

National Skills Shortages Strategy

Integrated National Tourism and Hospitality Workforce Skills Development Project



Executive Summary Report
September 2008



Australian Government
Department of Education, Employment and Workplace Relations





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The work was co-ordinated by Business Group Australia Pty Ltd (BGA) with elements undertaken by RCA, AHA and BGA staff and some direct contractors like Australian Council for Education Research and blackglass.



Foreword

This report is the culmination of over five years of effort by the tourism and hospitality industry in partnership with governments, employment, education and training providers, employees, other industry association staff and members, community groups and other important stakeholders.

It brings together four important areas to assist in positioning the largest employing industry in Australia to meet the challenge of a better skilled and productive workforce now and into the future.

The focus of the considerable work comprises the development of a framework to harness the considerable labour market information available to assist industry and policy makers to better meet the labour and skills needs at national, State/Territory and regional levels; a comprehensive marketing strategy, *Discover Hospitality*, to assist in attracting and retaining skilled workers, from as diverse sources of labour as possible, for our industry; a recruitment tool to assist employers and applicants alike on suitability for employment in this exciting industry; and the feasibility of establishing an innovative world leading focus for skills development and attainment across the industry in Australia.

Detailed reports of each element of this package are also available.

We would like to thank the considerable amount of people involved in the preparation of the reports and associated products, in particular the hundreds and hundreds of employers who contributed so much time over the last two years in trialing products, participating in seminars and workshops, and providing feedback and innovative solutions to the labour market challenges we have all known have been evident for many years.

It is also important to acknowledge the financial contribution of the Australian Government through the Department of Education, Employment and Workplace Relations and the considerable efforts of many departmental staff through the course of the project.

It is now up to industry, in partnership with the wide range of other important organisations identified while undertaking this important work, to take the leadership and take forward the important ground work laid in the four key areas.

We commend this work to you and are sure that it will be an important ingredient in meeting the challenges ahead and lifting the skills base in this most important industry for Australia's future well being.



Bill Healey

Chief Executive

Australian Hotels Association



John Hart

Chief Executive

Restaurant and Catering Australia

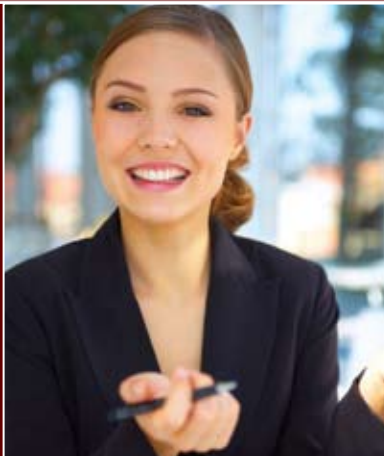
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Industry Overview



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The cafe, accommodation, and restaurant industry employed 4.7% of Australia's total workforce in February 2008 or over half a million workers.

Industry Overview

The hospitality industry plays a very important role in Australia's economy.

In 2006-07 the industry accounted for 3.94% of GDP (or \$35.28 billion including the retail trade for pubs, clubs and taverns and restaurants and cafes). This was an increase of 4.8% over the previous financial year.¹ The accommodation, café and restaurant industry employed 4.7% of Australia's total workforce in February 2008 or over half a million workers.²

The tourism and hospitality industry has been experiencing growth over the previous years and this is expected to continue.

31% of Restaurant turnover is generated from Tourism. In its long-range forecast, The Tourism Forecasting Committee³ forecast that the increase in international visitors to Australia will grow from 5.5 million in 2006 to 8.9 million in 2016. This growth, coupled with strong demand from domestic consumers, will generate an anticipated 44,400 new hospitality jobs over the next five years⁴.

The Department of Education, Employment and Workplace Relations (DEEWR) *Australian Jobs 2007 Report* indicates good job prospects and strong growth for a variety of hospitality occupations, including chefs, cooks (including fast food cooks), waiters and receptionists, whilst other occupations such as bar attendants and restaurant and catering managers show good job prospects with moderate growth. These occupations are still undergoing significant growth and are in shortage.

To the year ending October 2007, the most abundant occupations in the hospitality industry were waiters (101,300), cooks and chefs (79,200), bar attendants (53,600) and kitchenhands (45,300). Managers in both hotel/motels and restaurant and catering businesses accounted for 59,300 employees⁵.

The growth of the industry is hampered by the shortage in skills and labour the industry is experiencing.

Restaurant & Catering Australia (RCA) undertook a survey of the membership of its constituent State Associations in December 2006/January 2007 and found that on average every business surveyed needed another staff member. Restaurant and catering operations were found to be 6.8% under-employed. In other words, the restaurant, café and catering industry alone could employ an additional 13,600 people at any point in time⁶.

The hospitality industry has a large percentage of casual and part-time workers with almost half of the jobs (48.1%) in the industry being part-time. This is the highest proportion for any industry⁷.

It is important to acknowledge that many people choose to work part-time and that part-time employment plays an important role in society today. It allows individuals to combine work with other activities such as undertaking studies or raising a family. In addition, flexible working time arrangements and in particular access to part-time employment is one approach to lifting workforce participation levels.

The employment profile generates a high rate of job turnover (approximately 24% per annum).

¹ ABS GDP by Industry, Cat. 5204.0 and ABS 8501.0

² Employment Outlook for Accommodation, Cafes and Restaurants – SkillsInfo July 2008

³ Tourism Forecasting Committee Forecasts, 2007 Issue 2

⁴ Employment Outlook for Accommodation, Cafes and Restaurants – SkillsInfo July 2008, p4 Jobs per sector to 2012-13

⁵ Employment Outlook for Accommodation, Cafes and Restaurants 2008, DEEWR

⁶ Restaurant & Catering Australia Workforce Survey – January 2007

⁷ Employment Outlook for Accommodation, Cafes and Restaurants – SkillsInfo July 2008



Staff turnover produces many 'costs', including those associated with recruitment, any enterprise-specific training and the need for new employees to familiarise themselves with their new occupation and/or workplace. These costs are particularly hard hitting for small to medium enterprises, which account for the majority of businesses in the hospitality industry.

While low skilled jobs traditionally have had the highest rates of staff turnover, reflecting individuals moving along the career path from lower skilled to higher skilled jobs, in the hospitality industry the change in occupation is often unrelated to the area of work. The industry is often used to provide a casual income for students, who then go on to other careers on completion of their study and for carers in family situations that evolve.

The skills and labour shortage is compounded by the employers' difficulty in targeting the people who are best suited to the industry and also see the industry as a long-term career option. A key element of this is the need to make the industry much more professional, and be perceived more positively.

The industry also has some striking characteristics when compared to other industries. Nearly 60% of people employed in the industry have no post school qualifications and over 176,200 skilled people are employed with vocational education and training qualifications⁸. In addition, the industry has a relatively young workforce with more than one third (35.0%) of workers aged 15 to 24 years, this compares with an average of 17.7% for all industries.

It is evident that the predictions of future growth, as well as the economic potential of the industry, could be jeopardised by the current national skills shortage. One of the immediate challenges for hospitality is addressing the need for skilled staff in order to realise the full economic potential of the industry.

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⁸ DEEWR New Jobs March 2008

Discover Hospitality

A platform to assist in attracting and retaining workers



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Discover Hospitality

A platform to assist in attracting and retaining workers

Discover Hospitality is a careers resource developed to address the skills and labour shortage the industry is currently experiencing.

The hospitality industry has not had a comprehensive marketing platform for attracting and retaining workers which provides realistic information on the wide range of opportunities that are available to workers in the industry.

The flagship of “Discover Hospitality” is the development of www.discoverhospitality.com.

The website is supported and complimented by a CD-ROM (for cases where the Internet is not available or where connections are slow), a promotional DVD which will contain still images and statistics on the industry supplemented by a suite of case studies. Some case studies are also available on the website and posters.

