

Expert Review of Australia's VET System

Submission

January 2019

Hon Steven Joyce
Department of the Prime Minister and Cabinet

PO Box 6500
Canberra ACT 2600

Senator the Hon Michaelia Cash
Department of Small and Family Business,
Skills and Vocational Education
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21.01.2019

Hon Steven Joyce

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by email <jane.quick@pmc.gov.au>

cc Senator the Hon Michaelia Cash

Re: Ref MS18-001800

Dear Mr Joyce,

I write on behalf of the board of Tourism Training Australia (TTA) regarding your invitation to provide a submission to the Liberal National Government's expert review of Australia's vocational education and training system.

For over thirty years, our organisation has been at the vanguard of training in the tourism and hospitality sector and we share the industry's excitement in welcoming this announcement. It is a fantastic undertaking.

Tourism Training Australia and its network bring a vast wealth of experience to the debate, and our annual Skills Summit especially — focussing on skills shortages and solutions for the industry — draws outcomes and recommendations which we have summarised in the proceeding submission to the Review.

We would welcome the opportunity to meet in the coming weeks to discuss the tourism and hospitality VET landscape and further contribute to this roadmap for the future.

An investment in VET pays strong dividends. It is, indeed, an investment in Australia's future.

We look forward to continuing our participation in the Review process.

Yours sincerely,

John Hart
Chair

- INDUSTRY DIRECTIONS
- QUALITY TRAINING RESOURCES
- NATIONAL CONFERENCES
- GLOBAL TOURISM TRAINING NETWORK
- NATIONAL ACCREDITATION

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INDUSTRY SNAPSHOT

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TOURISM TRAINING AUSTRALIA

ABOUT US

Tourism Training Australia was established in 1982 to develop a flexible and effective training system for the tourism and hospitality industry.

The organisation brings together a large number of training partners, including industry, government, unions, private and public training providers, industry associations, universities and students/trainees.

Tourism Training Australia:

MANAGES the development and implementation of national training system initiatives

ORGANISES Conferences, forums and seminars to exchange ideas for increasing training and service excellence

RECOGNISES special industry innovation and excellence with national training awards

LIAISES with training providers to improve training strategies and industry access to training

DEVELOPS training products and resources to assist in the delivery of quality training

INITIATES and undertakes national and state projects which improve employment and training opportunities

SUPPORTS a national training network that provides assistance and advice in each State and Territory

ASSESESSES current and future workforce needs

ADVISES Government and other organisations on industry training needs, strategies and plans

PROMOTES the benefits of training to industry and key stakeholders through programs such as ACCESS and the Tourism and Hospitality Careers Council.

