

Tourism and Hospitality Workforce Insights

Issue 1, March 2015



The Workforce Futures program assisted tourism and hospitality businesses to identify and address their workforce development priorities and understand the importance of investing in skills.



Across Australia, 2,613 businesses received support from dedicated industry advisors and Service Skills Australia to identify workforce challenges in their businesses and implement practical solutions through targeted training.

Of these businesses, 1,842 (70%) were small and micro-sized, employing less than 20 people.

Findings

- In 2014, 9 out of 10 businesses engaged in Workforce Futures expected their turnover to be 10% higher than the previous year
- 93% of businesses identified 'competition' as a key issue
- Business challenges differ significantly by sector and business size
- Micro/small businesses focused mainly on 'growth and sales'
- Medium/large enterprises concentrated on employee management practices, particularly retention strategies, as opposed to recruitment, for employment growth.

Seven key areas for ongoing improvement

After engaging one-on-one with their Skills Advisors, the businesses involved identified seven key activities they would do differently going forward:

- 37% - develop skills and provide training opportunities for owners and employees
- 23% - review business plans
- 19% - make time to work 'on' their business
- 18% - improve internal communication and relationships
- 17% - develop marketing strategies
- 17% - develop strategic plans
- 12% - improve recruitment planning and processes.

Already, the majority of businesses have been actively responding to labour and skills shortages, streamlining their operations, improving their marketing—particularly digital marketing—and building their domestic reach.

Workforce Futures helped businesses understand the importance of business, financial and workforce planning for building strong foundations for business performance, profitability and sustainability. The key challenge was making the time to develop, implement and review these strategic plans. Access to dedicated industry support services such as advisors, templates and other resources helped overcome this challenge.



Distinctive business challenges - no one size fits all

Each of the businesses within the tourism and hospitality sectors are unique, but the evidence also identified key differences based on employment size.

Across the 628 micro businesses involved, the focus was heavily weighted towards 'growth and expansion' and 'marketing and sales'.

Micro and small businesses emphasised financial and business planning equally. However, small businesses found staff recruitment issues and HR management practices more challenging than micro businesses.

The contrast was particularly strong with the medium-sized business cohort. Those with 100-199 employees identified staff recruitment and HR management practices as posing significantly greater challenges than businesses with 20-99 employees did.

On the other hand, the businesses with 20-99 employees were more focused on marketing and sales, business planning, financial planning and compliance and licensing challenges, than those with 100-199 employees.

Larger enterprises identified innovation and succession planning as distinct categories, which was not the case for the other businesses surveyed.

Of the 18 categories used to identify 'business challenges', only four were shared relatively equally across businesses of all sizes:

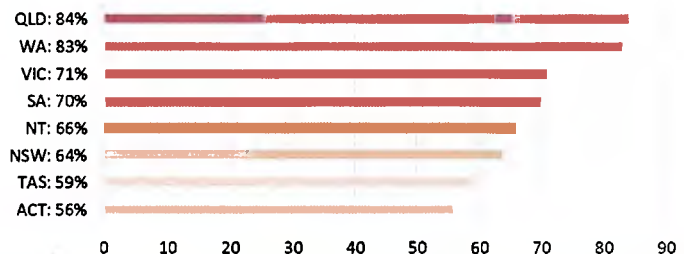
- growth and expansion - rated 1st across the 18 categories
- innovation - rated 12th
- operations and supply chain considerations - rated 14th
- insurance/risk - rated 16th.

Business 'online' accessibility

'Online' engagement is considered a key element of successful businesses, however, responses varied considerably by state.

Interestingly, online accessibility barely rated in the Top 10 Challenges faced by these same businesses.

Business 'online' accessibility



Two constants could be identified across the 2,613 businesses, regardless of size, or how well the business was doing:

1. Business owners and key decision makers want to understand more about how workforce planning can materially improve their business performance.

2. Businesses found investing time and money in planning improves return on investment, because it changes work practices and provides solutions to address workforce development needs.





Engaging Industry . . . One-on-One

Workforce Futures supported businesses in the tourism and hospitality sectors to develop tailored enterprise workforce development plans and gain access to training funds.