The primary message of “Discover Hospitality” is: **To promote the industry as viable and professional with skill-rich career options.**

This message is portrayed to the potential audience using:

- peer-to-peer language styles and tones,
- non-condescending and not authoritative messages,
- real stories from real people,
- authentic and genuine experiences that people can identify and relate to from working in the industry,
- celebrity endorsement to challenge perceptions and re-educate some of the target audiences to appreciate that hospitality is not a transient, low skilled industry but rather a diverse, multi-disciplined industry with rare and exciting jobs available to suit all lifestyles,
- a broad demonstrative approach (to show the diversity and opportunities on offer in the industry) to induce the target audience to discover more about hospitality.

The branding concept and identity of the campaign conveys several key characteristics of the hospitality industry in Australia, identified as:

- strong emphasis and importance of interaction and the sociability of the industry,
- people focused and therefore reliant on strong communication skills,
- flexible and diverse.

The visual look of the resource is clean and refined but with it a modernist edge allowing it to integrate into the landscape of other youth oriented brands while still keeping it credible enough to have appeal to an older audience.

The primary message of “Discover Hospitality” is: To promote the industry as viable and professional with skill-rich career options.



FIGURE 1: Home Page

Discover Hospitality

SEARCH

GO

One day I want to open my own business and be my own boss. For now, the experience I am gaining is invaluable and I am enjoying myself at the same time

[home](#)
[about us](#)
[where can i work?](#)
[what can i do?](#)
[where can it take me?](#)
[how can i get there](#)
[resources](#)

Welcome to the Discover Hospitality website where you can discover more about one of Australia's most dynamic and fast growing industries - **hospitality!**

Hi!

Want to hear what people in the industry have to say about hospitality?

where can i work?

→ **catering**

Catering is often described as the "hidden" side of the hospitality industry but jobs in catering can be challenging and creative, and very rewarding, knowing for instance that in working in a hospital or school, you are helping the community.

→ **clubs**

All clubs are licensed and many offer gaming facilities as well as a variety of bars, restaurants and lounges. They usually provide entertainment for their members and guests, and often host concerts and other types of activities.

→ **restaurants & cafés**

You may have already decided that you would like a career in the industry or even have the dream of owning your own restaurant or café. It is an exciting industry, where you meet lots of people and have the satisfaction of creating or serving great dishes or drinks for them.

→ **hotels**

The type of hotel you choose to work in is likely to reflect where you would prefer to stay yourself. Many people like small, cosy places where they can feel at home and get to know other

→ **pubs & taverns**

Pubs and taverns vary from small, local pubs to large taverns and offer a range of facilities and services including bars, restaurants, gaming activities, and even discos. Many host live entertainment like rock bands or jazz groups, so if you like music they can be great places to work.

real stories

Jai Leighton

Jai Leighton was recognised in 2007 as one of Australia's leading young waiters, when he won the Lexus Young Waiter of the Year Award. Watch and listen to Jai tell you about how he commenced his career, what he loves about working in the hospitality industry and his career aspirations.

Teage Ezard

Teage Ezard is recognised as one of Melbourne's leading chefs and restaurateurs. Watch and listen to Teage tell you more about his career, his businesses and why he works in the

what can i do?

- › Rooms Division
- › Kitchen
- › Front of House F&B
- › Other roles in hospitality

where can it take me?

- › Wages & conditions
- › Career paths
- › Real stories
- › Competitions and awards
- › Management skills
- › Starting your own business

how can i get there?

- › Qualifications & training
- › Search available jobs
- › What suits you?

A critical element of the website is the case studies of real people telling their stories. They allow the hospitality industry to speak for itself by allowing individuals who are happy and motivated in their chosen career to tell compelling stories.

FIGURE 2: *About Us* page with embedded video footage

What is Hospitality all about?

Does the idea of sitting in an office from nine till five turn you off? Are you looking for a career with plenty of variety? Do you like meeting people? Like food? Enjoy travel? Then you'll love working in hospitality!

Hospitality is one of the most interesting and challenging industries to work in and offers a wide range of job and career opportunities and an endless variety of places to work in.



Hospitality is the business of helping people to feel welcome and relaxed and to enjoy themselves. You may be providing them with accommodation, a meal or a cocktail or even entertaining them. But it is all about customer service and providing the best experience possible for your customers.

This website describes the different places you can work in and the types of jobs you can do. It also describes the training required and how you can get it.

There are so many jobs you can do in hospitality and provided you like working with people, you're sure to find one that suits you. Whether you work as a food and beverage attendant in a hotel or restaurant, or a housekeeping attendant in a beach resort, there is always an atmosphere of fun, you will get a sense of achievement, and you will always make friends.

This website divides jobs available in the hospitality industry into four main areas:

- Rooms division,
- Kitchen,
- Front of house or Food and beverage and
- Other roles in hospitality

These are generally how the sectors are known in a large hotel or casino but throughout hospitality there are similar job roles and classifications, depending on whether or not the business offers accommodation in addition to food and beverage services. The titles of jobs may vary depending on where you work.

New starters in hospitality pretty well always begin in operational jobs, whether or not they have done a course or have some hospitality sector training. But if you do decide to follow a career in the hospitality industry, you may quickly progress to supervisory or management positions. Top jobs include Food and Beverage Manager, Housekeeper, Maitre d' hotel, Bar Manager, Executive Chef and of course, General Manager!





The website contains an additional feature quite unique to it, called “efriends”.

Four “efriends” are included on the website and they sit on the “what can I do” page. The role of the “efriend” is to tell the website user about their current job. Not only what they enjoy about it, but also possible less than positive aspects of the job. In addition, the “efriends” tell the user how they can navigate around the website to find more information.

FIGURE 3: *What Can I Do?* page with e-friends

The “Discover Hospitality” resource has been distributed nationally through the appropriate networks to all Secondary Schools, Regional Industry Career Advisors (RICAs),

Local Community Partnerships (LCPs), Australian Apprenticeship Centres, Job Network Offices and Centrelink Offices. Distribution to the other Government agencies will be direct.

RCA has committed to updating the information on the website as and when required in order to maintain the accuracy, currency and freshness of the website.

The updating of the website will be undertaken using a customized central Content Management System (CMS) which has been developed for the “Discover Hospitality” website.

The CMS allows cost effective updates to be made to the website anytime and anywhere from a central online facility. The CMS will ensure the ongoing success of the website as a communication tool.

Predictions of future growth and the economic potential of the hospitality industry could be jeopardised by the current national skills shortage. One of the immediate challenges for hospitality is addressing the need for skilled staff in order to realise the full economic potential of the industry.



Hospitality Recruitment Tool

Assisting employers and applicants on suitability for positions in the industry



Australian Government
Department of Education, Employment and Workplace Relations



Hospitality Recruitment Tool

Assisting employers and applicants on suitability for positions in the industry

Attitude is the most sought after trait, and it is also the area in which the biggest gap exists between expectations and reality.