TOURISM AND HOSPITALITY

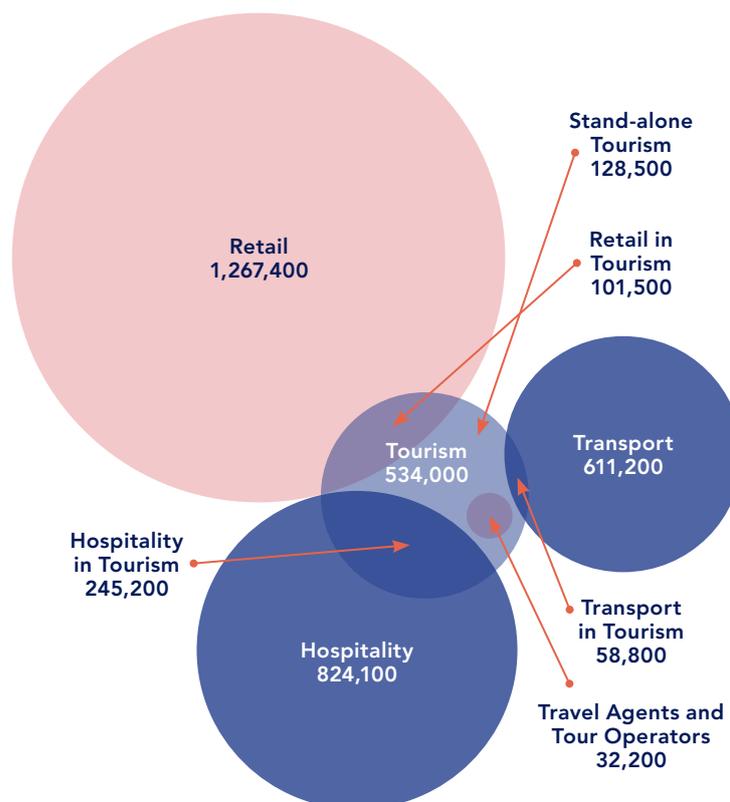
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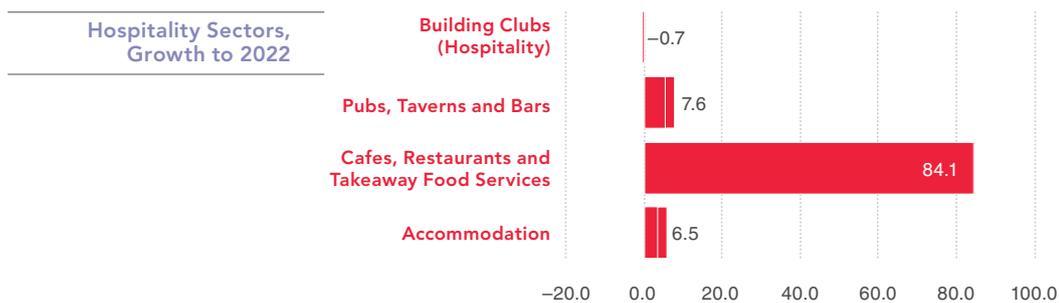
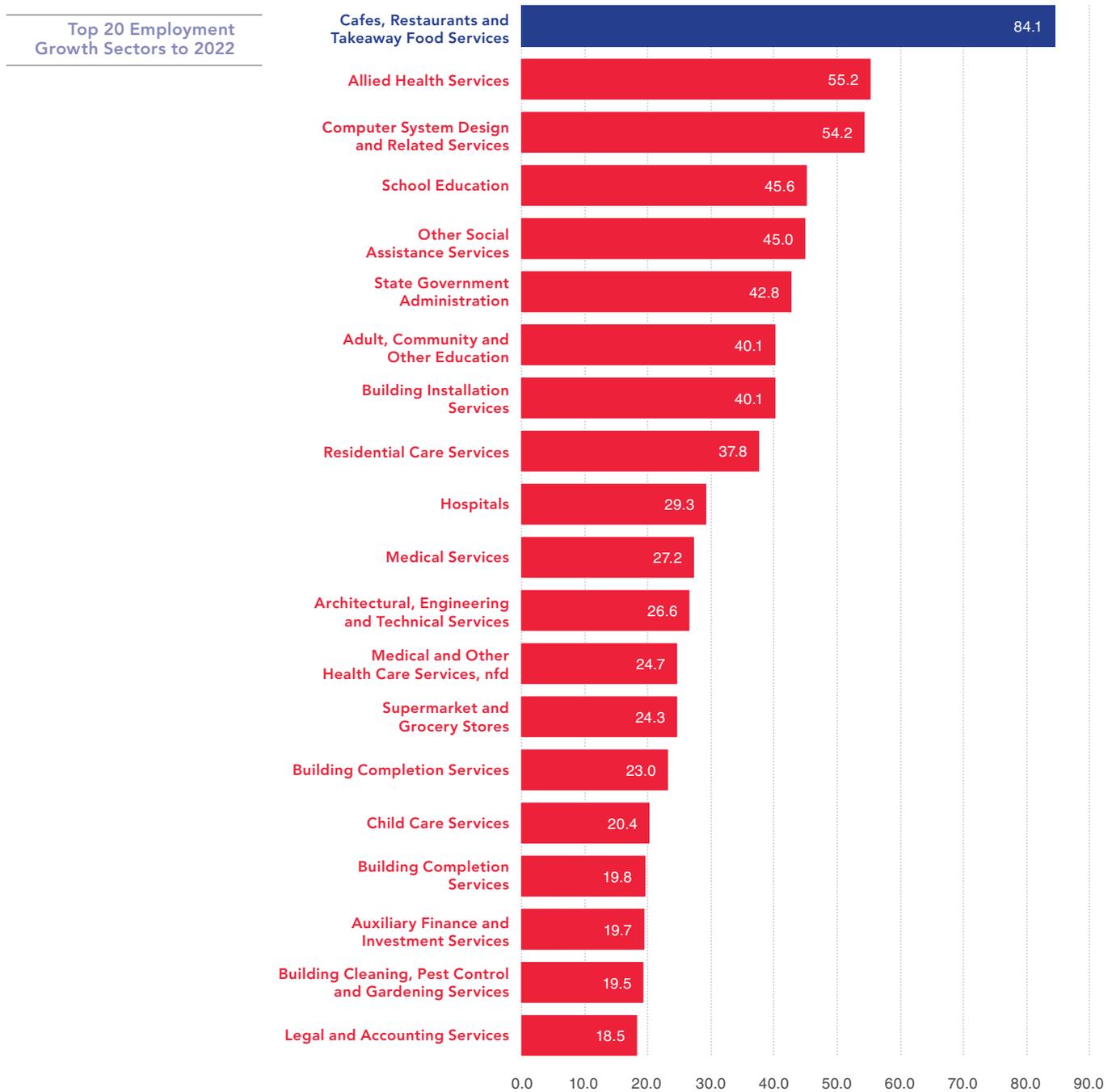
The tourism and hospitality sectors routinely feature as one of the top five high-yield, high-growth industries of the Australian economy. The industry encompasses businesses as diverse as tour operators and guides, businesses which deliver Indigenous, rural and regional products, hotels and accommodation, clubs, casinos, travel agents, transport services, as well as retail, food and beverage and more. Along with a plethora of associated industries, including food production services, light manufacturing, construction, logistics, infrastructure, information technology and more, our industry represents the very fabric of the Australian workforce.