	Purpose	Achievements
Regional Workforce Development Plans	Aimed to identify enterprise labour and skills issues within a regional context. Regional plans aligned with the labour and skills 'hotspots' identified by Tourism Ministers for development of Tourism Employment Plans.	<ul style="list-style-type: none"> Eight regional plans were completed for ACT, Broome, Kangaroo Island, Mornington Peninsula / Phillip Island, Red Centre, Sydney, Tasmania NW / West Coast, and Tropical North Queensland.
Skills Advisor Network	Within the regional planning context, the advisor network aimed to deliver workforce planning and development advisory services to tourism and hospitality businesses.	<ul style="list-style-type: none"> 160 Skills Advisors with industry and workforce development expertise supported 2,613 businesses to develop an individual Workforce Development Plan.
Targeted Skills Development	Each business had access to targeted skills development and training funds to address their productivity challenges and improve their competitiveness through delivery of nationally accredited training. This was informed by the regional plans and in line with the individual workforce plans developed with the Skills Advisors.	<ul style="list-style-type: none"> Businesses co-invested over \$1.9m with the Australian Government directly into skilling their workforces. Accredited training approved for 1,200 businesses — providing dedicated training based on their enterprise specific workforce development plans.

Key challenges for business – the before and after effect

Growth and expansion was considered critical for business sustainability. However, while businesses identified their need to innovate and deliver high quality products and services at the start of the program, over one-third said developing the skills of owners and employees would be their primary focus going forward.

Marketing and sales was considered very important at the beginning and remained so throughout the program. This was not the case with online accessibility. E-commerce was viewed as a method for engaging consumers, rather than as a business tool for driving productivity and profitability.

Business and financial planning was seen as important at the beginning and received increased support as a key area for attention in the future.

Workforce planning, particularly recruitment planning and management practices, remained a key consideration for small and medium-sized businesses from beginning to end, but was less of a concern for micro businesses.

A key learning from Skills Advisor engagement is recognising the business needs identified at the start frequently change to what business identified as their areas of future focus.



Profile of participating tourism businesses



Key challenges for business – the before and after effect

Type of business

- 9% start up/new purchase
- 35% growing: annual revenue increasing more than 10%
- 48% steady: annual revenue increasing/decreasing by 10%
- 7% declining: annual revenue decreasing by more than 10%

Business age

- 67% established between 2000-2014
- 15% established between 1990-1999
- 18% established prior to 1990

Locations

- Businesses across all states and from metro, regional and rural areas participated

Workforce profile across the sectors

- Two thirds of staff are permanent; clubs & casinos and food & beverage were the exception, with a 50:50 split across permanent and casual staff
- Staff turnover ranged from 23-32%

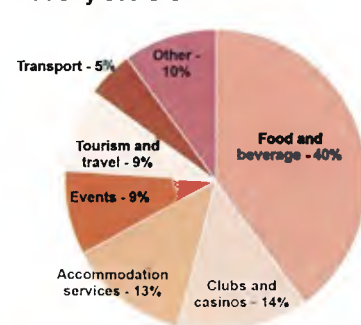
Seasonality

- 97% traded all 12 months of the year
- 71% were significantly affected by seasonality factors

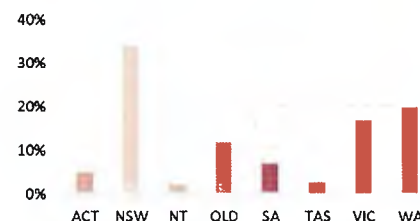
Business size

- 70% employed 19 or fewer staff (small + micro)
- 24% employed 4 or fewer staff (micro)

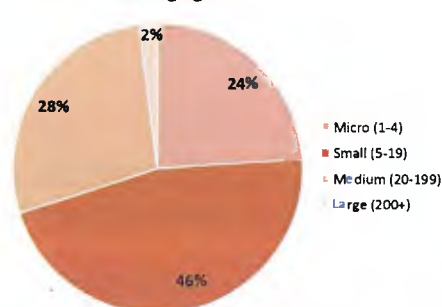
Industry sectors



Business participation by State/Territory (%)



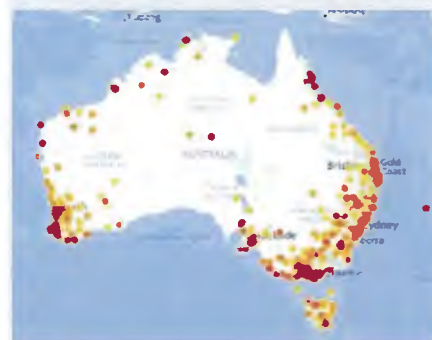
Businesses engaged



The majority of businesses identified with more than one industry sector.