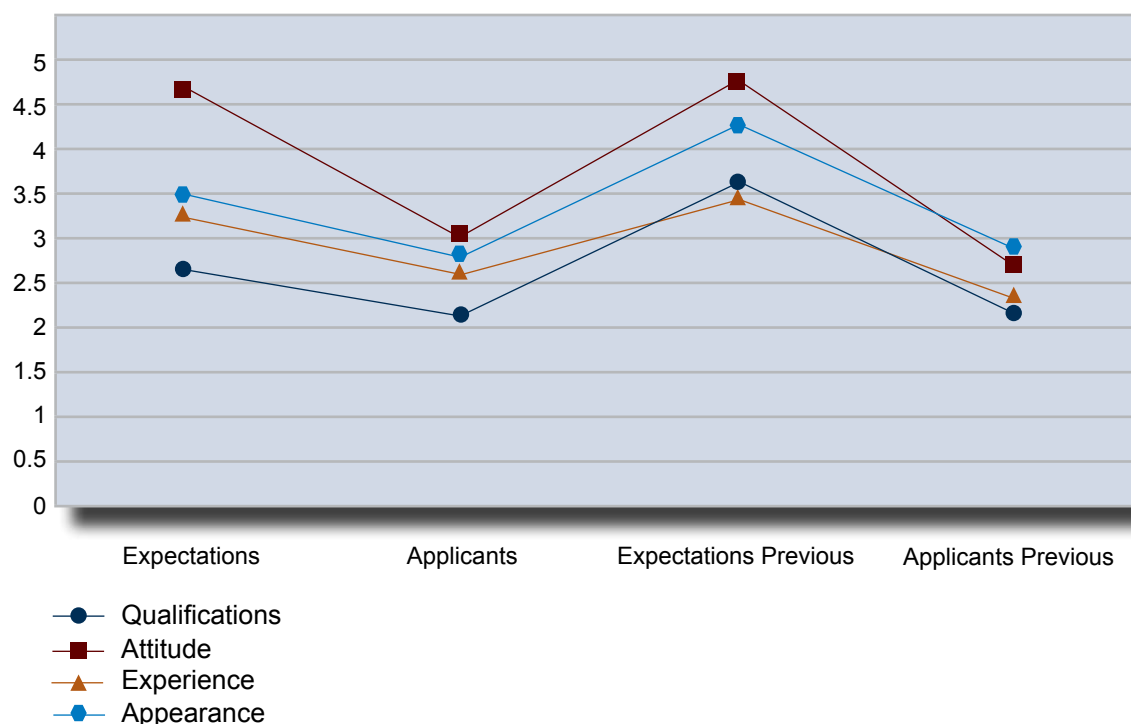
In the context of labour and skills shortages and the increasing competition between industries for suitably skilled or motivated people or those with the all-important personal attributes for the service industries, the development of simple and effective tools for employers and applicants alike to determine their potential for employment in the industry become even more important.

In RCA's Workforce Survey 2007 it was found that on average every business needs another one staff member. This is compounded by the employers' lack of ability to target the correct people, that is those who are best suited to the industry and also see the industry as a long term career option.

The Workforce Survey 2007 aimed to define the most important attributes to employers, as well as the extent to which potential employees possess these attributes. In general, the results found that the quality of staff businesses are able to attract are below the standards they require. Overall, employers rated the quality of staff presenting for jobs 2.1 out of five.

It was found that attitude is the most sought after trait, and it is also the area in which the biggest gap exists between expectations and reality. While the survey recorded a decrease in expectations between 2003 and 2006/07 in regards to appearance, technical skills and experience, the level of expectations in regards to attitude remained consistent (see graph 1).

GRAPH 1 – Important Characteristics to Employers





These results have been re-affirmed through the course of this project throughout the industry and with other industry associations, particularly the Australian Hotels Association (AHA). Further research conducted by the industry indicates that to address the skills and labour shortage employers, particularly small business operations, need assistance to:

- Identify the correct people, i.e. those that are best suited for the industry and therefore most likely to stay long term;
- Attract and retain staff and overcome the barrier of disincentives and skills needs and misconceptions that turn people away from choosing hospitality as a viable career option;
- Identify more than just technical skills as employers now seek staff that possesses a variety of general aptitudes; and
- Identify trained staff, or staff who can be trained.

RCA led the work to assist employers with recruitment, retention and upskilling of staff through the tailoring of the Australian Council for Education Research (ACER) WPI tool (the preferred tool for use in the hospitality industry as identified by earlier consultations with employers undertaken as part of the earlier phase of the project) for specific use in the hospitality industry.

All work involved in the tailoring of the recruitment tool was undertaken with, or in consultation with Gerard Ferrara – Senior Consultant and Registered Psychologist at ACER.

There were a number of stages involved in the process of tailoring the recruitment tool and they included:

- Focus groups and individual meetings with a range of different type of employers in a mix of States to develop a picture of the desired personality traits and behaviours they looked for in employees;
- Development of the desired traits and behaviours that employers looked for and the transition of these traits and behaviours into a draft range of scores on the WPI 17 trait personality measure;
- Validation of the draft WPI profile with existing desirable employees of businesses involved in the focus groups and individual meetings. Existing employees were asked to complete the questionnaire either on line or manually;
- Completed WPI reports were forwarded to ACER for them to use in the validation and modification of the WPI 17 trait personality measure for hospitality employees; and
- Finalisation of two profiles (front of house and back of house) that employers can use to measure prospective employees suitability to successful employment in the hospitality industry.

Through the initial focus groups it became obvious that there was great support by employers for the use of such a tool, however, there were a number of issues raised, including time taken to complete the questionnaire, cost involved and availability of technology.

Over 5,000 people have used the WPI across all states of Australia, with no report of problems in terms of gender, age, educational or ethnic bias or difficulty, so these results indicate that the product is a reliable tool to use for the entire range of job seekers.

The time taken to complete the questionnaire by applicants was not raised as an issue in the validation process.

With regard to the on-going cost of the recruitment tool it is suggested that Industry Associations work with ACER, their employer members and other strategic partners to review the price of the tool, develop case-studies and communication strategies for promotion of the tool for employers.

RCA led the work to assist employers with recruitment, retention and upskilling of staff through the tailoring of the Australian Council for Education Research (ACER) WPI tool for specific use in the hospitality industry.

The low take up of the use of technology in the hospitality industry did not cause an insurmountable challenge in the validation stage and it is not expected to in the role out of the recruitment tool either, as there is the option for manual completion of the questionnaire with RCA providing a secretariat for entering the data. Discussions will take place with other associations on their approach for their members.

The ongoing sustainable use of a recruitment tool would undoubtedly be based on promotion, access and flexibility of the use of such a tool. The hospitality industry strongly believes, based on feedback received through consultation, that the only way to promote the use of a tool is to sell the practical benefits. This would need to involve case-studies and success stories of employers who have used the recruitment tool and promotion of these case-studies and success stories through an appropriate communications campaign. This has been documented in the more detailed report.

To promote and encourage the use of the tool there will be a link and information on the "Discover Hospitality". The information will be contained in the page titled "What suits you" under the main heading of "How can I get there".

FIGURE 1 – WPI Profiles

Achievement Orientation		1	2	3	4	5	6	7	8	9	10	
		Ambition										
4-8	easy going, non-competitive, focus on											sets difficult goals, has high aspirations, proactive, quickly takes initiative, enjoys
4-8	achievable, less ambitious targets											
		Initiative										
5-9	prefers stable work, undertakes new projects											proactive, quickly takes initiative, enjoys identifying and solving new challenges
5-9	only after discussion with others											
		Flexibility										
5-10	values order and predictability, prefers											prefers variety and novelty, adapts quickly to change, dislikes routine
5-10	adaptation to innovation											
		Energy										
6-10	likes to work at a steady pace, dislikes pres-											very energetic, works well under pressure, tends to be involved in many activities
7-10	sure filled work											
		Leadership										
4-6	avoids leadership positions, consultative,											assumes leadership positions, dominant and forceful, enjoys influencing others
4-7	happy to let others lead											
Conscientiousness		1	2	3	4	5	6	7	8	9	10	
		Persistence										
6-9	prefers work that can be completed quickly,											enjoys overcoming obstacles, very persistent, works until task is finished
6-9	dislikes overcoming obstacles											
		Attention to Detail										
7-9	focuses on global issues, not preoccupied with											well organised, methodical, enjoys detailed work
7-9	detail, will cut corners to meet deadlines											
		Rule-following										
6-9	not restricted by rules, prefers general											follows rules and regulations even when inconvenient, likes specific guidelines
6-9	guidelines to specific regulations											
		Dependability										
6-10	places less importance on meeting deadlines,											dependable, meets obligations and deadlines
7-10	casual about work requirements											