Collectively the tourism and hospitality industry employs over 1.1 million Australians —a large portion of which is comprised of small and medium enterprises outside of our capital cities.

Many industry sectors show significant projections for growth in the near future. The cafes, restaurants and take-away foodservices sub-sector alone, for example, expects some 84,100 additional people required by 2022.

Workforce breakdown





The challenge the tourism and hospitality industry faces is not simply limited to meeting the need for additional skilled workers. The Australian Tourism Labour Force Report 2015 – 2020 suggests that 69% of businesses identified skills deficiencies in employees. This points to a significant need for upskilling in the tourism and hospitality workforce.

Survey Summary
Statistics — Australia

Metric	2011	2015
Total survey responses	1,814	1,978
Businesses reporting as seasonal	47%	51%
Average number of employees	16	19
Share of employees full time	37%	35%
Vacancy rate	9%	7%
Employee turnover rate	64%	66%
Businesses identifying recruitment difficulty	57%	51%
Businesses identifying retention difficulty	46%	36%
Businesses identifying skills deficiencies in employees	50%	69%

SOURCE: SURVEY DATA, AUSTRALIAN TOURISM LABOUR FORCE REPORT —Labour Force Profile (Part 1) 2011

As well established, and indeed highlighted by previous submissions by TTA to State and Federal Governments in the past, chronic skills shortages have become an unwelcome hallmark of the tourism and hospitality industry. Highly skilled roles, notably in the hospitality sector, are an especially acute example of this skills crisis.

Restaurant and Catering Australia member feedback shows a steadily increasing level of difficulty in filling vacancies within their businesses over the past 3 years. According to their 2018 Industry Benchmarking Report, some 47.3 per cent of business-owners reported experiencing 'some' difficulties in filling positions, up from 34.8 per cent in 2016 and 40.5 per cent in 2017. An additional 27.3 per cent of respondents reported experiencing 'extreme' difficulties filling staff vacancies. In total, nearly three-quarters (74.6 per cent) of business-owners experienced trouble filling job vacancies and current forecasting shows little prospect of this trend reversing in 2019.

A concerted effort by Government and industry together can help to address these issues through strategic investment in programs supporting skills and training growth and promotion.

OPPORTUNITIES

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COMPETENCY-BASED TRAINING

The most significant current threat to the VET system is the States deserting the very parts of the system that have made it a success – the National Training Market and the Competency-based Training system.

