in Small Business Management Certificate III in Business Administration Certificate III in Holiday Parks and Resorts Certificate III in Patisserie Certificate III in Tourism Certificate II in Holiday Parks and Resorts Certificate I in Hospitality Skill Set (SIT) - Food Safety Supervision Skill Set (SIT) - Responsible Service of Alcohol
Tier 2 (High Priority)	
Diploma of Hospitality Certificate IV in Commercial Cookery Certificate IV in Hospitality Certificate III in Catering Operations Certificate II in Hospitality	

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

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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.

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