Social Orientation		1	2	3	4	5	6	7	8	9	10	
		Teamwork										
6-9	formal and reserved, does best work when alone											prefers work that involves social interaction, likes getting others involved
6-9												
		Concern for Others										
4-7	unaware of others feelings, reluctant to get involved in people's problems											caring and understanding, shows concerns for others, sympathetic
4-7												
		Outgoing										
4-9	quiet and shy, prefers small groups, rarely seeks people out											talkative and outgoing, enjoys meeting new people
4-8												
		Democratic										
4-9	makes decisions independently, seldom looks for advice											makes decisions through consultation, works well with supervision
4-8												
Practical Intelligence		1	2	3	4	5	6	7	8	9	10	
		Innovation										
4-9	prefers using and building upon established methods, avoid unconventional ideas											creative and original, likes solving problems, intellectually curious
4-9												
		Analytical Thinking										
4-8	spontaneous, makes quick decisions, relies on personal instinct to guide choices											analytical, cautious and deliberate, takes logical approach to problem solving
3-7												
Adjustment		1	2	3	4	5	6	7	8	9	10	
		Self Control										
5-9	very open with thoughts and feelings, can be impatient and easily annoyed											maintains composure, hides feelings from others, slow to anger
6-9												
		Stress Tolerance										
6-9	dislikes high-pressure work, finds it hard to relax, quickly becomes tense											tolerates stress well, able to cope with many demands, does not take criticism personally
6-10												

Front of House staff
 Back of House staff

A Proposed National Hospitality Centre of Excellence or Institute

A feasibility study for establishing a world-leading
focus of skills development for the industry



Australian Government

Department of Education, Employment and Workplace Relations



A proposed National Hospitality Centre of Excellence or Institute

A feasibility study for establishing a world leading focus of skills development for the industry

The demand by industry to produce a more skilled and professional industry in a competitive environment for labour and with customer service as a key competitive edge has heightened the need for changes to traditional approaches.

Another potential response to skills and labour shortages and attraction and retention issues was identified by industry as facilitating better skills acquisition practices and promoting that to people who are better suited to the industry and also see the industry as a long term career option. A key element of this is also the need to make the industry more professional.

The demand by industry to produce a more skilled and professional industry in a competitive environment for labour and with customer service as a key competitive edge has heightened the need for changes to traditional approaches. Industry leaders are re-examining how to raise the standards of the major employing Australian industry and ensure it is seen by all Australians and other industries as a professional industry. As part of these discussions over recent years has been the potential for establishing a national industry focus for this as a Centre of Excellence or Institute Tourism and Hospitality Professionals (the Institute). It was agreed to conduct a feasibility study and conduct consultations across Australia on the potential of establishing this type of organisation by the industry.

Initial work under this project involved examination of similar organisations operating in other industries in Australia and overseas. These reports are separately available. The outcomes of this work were fed into the final model.

The broad ranging consultations with industry and employers identified the key needs for the Institute as:

- The promotion of the increased professionalism of the industry and the breadth of possible career pathways and opportunities to potential and existing workers, employers and end users. This arrangement is in place in many other Australian industries;
- Industry requires a mechanism to promote and recognize individual formal skills development activity across all sectors of the industry, particularly in view of the low rate of completions of apprentices and traineeships, and the lack of formal qualifications attained by many owners and senior industry figures;
- A key focus across the Industry to heighten interest in and support attracting and retaining workers, particularly in view of the labour and skills shortages. The Institute would be a focus of all the different strategies undertaken by industry and governments to promote employment in the industry; and
- Support for the introduction of a national industry led platform for recognition of international workers.

The agreed objectives of the Institute would be to:

- assist in raising the standard of hospitality skills across Australia;
- provide a focus for the industry in raising the perception of working in the tourism and hospitality industry as a highly valued and rewarding profession;
- support a quality assurance framework for businesses who achieve a high level of practices against industry benchmarks involving service, business skills and staff training and development;
- establish and maintain a system of skills recognition for employees transferable across employers and valued by individuals, employers and the industry generally;
- facilitate access to on-going industry valued and recognized professional development programs; and
- provide an opportunity for the Australian industry to benchmark itself against overseas practices.



Some key features of the Institute would be to:

- Put skills development and broadening formal pathways at the core of industry recognition;
- Introduce a “Club” with appropriate transparent criteria that will be owned by the sector and promotes excellence, fosters a sense of pride in being a part of, and provides members a competitive edge domestically or internationally;
- Promote individual participation from across the entire hospitality workforce in order to increase productivity and enhance rewarding worker satisfaction and career attainment;
- Secure as broad as possible employee participation from across the industry and support from micro, small, medium, large and multinational companies;
- Establish multiple levels of membership to encourage different education and training qualifications and recognition of experience, particularly to encourage ongoing skills development and formal recognition of skills attainment including through a new “Hospitality Skills Passport”;
- Build on existing industry programs and initiatives and not duplicating with industry association infrastructure or offer employment, education or training services;
- Undertake networking as a key function; and
- Establish appropriate review and quality assurance mechanisms for individuals and companies which have industry confidence.

There is common agreement that in order for this type of organisation to be successful across this industry all workers should be encouraged to join.

The overall target of the Institute is all existing and potential workers in the tourism and hospitality industry. There is common agreement that in order for this type of organisation to be successful across this industry all workers should be encouraged to join. Therefore, membership should not demand the attainment of formal nationally recognised qualifications, at higher education, vocational education and training or other post compulsory education options.

It was agreed that in the establishment phase that the highest employing sectors would be the focus of activity (ie hotels, accommodation and restaurants) and the following groups should be targeted:

- Students – Hotel Schools, Universities, TAFEs, School Students and Apprentices/Trainees;
- Aspirants – existing workers who are just under middle managers and are seeking a more senior career in the industry;
- Long Serving staff with no qualification but broad industry experience. In some cases this would be acknowledged industry figures;
- Students working part time/casual to secure income prior to going to their “career of choice”
- Leading Industry figures

Membership benefits should include:

- Networking forums with base level of interest (eg key note industry speakers) – peers and above;
- Information on the industry (e-bulletins on industry trends, movements, and education and training opportunities). This could be provided on a sector by sector basis and on line;
- Rating of employment, education and training providers by peers via chat room. Some providers raised some concerns with this approach and the usual obstacles regarding legal liability of any future Board for comments lodged on line and need for quality assurance and other mediation processes. These issues can be addressed but the interest by potential members in this platform remains. It is even more important to offer this type of service if the Institute is not a service provider with the plethora of employment, education and training offerings for the industry available. It also highlights the tension that provider representatives may have on an governance body;

The essential message from all organisations consulted is that the level of service provided would be the ultimate test of success of the organisation and the critical factor in on-going membership.

- Mentors (by senior industry members);
- Scholarships;
- Benefit Package (life/medical/travel insurance, superannuation – Host Plus, car financing, employee legal services, education and training discounts, mobile phone deals, motel/hotel brokerage). The ITHP steering group has undertaken some preliminary investigations into the interest of business to partner with the Institute on a mutual benefits offering and a number of positive responses were received. In the course of this project a number of senior business leaders offered to make approaches to potential sponsors on behalf of the Institute. On this basis the evidence of interest in the development of an appropriate broad package which could offset any membership fee is likely; and
- Industry Awards.

The suite of benefits presented above was generally considered to be a good offering of services which would merit some financial contribution by individuals. There was some interest by some businesses to join a group of employees with the owner/operator as the major development activity for all staff. Other employers said they would encourage their employees to join and would pay for their better performing employees, particularly in the aspirant profile, to join. Some of the larger employers indicated that they already had mentoring and other staff support programs internally but were supportive of working across sectors and organisations. Smaller companies did not have access to this infrastructure and could see some benefits to their staff in being involved.