On the Competency-based training front, it is acknowledged that the system needs improvement, but the Standards-based framework and the regulation of outcomes has provided consistency, portability and in most cases, a world-class system. Moving back to courses and curriculum will compromise many of these aspects of Australia's VET system.

On the National Training Market front, there is already evidence to suggest that States are moving to protect public providers at the expense of private and industry providers. Fortunately this has been reversed in South Australia, but there are signs of this in other jurisdictions. The National Training Market, user choice by another name, is a vital part of the system. It brings competition, quality, responsiveness and contains price.

The key tenets of any reform of the VET system must be to preserve competency-based training and the national training market.

It is imperative that we build a national, state-supported commitment to a competency-based VET agenda that includes a National VET market.

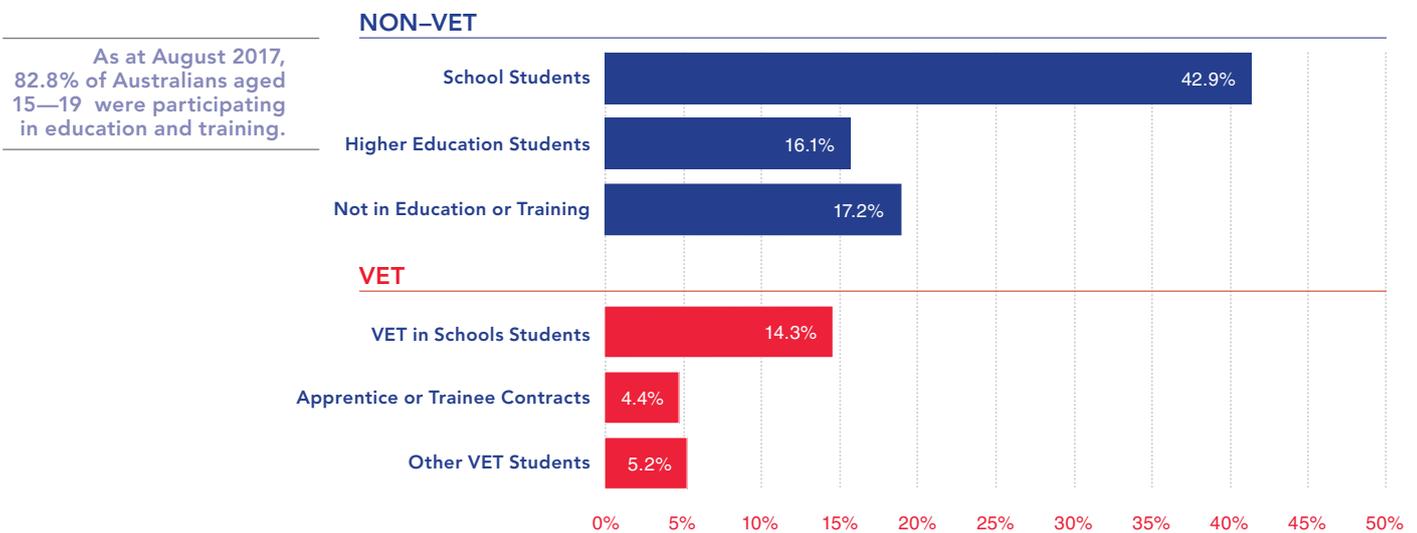
VET PERCEPTIONS

Misperceptions of the VET sector continue to affect the industry’s ability to attract candidates. This is a theme which has become increasingly poignant over the past two decades, influenced by a range of factors. These include the effectiveness of the campaigns run by universities as the ‘natural’ (and ‘necessary’) bridge between secondary education and gainful employment and, especially in the tourism and hospitality sector, the perception of limited career pathways available to VET graduates.

In the tourism and hospitality sector, especially, employment options available tend to be viewed as limited to roles with low pay and ad-hoc hours. The industry itself needs to play a leading role to help promote the appeal of VET as a valuable, valued and rewarding career pathway.