38% of businesses have been established since 2008.

Businesses across all states and regions recognised the importance of workforce planning and development.



83% of businesses have a steady or growing trade.

70% of businesses were micro or small.

Permanent staff made up between half to two-thirds of the workforce.

Almost a third of staff left the business over a 12 month period.

Industry is significantly impacted by seasonality.

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Workforce Futures was funded by industry and the Commonwealth Government through the Department of Education and Training.

Tourism and Hospitality Workforce Insights

Issue 2, April 2015



The Workforce Futures program assisted tourism and hospitality businesses to identify and address their workforce development priorities and understand the importance of investing in skills.



Pursuing a culture of innovation: small business – our national innovation incubator

Innovation has many faces. It may be embraced as a stand-alone action or through multiple actions occurring simultaneously. But what is innovation?

Innovation is the implementation of a new or significantly improved product (good or service), process, new marketing method or a new organisational method in business practices, workplace organisation or external relations.¹

Innovation occurs because business owners, operators and managers make decisions to mobilise resources, capabilities and creativity to make it happen.

If we want to grow small business productivity and competitiveness – then grow their capacity to innovate.

Findings

Australian Business ³	Innovation Activity	Workforce Futures
42%	% businesses which undertook 'innovative' activity	95%
23%	% businesses with innovation in development	53%

Turbo-charging small business prosperity

Small business is a key economic driver and employer in the Australian economy.


According to OECD measures on adopting innovation, Australian small businesses compare more favourably to other countries than their larger counterparts.²

Yet small businesses do not always have the resources or know-how to maximise their innovative capabilities. They don't always have the economies of scale that larger businesses do. Furthermore, small business operators too often work 'in' their business, and do not invest sufficiently in working 'on' their business.

So how do we turbo-charge the capability of micro and small businesses to use innovation as a tool to deliver increased productivity and competitiveness and move beyond the existing 'ad hoc' approach to innovation?

Workforce Futures opened a window to unlocking this dynamic.

Championed by Service Skills Australia, the Workforce Futures program supported 1,832 micro and small enterprises across the tourism and hospitality sectors to develop tailored enterprise workforce development plans, as a key platform to improving their competitiveness.



By adopting the approach that 'no one size fits all', Workforce Futures Skills Advisors played a pivotal role supporting micro and small businesses to identify their needs and determine follow up actions.

What is innovative?

The ABS found Organisational/Managerial process improvements as the least likely type of innovation to be in development across businesses (between 6 and 27% depending on business size).⁴ In contrast, 53% of Workforce Futures businesses identified this as the main type of innovation they engaged with.

Across 2,613 micro, small, medium and large tourism and hospitality businesses, Workforce Futures identified the following seven areas for ongoing improvement, six of which can be classified as Organisational/Managerial:

- 37% developing skills and providing training opportunities for owners and employees
- 23% reviewing business plans
- 19% making time to work 'on' their business
- 18% improving internal communication and relationships
- 17% developing marketing strategies
- 17% developing strategic plans
- 12% improving recruitment planning and processes.

The bottom line - planning for success

Unlocking the innovative capability of small business involves responding to their individual needs.

By adopting the approach that 'no one size fits all', Workforce Futures Skills Advisors played a pivotal role supporting micro and small businesses to identify their needs and determine follow up actions.

Skills Advisors provided small business owners and operators with tools such as templates and offered online support, but most importantly, they met with them 'face-to-face' throughout the process, in effect holding them to account.

This provided small businesses with the motivation they needed to embrace innovation and improve their productivity and competitiveness.

Findings

The evidence clearly shows that small business owners and operators want to innovate. Across micro and small-sized enterprises, business owners, operators and managers have clearly identified organisational and managerial processes as key to improving their business performance and competitiveness.

However, not all small business operators have the capacity to maximise their 'innovative' capabilities. With personalised support, enterprises involved in Workforce Futures operated at double the Australian average of innovative activity.