There were also concerns expressed by some employer and employee organisation representatives that a new organisation established to provide these services could challenge their existing services and benefits programs which were currently operating and providing benefits to employers (industry associations) or employees (unions). In case of employers, not all of the benefits flow on to individual employees and some individuals are members of unions. This dilemma will remain.

The essential message from all organisations consulted is that the level of service provided would be the ultimate test of success of the organisation and the critical factor in on-going membership.

The structure of membership categories of the Institute are an important guide to the focus of activity and on-going viability of operations. A consolidated view on membership is presented on the facing page.

Several issues were prominent in the consultations and with further discussions with the peak industry bodies and other similar industry professional organisations including:

- The importance of transitional arrangements to take account of important categories like well recognized industry characters who have been active at local and regional levels but who do not have formal qualifications;
- The importance of linking some qualifications to membership levels to encourage skills acquisition and attainment over the longer term but balancing that out with business and industry experience;
- The importance of promoting and recognizing higher education and vocational education and training attainment and not creating an artificial hierarchy for the industry or across sectors;
- The need to take a sectoral approach to setting specific membership requirements for each category taking account of existing skills acquisition processes and industry recognition or quality assurance processes;
- The need to remain flexible in tiers of membership which can be changed over time and not be too inflexible and specific;
- The importance that industry supported and accessible recognition of prior learning or similar processes will play for the industry.



Possible Membership Structure

Student Affiliate	Associate Industry Prof Member	Industry Prof member
<ul style="list-style-type: none"> Currently enrolled full-or part-time students May be casual or part-time employees in industry 	<ul style="list-style-type: none"> Completed approved any field qualifications Exp at entry or lower supervisory levels as part-time or full-time Pubs, restaurants, transport, tourism bureaus, govt, industry assoc, ed instits 	<ul style="list-style-type: none"> Completed approved qualifications in industry Significant industry experience at mgmt or snr mgmt level (2yrs+) Currently working in a medium to large scale operation
Industry Prof Member Graduate	Fellow	Life Member
<ul style="list-style-type: none"> Completed approved degree in industry Significant industry experience at mgmt or snr mgmt level (2yrs+) Currently working in a medium to large scale operation 	<ul style="list-style-type: none"> Completed approved degree in industry High level industry experience at general management, board or leadership level 5yrs+ member of CoE 	<ul style="list-style-type: none"> Awarded by unanimous resolution of the CoE Board for extraordinary leadership to and/or support of the industry No applications

Membership fees for these types of organisations are critical. While it is possible to secure company support and sponsorship for events, scholarships, mentoring and promotion, individual membership fees are critical.

It is not proposed to have companies join the Institute as this would detract from the core role of the Institute.

Functions would also have a small fee but would be subsidised by sponsors. It is noted that some organisations and companies may choose to pay for their employees as part of their arrangements or as an incentive.

It is proposed that the Institute be separately incorporated and initially have a mix of employer representatives, union representatives and Institute members.

The Board would give clear connection between existing industry arrangements whilst emphasizing the importance of membership input into the leadership group. It would be possible to supplement other industry association nominees with the full support of the Board.

The Institute would need to develop a variety of partnerships with other organizations including industry associations, education and training providers, industry employers, unions, governments, overseas providers and agencies.

The feasibility and on-going viability of an independent organization to fulfil the functions and objectives of the Institute as previously outlined is still up for debate. It is heavily dependent on the following:

- Support from the relevant employer and employee organizations in the industry. The conduct of networking and other events and program across Australia could be very resource intensive if conducted in isolation from other industry and related bodies;
- Some degree of government program support and linkages would enhance the Institute, even if preferred access arrangements were established for recognition of prior learning programs or related initiatives. There was some interest in this approach, particularly if the Institute could establish a solid membership base;
- The Institute would need to differentiate product and services from a range of other specialized or regional/state/sectoral organizations currently in this space or doing elements of what is proposed. However, there is no organization providing these types of services nationally and across the industry;
- Establishing and managing membership based organizations is very difficult and complex. Securing on-going fees is even harder where members are seeking maximum service for minimal fees, or at times for nothing;
- The industry is very diverse and there are many representative industry and other bodies which need to be involved, provide on-going support and assist in operations. However, indications to date are that the key industry organisations are prepared to set aside some coverage and other issues and contribute to the Institute to maximise its effectiveness. Some discussions have been held with establishing an organisation which does not link to industry and operates completely separately. This is a high risk strategy which will not gain cross industry support but may be another operation which gains some sectoral and individual commitment and support. A truly cross industry Institute will not succeed unless industry is engaged and supportive;
- Membership numbers are critical in the first 3 years. The institute must secure 5,000 paid members (of which over 50% are non students) at the end of the second year.
- Sponsors are very important and currently the space is very crowded in seeking and securing paying employer and other sponsors.

The marketing of the Institute will be critical to its success. Therefore a comprehensive marketing plan needs to be developed for each market segment, target group, sector, employers, employees and students. Much of this will be dependent on the model adopted for the operation and governance of the Centre.

The consultations proved that while employers and individuals were not aware of the industry level discussion of the initiative and models of operation, once they were engaged all groups were very enthusiastic.

A Working Group which involves a range of organizations including AHA, RCA, the Hotel Motel and Accommodation Association (HMAA) and Australian Tourism Export Council (ATEC) are continuing work to refine the issues and approaches contained in this report.

At recent meetings it has been agreed to approach Federal government agencies and their Ministers jointly to attempt to secure some seed funding to establish the Institute.

Membership numbers are critical in the first three years. The institute must secure 5,000 paid members (of which over 50 per cent are non students) at the end of the second year.



A proposed Labour Force Needs Data Framework

An important tool for industry and policy makers



Australian Government

Department of Education, Employment and Workplace Relations



A proposed Labour Force Needs Data Framework

An important tool for industry and policy makers

Without comprehensive and consolidated information on workforce and tourism growth, sound investment decisions on recruitment and training cannot take place.

The paucity of regional labour force supply and demand data is of grave concern to the Industry given the exceptional needs in regional areas. The consistent theme coming out of extensive consultations, is that although significant and wide-ranging data about the tourism and hospitality workforce is available, it is not, however, all available at the one place; nor is it consistent, or consistently collected. It cannot actually be used to identify demand in regional areas, and it is in regional areas where there is major deficiency in terms of statistical information and where labour and skill shortages seem to be biting the hardest.

Regional Stakeholders indicated a need for concise, accurate and consolidated information that can assist in making decisions critical to the operation of their local business. Industry feedback also indicates there is insufficient consolidated information for the industry to accurately apply to decision-making processes regarding the employment of workers for their business and for skill formation strategies at a regional level. The lack of comprehensive analysis of tourism and hospitality trends is a serious obstacle to the development of sustainable business plans by tourism and hospitality operators.

Key areas of concern include gaps in, or the lack of:

- Timely and broadly available operational data in the sector;
- Data structured by industry, rather than occupation, and the lack of data covering many tourism industry occupations;
- Regional workforce data for the entire industry, and the various sectors within it;
- Consistency of collection and availability of data from existing sources

Without comprehensive and consolidated information on workforce and tourism growth, sound investment decisions on recruitment and training cannot take place. Moreover, failure to invest in skill development will support low productivity, industry loss of critical mass and the capacity to innovate. The end result is a negative industry image, feeding skills attrition and labour shortages. Lack of reliable labour market information will hamper the speed of the market adjustment process and therefore the duration of shortages or surpluses. The availability of good quality labour market information to relevant stakeholders is essential for an efficient market.

The Labour Force Needs Data Framework was therefore developed as a suggested way of organising and accessing labour force information and data at a regional level. Work has been undertaken in selected regions to test, modify and expand upon the Framework, based on regional characteristics and needs.