Programs such as the ‘Real Skills for Real Careers’ initiative and the Tourism and Hospitality Careers Council are making good headway in engaging school leavers and addressing the stigma associated with VET. While the message is starting to impact potential VET candidates, there is still much work to be done engaging peers (such as parents who may still harbour prejudice against the VET sector, and prefer university career pathways) and other stakeholders (such as career councillors and schools).

It is evident from the infographic below that the number of students, aged between 15 and 19, in VET now pales into insignificance against those in schools (including VET in Schools) and those in Higher Education (9.6% versus 57.2% and 16.1% respectively).



SOURCE: NCVET YOUNG PEOPLE IN EDUCATION AND TRAINING 2017 - INFOGRAPHIC

To a great extent this is the result of a slide in the profile and reputation of Vocational Education and Training. As found in the Tourism Training Australia Industry Training Solutions Summit, the key challenge in meeting the industry’s skills needs is attracting sufficient people to careers in tourism and hospitality.

To meet this challenge the industry has, with the support of the Government some years ago, established online careers resources, including:

Discover Tourism www.discovertourism.com.au

Discover Hospitality www.discoverhospitality.com

Discover Staff www.discoverstaff.com.au

Discover your Career www.discoveryourcareer.com.au

These sites are one-stop-shops for careers information, navigating interested users through the online information relating to training and careers, as well as marketing these sectors as vibrant and fulfilling long-term career options. The sites enable Government, industry and training providers to coordinate workforce development, as well as facilitating a workplace culture of service excellence, business growth and development.

These resources are maintained using industry funding through the Tourism and Hospitality Careers Council. Tourism Training Australia is the Secretariat to the Council. While the industry has maintained the careers resources, their promotion and reach has been significantly reduced by the withdrawal of any support from Government. The resources also require updating to reflect more contemporary technology.

Given the significant role that tourism and hospitality plays — and will continue to play — in the employment growth in the Australian economy, Tourism Training Australia urges Government investment in Careers resources in major industry sectors.

A continued and increased investment in the promotion of careers pathways and opportunities available in VET through initiatives such as 'Real Skills for Real Careers' and the THCC is critical in changing community perceptions of the sector for the better.

STUDENT SUPPORT AND GUIDANCE

As noted by the NSW Department of Industry, in New South Wales alone some 27% of students leave school with only secondary school / certificate II qualifications. The reality is that the pool of jobs requiring these qualification in NSW is a mere 14%.

With youth unemployment a persistent problem, especially in rural and regional areas, the need for a consistent and coherent message to high school students and their key influencers is critical in creating effective and positive change.

Better access in high schools to information about VET options and outcomes, as part of a concerted marketing campaign, will help to increase the number of students entering the VET sphere.

Funding to help the VET sector forge stronger links with schools, better engage with career advisors and collaborate with peer networks is critical.

ASSESSMENT PATHWAYS TO QUALIFICATION

At the outset of the implementation of the Australian Qualifications Framework there was consideration given to an assessment-only pathway to achieve qualifications. This was rejected in favour of maintaining only a delivery pathway.

Tourism Training Australia for many years invested in an assessment program against units of competency know as '**Access**'. The **Access** program, which still operates, has a training and professional development regime for workplace assessors, a process for gathering corroborating evidence against units of competency and a recording mechanism to demonstrate achievement of competency (so that providers can grant credit against full or part qualifications).

The lack of assessment pathways to qualification disadvantage workforces, such as those in tourism and hospitality, where there is not a tradition of pre-requisite qualifications in all positions. These employees are limited in their capacity to access further training, credentialing and career development. This is limiting on industry development in high growth sectors.

Tourism Training Australia urges consideration of assessment pathways to qualifications as an integral part of the VET system.

DIPLOMA OF HOSPITALITY AND ADVANCED DIPLOMA OF HOSPITALITY

Tourism Training Australia believes that the Diploma of Hospitality and Advanced Diploma of Hospitality should be added to the approved courses list at the \$10,000 or \$15,000 band. Both courses are listed at the \$5,000 band on the approved courses list which TTAA argues is insufficient to encourage enrolments. Further, this level of load cap has seen a reduction in delivery capacity that has flowed to far fewer programs being offered to international student and lower quality delivery to Australian students.