The aim is to apply it to a Regional Market to enable a user to consolidate labour market information from a range of sources in a single, easy to access place that allows regional stakeholders to move towards:

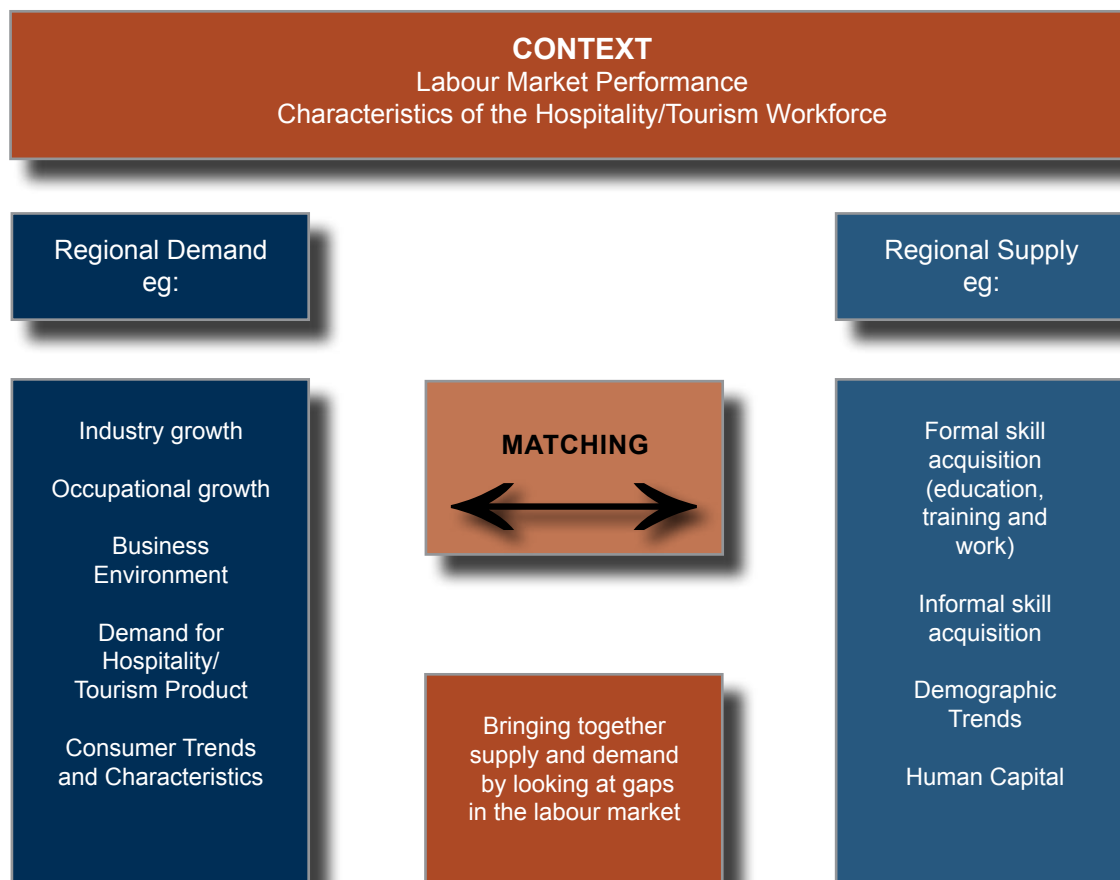
- A more comprehensive and integrated view of statistical data at a local level;
- Increased comparability and consistency of data and information;
- Better relationships between labour market information and other tourism related data and frameworks;
- Combining a supply and demand approach to the labour market;
- Clear trend data for both staffing and operational purposes covering different sectors within the tourism/hospitality industry; and
- Adequate and appropriate regional projections of whole of industry, sector-specific and occupation-specific workforce and skill needs



The application of the Framework is therefore aimed at:

- allowing local analyses of the relative importance of various types of data and information;
- enhancing labour market knowledge and support in identifying opportunities to meet a number of Regional strategic goals;
- gaining access to labour market information that is useful, relevant and has a practical application across the various entities and businesses from a local perspective.

DIAGRAM 1: The LNF Framework in a Regional Context



The LFN Data Framework has not been developed as a statistic collecting mechanism but rather a broad level conceptual “map” which allows data/information to be organised and grouped into a structure that meets Regional needs. It has been structured around the five key areas. Each area incorporates the key headline indicators, as outlined in Table 1, that were considered important through the consultations.

<p>A. Regional Employment Trends</p> <p>This should enable users to combine & disaggregate existing data and information to identify the particular labour force characteristics of a regional centre. This should include selecting key facts about a selected regions including; employment/unemployment rates, participation/non participation, main employing industries, main employing occupations, trend estimates and demographic trends</p>
<p>B. Regional Characteristics of the Tourism/Hospitality Workforce</p> <p>This should enable users to examine and consolidate the considerable body of data/information to identify the trends and factors’ impacting on the Industry’s Labour Force and associated supply and demand for skills. It should give them a Regional Snapshot and local trends about the Industry within a selected region. This will include consolidating information in relation to a number of areas. (i.e. Industry Growth Projections, Size and makeup of existing regional workforce, Potential Regional Labour Force, Demographic profile of community and Tourism and Hospitality Labour force. Employment Arrangements and Worker Attraction/Retention</p>
<p>C. Regional Demand Drivers</p> <p>This will enable users to consolidate information that represents the demand side of the Labour Market including the nature of future labour demand, with a focus on the demand for vocational skills.</p>
<p>D. Regional Supply Drivers</p> <p>This will enable users to consolidate information that represents the supply side of the Labour Market including changing demographics, work patterns and educational levels</p>
<p>E. Specific Occupational Information</p> <p>This will enable users to identify key information about different hospitality and tourism occupations. A list of key occupations should be selected for detailed examination. These should represent significant occupations in the region that feature strongly in the future industry mix. It also includes some occupations that are more generally of strategic interest to the development of the Industry capability.</p>



TABLE 1: Structure of the Framework: Elements and Headline Indicators

Regional Employment Trends	Regional Characteristics of the Tourism/ Hospitality Workforce	Regional Demand Drivers	Regional Supply Drivers	Specific Occupational Information
<ol style="list-style-type: none"> 1. Employment by Sector 2. Main Employing Occupations 3. Employment Trends <ul style="list-style-type: none"> • Employment levels • Employment Growth • Employment Prospects 	<ol style="list-style-type: none"> 1. Demographics <ul style="list-style-type: none"> • Workforce participation • Workforce Age 2. Employment Arrangements <ul style="list-style-type: none"> • Part-time/FT/ Casual 3. Skill Level Requirement <ul style="list-style-type: none"> • ASCO Categories of employment (1-4,5-9) 4. Qualifications 5. Labour Mobility 6. Business Types 	<ol style="list-style-type: none"> 1. Forecast Capabilities <ul style="list-style-type: none"> • Demand for Hospitality/ Tourism Product • Nature of demand • Seasonal Nature of Industry 2. Consumer Trends and Characteristics <ul style="list-style-type: none"> • Visitor Demographics • Customer Service Demands 3. Business Characteristics <ul style="list-style-type: none"> • Size and location • Investment in skills • Staff retention/ turnover 4. Main causal factors of skills demands from an industry perspective such as: <ul style="list-style-type: none"> • Wastage—the number of people who are trained in a skill or occupation, but do not work in that field; • Work force exits—people permanently leaving the workforce and reasons, mostly through retirement 	<ol style="list-style-type: none"> 1. Supply of Available Labour <ul style="list-style-type: none"> • Centrelink/Job Network • Training - the number of people entering sector/ occupation-VET/ Apprenticeships • Secondary School & University 2. Formal skill acquisition (education and work)/ Informal skill acquisition 3. People Strategies i.e. <ul style="list-style-type: none"> • Migration—impact on skill shortages 	<p>For identified occupations:</p> <ul style="list-style-type: none"> • Job vacancies. • Vacancy fill rate • Employment growth • Retirement rate • Age Groups • Recruitment Activity

It was widely suggested that the application of the Framework could be through a set of "Labour Market Analyses Tools" that can access data at the occupational and industry level. This is another piece of work that will be required to turn the Framework into an on line product through a software program. This work is needed in order to operationalise the Framework.

The Tools will need to be developed as an integrated package to provide a comprehensive, concise overview of critical workforce issues at the Regional levels. Features of this integrated package should enable the user to gather basic information about their region, receive summary details about the factors affecting their workforce and review forecasts and issues pertinent to their business and workforce.

The design should allow them to mix current data with web hyperlinks to assist users to conduct their own research and stay abreast of the most recent developments and data. This should also include links to labour market reports and regional reports so that people can easily access related analytical work.

The combination of these various sources should produce a well rounded picture of the state of the hospitality and tourism sector at a regional level.

For the tools to remain useful and relevant they need to be updated regularly. These tools can be developed using Excel spreadsheet applications. Excel is suitable and widely accepted software for use at least at the initial phase of the development.

TABLE 2: Suite of tools that will need to be developed to underpin the LFN Data Framework

	Tool	Purpose	Variables	Delivery Format
1	Regional Employment Trends	Identify the particular labour force characteristics of a regional centre	Employment/unemployment rates, participation/non participation, main employing industries, main employing occupations, trend estimates and demographic trends	Excel custom menu
2	Regional Characteristics of the Tourism Hospitality Workforce	Identify the trends and factors' impacting on the Industry's Labour Force. It should give them a Regional Snapshot and local trends about the Industry within a selected region	Future growth, gender and FT/PT employment share, employment by occupation, workforce ageing and workforce characteristics such as earnings and educational profile.	Excel custom menu
3	Regional Demand Drivers	To consolidate information that represents the demand side of the Labour Market	Demand for Hospitality/Tourism Product: Consumer Trends & Characteristics: Business Characteristics: Causal factors of skills demands	Excel custom menu
4	Regional Supply Drivers	To consolidate information that represents the supply side of the Labour Market	Supply of Available Labour; Education Training participation/ attainment; People strategies	Excel custom menu
5	Specific Occupational Information	To view key information about different hospitality and tourism occupations. A list of key occupations should be selected for detailed examination. These should represent significant occupations in the region that feature strongly in the future industry mix.	Number employed, recent vacancy trends and key demographics	Excel custom menu



The application of the LFN Data Framework will facilitate a process for workforce skill development planning that will take Regional Stakeholders through the following stages;

- Where are we now? (Situational analysis, environmental scans, current level of demand and supply etc.)
- Where will we be? (Scenarios/surveys/forecasting etc.)
- What are the gaps? (Gap analysis, including future levels of demand, supply gaps etc.)
- How will we get there? (Strategy formulation, etc.)

Regional Stakeholders identified that the Framework will be critical for:

- Regional Analyses; Providing a clear picture of regional needs; Enhancing the effectiveness of planning; Identifying factors which will influence future demand for outputs or services as well as the internal and external supply of labour; Improving a regions ability to anticipate problems.
- Regional Forecasting; Identifying future changes and developments that may result in a demand/supply gap; Making assumptions that form the basis of forecasting and can be modified to reflect different real life scenarios; Formulating scenarios that can lead to developing specific plans.
- Regional Planning; Supporting the development of a coherent approach to future people management: Undertaking gap analysis to determine if any imbalance exists between the future labour demand and current labour supply; Informing processes that involve identifying Skills Gaps (currently non-existing skills), Skill Surpluses, Attraction and Retention issues: Designing changes to practices/ arrangements to address one or more of the gap analysis issues

The application of the LFN Data Framework through the analyses tools will provide the opportunity for regional centres to connect to the wide range of information available and customise statistical data to a local level. Such a customised and integrated data set will help shape the way Regional Stakeholders think about information and data for the Hospitality/ Tourism Industry and promote informed decision making for the industry. It will give them a better understanding of the local issues; ensure that labour and skill shortages are well understood; that the industry is aware of programs that it can utilise to deal with those shortages; and that strategic responses can be appropriately considered.

Regional responses that will emerge from the application of the LFN will inform approaches in strategic management, human resource management and training approaches including an increased capacity to;

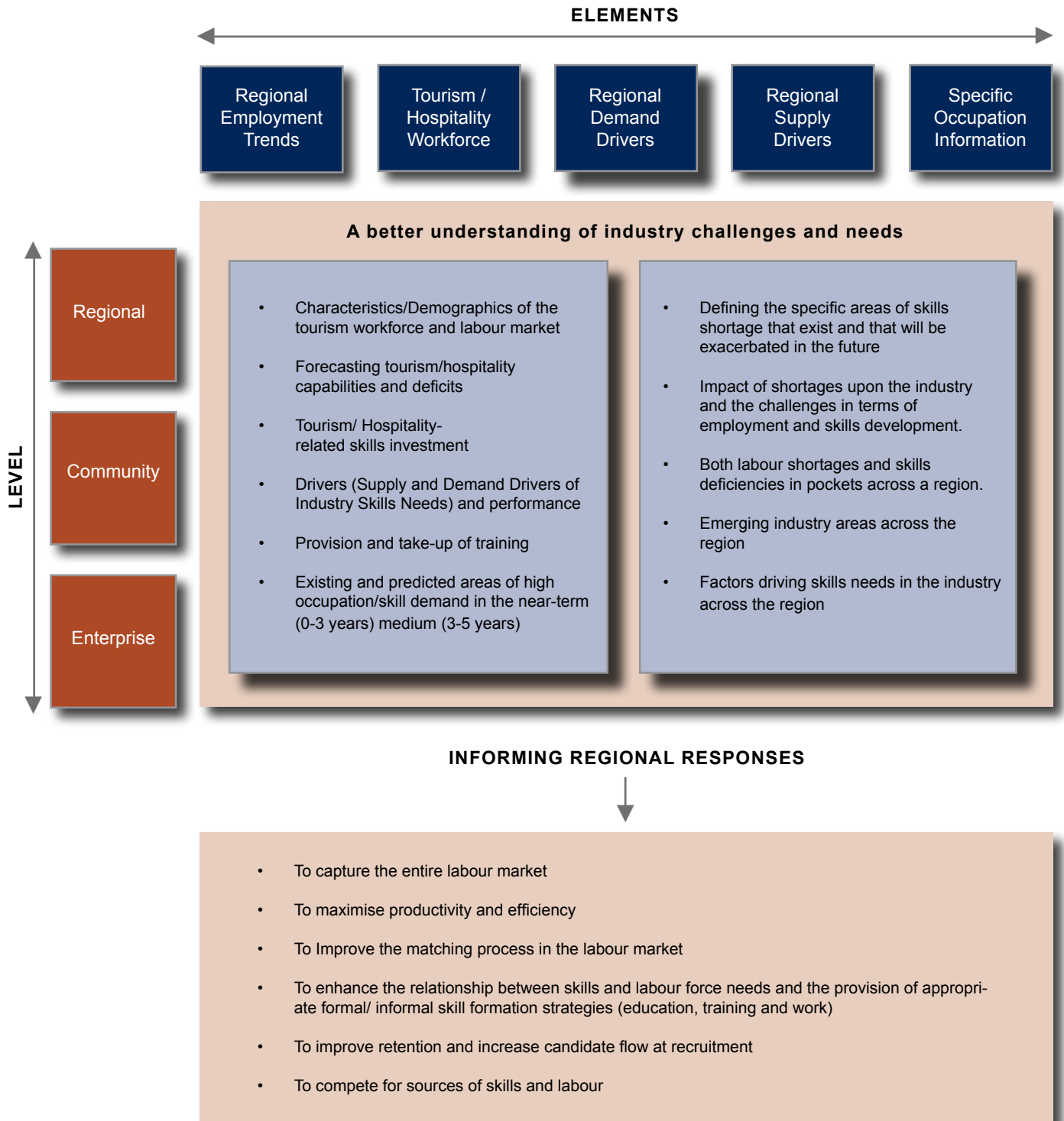
- Verify skill shortages identified at a national and state level and affirm the relevance and validity of these at the regional level;
- Raise community awareness of skill shortages and create connections between various employment, education and training providers at the regional level to enable the identification of issues and ensuring a grasp of emerging skill shortages:
- Identify existing and predicted areas of high occupation/skill demand in the near-medium and longer term;
- Assist enterprises, industry associations and government in identifying critical workforce skills and in informing strategies to address these needs;
- Consider the workforce trends, developments and issues and identify current and predicted future skills imbalances, both in quantity and quality, and by the geographical location;