The industry contends that the methodology governing the current VET system should prioritise industry sectors which are expected to contribute most to future employment outcomes. In that regards, action concerning the structure of the approved courses list is urgently required, particularly since a review of the VET Student Loans system conducted over 12 months ago disappointingly yielded zero recommendations or outcomes. TTA believes that the submissions from this Review be urgently revisited.

TTA advises that without structural changes to the VET Students Loans scheme, including the upgrading of the Diploma and Advanced Diploma of Hospitality Management to the \$10,000 or \$15,000 band, existing skills shortages in the hospitality sector will be exacerbated. Subsequently, this will severely curtail the ability of hospitality sector businesses to source the skilled labour they need to run their businesses sustainably and effectively.

Tourism Training Australia recommends the reinstatement of the Diploma of Hospitality and Advanced Diploma of Hospitality on the approved courses list at band \$10,000 or \$15,000 as part of the VET Student Loans system.

CONCLUSION

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The VET sector is a critical part of the Australian economic outlook.

It provides the skills required to power many of Australia’s top-grossing industries through rewarding careers in a diversity of roles, for people from all walks of life.

TTA welcomes the Commonwealth Government’s review of the VET system and is grateful for the opportunity to provide this submission. We believe that an investment in VET is an investment in Australia’s future. We believe that by increasing the promotion of pathways and outcomes through concerted, strategic campaigns, the Government, together with industry, can change the perceptions of VET in Australia for the better—and indeed the long-term.

While by no means a ‘silver bullet,’ a continued and increased investment in the promotion of careers pathways and opportunities available through VET will yield results by increasing the pool of talent available for the workforce of the future. This has the potential to become something of a ‘self-fulfilling’ campaign as increased numbers and more visible outcomes attract more and more high quality VET candidates.

It is our view, supported by feedback from the summit (see APPENDIX), that any further allocation of funding to help increase the reach and effectiveness of national marketing and promotion initiatives will yield strong results and real ‘bang for buck’.

As quality candidates increase, industry must be ready to support graduates of VET programs in the workforce. Competency-based training and national accreditation schemes which allow workers to adapt and continue to grow to the needs of industry help to provide rewarding career pathways for the future.

Tourism Training Australia looks forward to continuing to work collaboratively with both Federal and State Governments to help maintain and grow our world-class VET sector.

APPENDIX: 2018 NATIONAL SKILLS SUMMIT REPORT

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**2018 TTA
SKILLS SUMMIT****OVERVIEW**

The Tourism Training Australia National Skills Summit was conceived as a peak forum to focus on issues facing training and education in the tourism and hospitality sector. The following is a report of the 2018 Summit which forms an important part of the feedback provided in this submission.

In March 2018 Tourism Training Australia held its second annual Industry Training Solutions Summit. This event, inaugurated by the late Bill Galvin OAM, continues to welcome over 100 key industry personnel to Sydney each year to discuss skills requirements for the tourism and hospitality sector across the nation.

The delegation comprised a diverse cross-section of the tourism and hospitality industry and included a number of practitioners and training providers, both public and private, among them. Uniquely, the attendees also included a contingent of students — both local and international — who were able to sit in and ‘feedback’ to industry.

The summit heard of the current state of the tourism and hospitality workforce with a total of 1.11 Million people working in tourism and hospitality as at the census date. Additionally, there are very significant projections for growth in some sectors. It was noted that the cafes, restaurants and take-away foodservices sub-sector is the highest growth sector at 84,100 additional people required by 2022.

It was noted that the challenge is not simply limited to meeting the need for additional skilled workers. The Australian Tourism Labour Force Report 2015 – 2020 suggests that 69 per cent of businesses identified skills deficiencies in their current employees. This points to a significant need for upskilling in the tourism and hospitality workforce.

During the Summit, a number of key themes emerged. Chief among them was the perception issue faced by the VET sector in attracting students — a theme which has become increasingly poignant over the past two decades, influenced by a range of factors. These include the effectiveness of the campaigns run by universities as the ‘natural’ (and ‘necessary’) bridge between secondary education and gainful employment and, especially in the tourism and hospitality sector, the perception of the career pathways available to VET graduates.