- Provide enterprises/clusters of enterprises/regions with information to better understand workplace and demographic trends in order to integrate workforce planning into their overall business planning, while ensuring training providers deliver a comprehensive range of tailored services to support industry's skill requirements;
- Identify the skills acquisition requirements of the industry, and how the education and training institutions and its participants can develop or refine products and services to best meet those requirements and ensure that the delivery of training matches industry needs;
- Break down barriers that inhibit small and medium enterprises from investing in training and building their understanding of what influences staff retention and the causes of staff turnover at the local level.

A key issue in the project has been to explore how to make the LFN Data Framework readily accessible to enterprises, industry, government and other possible users. Given that the Industry Skills Councils (ISCs) have been provided with an expanded role in the broader area of workforce development, including the provision of integrated industry intelligence and advice on workforce development and skills needs, it seems appropriate to draw upon the analytical and policy expertise within Service Skills Australia to manage and operationalise the Framework.

Discussions are underway with Service Skills Australia to further the development of the product in line with their new responsibilities in this area, including the development of interactive "analyses tools" that can be promoted to the industry and regional users, through agreed future on-going arrangements to;

- Provide high quality workforce information, tools and services;
- Develop an integrated data and planning system to enhance data capture and reporting capacity;
- Improve the range, access and use of labour market information;
- Promote workforce planning tools that can be used at an industry and enterprise level within a Regional context;
- Increase access and utilisation of workforce information and planning tools.



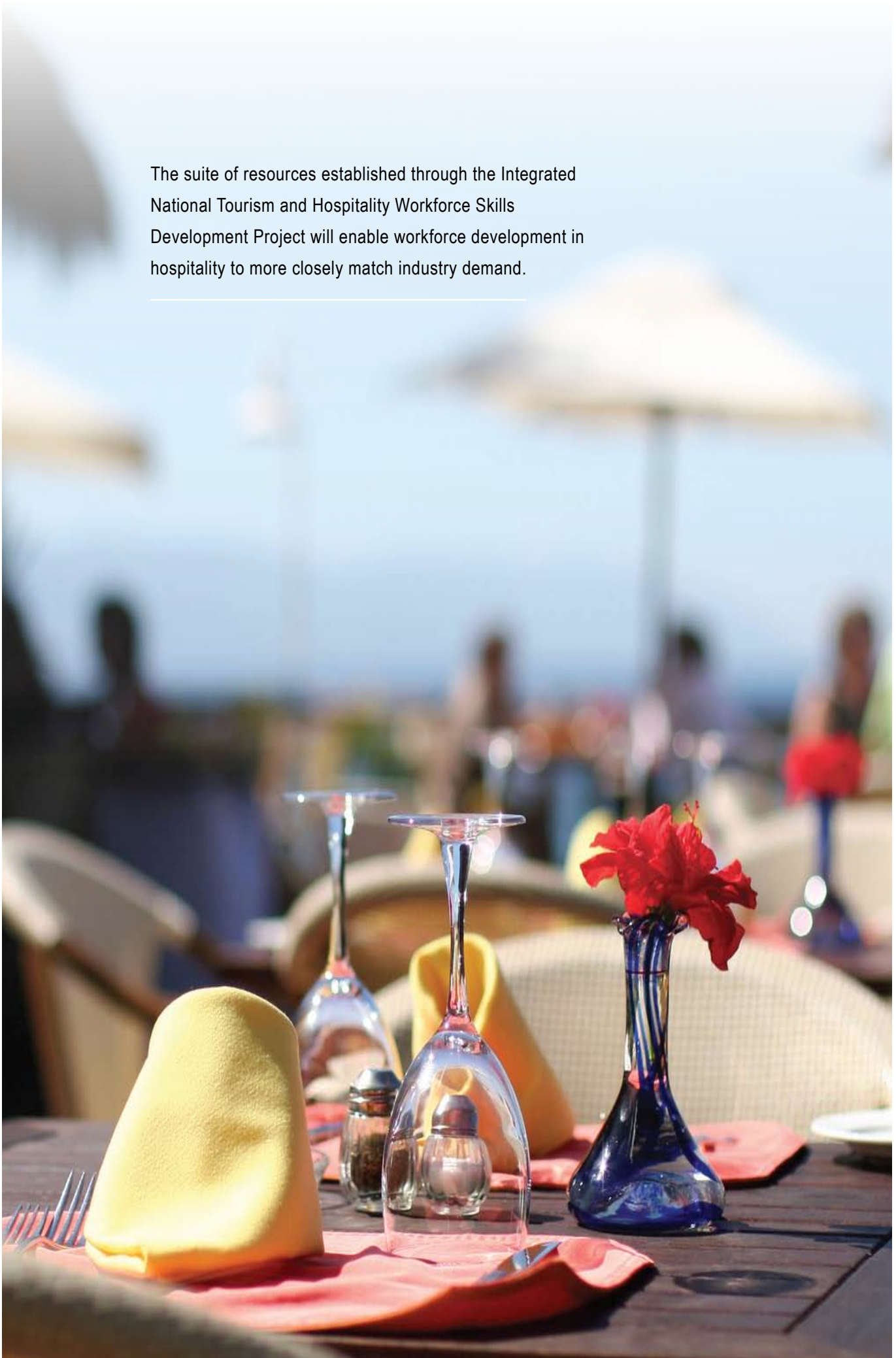
Next Steps



Australian Government
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The suite of resources established through the Integrated National Tourism and Hospitality Workforce Skills Development Project will enable workforce development in hospitality to more closely match industry demand.





Next Steps

It now turns to industry to undertake comprehensive workforce development using the tools developed and trialed in this project. The industry has agreed on a framework in which this development will take place and has agreed that, given the Government support for the strengthening of the role of the Industry Skills Councils, that the Service Industry Skills Council will be the vehicle through which this developmental work will be drawn together.

It is envisaged that the Service Industry Skills Council will use the Labour Force Needs Data Framework to refine the projections of workforce demands on a region by region basis. This will better prepare the industry to manage future constraints and provide a clearer view of the cross-industry pressures. It is intended that this tool will enable the Service Industry Skills Council to more closely reflect these demands at a regional level and be able to better discharge the role provided to it through Skills Australia.

Discover Hospitality and the Hospitality Recruitment Tool will provide resources for Career Advice Australia (CAA) Network, the Job Network, Centrelink and direct employers in hospitality to more closely match the potential of individuals to that of enterprises. The connections between CAA, Government employment services and individual employers will be enhanced through the use of these tools which will be supported by employer groups in hospitality.

The National Hospitality Centre of Excellence will be pursued in the context of the industry workforce development strategy. Industry at large will consider the way in which workforce needs will be met by such a centre in the context of the Government skills agenda.

The suite of resources established through the Integrated National Tourism and Hospitality Workforce Skills Development Project will enable workforce development in hospitality to more closely match industry demand.