Interestingly, while a number of presenters at the Summit looked at ways of improving and innovating in the training sector, there was little suggestion that the overall quality of the product currently offered by the majority of VET providers was perceived as problematic. Rather there was broad sense that the perception of the outcomes — that is, the jobs available to VET graduates — were not being marketed effectively.

In the tourism and hospitality sector especially, which is faced with a skills shortage in coming years of some 120,000-plus positions, employment options available tend to be viewed as limited to roles with low pay and ad-hoc hours. The industry itself needs to play a leading role to help promote the appeal of VET as a valuable, valued and rewarding career pathway.

It was noted that almost half of the 12.5 million Australians who comprise the working population hold VET qualifications in key industries. The VET alumni program has made headway in mobilising these, however there is clear scope to nurture and capitalise on this success. After all, it is not a difficult story to sell: the top five growth industries, which includes accommodation and food services, can be accessed by a vocational qualification. Further, the vocational education sector currently provides training for some 80 per cent of the top 10 occupations predicted to have the greatest growth over the next few years, as outlined by Chris Davis of the NSW Department of Industry.

Programs such as the 'Real Skills for Real Careers' initiative, presented at the summit by Wendy Walker (Workforce and Apprenticeships Policy Branch Skills Market Group), were applauded as a crucial way to engage school leavers and address the stigma associated with VET. Again, many delegates noted that the perception of the quality of training available had improved vastly since the Baird review, and that the focus of selling VET outcomes is key. There was a general consensus that while the message is 'getting through' to potential VET candidates, there is still much work to be done engaging peers (such as parents who may still harbour prejudice against the VET sector, and prefer university career pathways) and other stakeholders (such as career counsellors and schools).

In New South Wales, for example, some 27 per cent of students leave school with only secondary school / certificate II qualifications. The reality is that the pool of jobs requiring these qualification in NSW is a mere 14%. With youth unemployment a persistent problem, especially in rural and regional areas, the need for a consistent and coherent message is critical in creating effective and positive change. The Real Skills for Real Careers scheme has made great progress in addressing this and has strong potential to grow across all sectors. Forging stronger links with schools, engaging with career advisors and collaborating with peer networks is critical.

Although the overall quality of training in the tourism and hospitality VET sector was considered good, a number of speakers cautioned that the industry must not rest on its laurels and there is room for ongoing improvement.

Reinhold Forster, training innovator and then-CEO of Australian Training Products, noted that the VET sector often lagged behind in innovation. Google and Apple classrooms, for instance, while widely used in schools and higher education, were rarely deployed in VET training. In overlooking such digital opportunities, he noted, the sector was not optimally positioned to capitalise on a need to better tailor programs to suit people through a skills-based approach to training which supplement skills attained elsewhere (whether at school, in universities, on-the-job or indeed in past VET courses).

This was a common theme in looking at ways VET should improve its offerings — not just to better appeal to candidates, but to improve outcomes for students and industry

alike. Through innovation in conception and delivery, VET can lead the way in offering tailored solutions which address specific skills as and when required to supplement the core fundamentals already learned as part of a broader education. Such 'just-in-time' training appeals to students and business alike, and is informed by real-world, on-the-job scenarios to help increase productivity.

Such a bespoke approach to learning could also help retain students once they are in the VET sphere. Completion rates are still of concern and the conversation about improving VET outcomes shone a spotlight on this important area. Programs such as Smart and Skilled are critical to provide continued support to students before and after they start training. This program was cited for its proactive approach to providing ongoing information about different providers and course content, as well as better access to information to help narrow down interests and pursue career pathways.

Another key theme which emerged from this conversation was the importance of mentoring to support study skills, and provide guidance and balance between practical and theoretical skills. This was reflected in feedback from students present who suggested during the plenary sessions that VET courses better prepared them for vocational work rather than the more management-oriented skills they felt a higher education qualifications would focus on. This emphasis on practical skills leading to greater employment opportunities lends further support to the current 'real skills for real careers' campaign.

The industry as a whole is moving to improve VET outcomes and Tourism Training Australia is proud to play a role in helping to promote these.

The next Industry Training Solutions Summit will be held in April 2019.

Get in touch

We welcome your contact at any time.

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