The key to unlocking the innovative capacity of small businesses is providing personalised, individualised engagement from workforce advisors—access to tools is not enough. Small businesses need a dedicated solution, as no one approach fits all sized businesses.

1. Australian Innovation System Report 2012, DISRTE, Page XIV.
2. ABC Cat. 8166.0 2013/13 Summary of IT Use and Innovation in Australia 2012/13.
3. Ibid.
4. ABS Cat. 8166.0 2012/13.

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ENVIRONMENTAL SCAN 2015

Service Skills Australia



About the Environmental Scan

Rapid advances in technology, seismic shifts in global demography and the rise of the conscientious consumer are just some of the factors that have left economists and policymakers recognising the limited relevance of historical trends and data as a reliable indicator of the future.

Attempts to predict industry's future workforce and skill development needs can be particularly fraught as industries continue to evolve, converge or re-locate and as new job roles emerge while others become obsolete.

Leading developed nations are establishing 'early warning systems' to quickly detect the onset of trends and building agile vocational training systems capable of responding to issues once identified. Environmental Scans have been conceived on this basis.

Specifically, the Environmental Scan identifies the macro and micro factors currently impacting on the skills needs of the workforce and its composition, it considers how well the national training system, its products and services, and industry itself are responding.

Grassroots evidence and real-time intelligence from across Australia are what sets the Environmental Scan apart from other reports in the national training system. It captures intelligence gathered from on-going visits and conversations with industry, key stakeholders, regulators and critically, the people doing the jobs across the sectors, and who experience firsthand the impact of change. It also draws on a range of topical sources such as the latest industry, enterprise and government research and international developments. A detailed methodology can be found at Appendix B.

As a document in limited size, the Environmental Scan does not seek to capture every issue within every sector. It is a snapshot of a continually evolving story that is intended to alert and inform a wide audience and enhance their capability to act.

This Environmental Scan's formal audience is the Department of Education and Training, although its relevance extends far beyond and continues to be used extensively by state and territory governments, industry bodies, enterprises and many other stakeholders involved in skills and workforce development.

Environmental Scans are produced annually by Australia's Industry Skills Councils as part of their broader role in gathering industry intelligence and undertaking high-quality analysis of the skills needs and profile of the current and future workforce.





Acknowledgements

This Environmental Scan has been produced by Service Skills Australia with the assistance of funding provided by the Australian Government through the Department of Education and Training.

While this Environmental Scan is published by Service Skills Australia (the Industry Skills Council for the service industries), it is endorsed and owned by the service industries. Service Skills Australia would like to acknowledge the significant contribution of its Industry Advisory Committees in the preparation of this document.

March 2015

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Australian Government

Department of Education and Training

MESSAGE

from the CEO





The service industries are more important to Australia than ever.

Globally, consumers in developed economies are shifting from buying goods to buying services. That's why tourism, for instance, is one of Australia's five 'super growth' industries.

Like other service industries, tourism contributes to many other sectors of the economy; its growth will help to grow other sectors. Domestically, the service industries make a significant—and growing—economic contribution, not least in creating jobs. Beyond economics, the service industries have crucial social roles to play as our society changes. A more diverse population needs more places promoting social inclusion, places provided by sports clubs and community recreation facilities. An ageing population needs more options in healthcare, whether it's a community pharmacy with more services or a fitness professional with more skills. And unfortunately an increasingly inactive population with a serious weight problem needs more help getting back to health.

It's well known that retail is one of the areas most affected by the internet. It has driven our best retailers to the forefront of innovation. Many are capitalising on the opportunities presented by technology and emerging as stronger and more interesting businesses, but many businesses don't have the skills. They are falling behind and need help.

Also innovating is the sport, fitness and recreation sector, which is enthusiastic about the role it can play in improving the nation's physical and mental health. The sector has shown itself open to significant change and is working hard to reach the standard of professionalism now expected. Sport, fitness and recreation is an increasingly significant source of employment.

Our service industries employ one in four working Australians. Many young people get their first taste of work in the service industries. Service is where the foundations for future employment are laid. Traditionally, however, the sector has not been seen as one with long-term career prospects but that is changing as the service sector works to provide more full time work and exciting career paths. Today people are also coming to—or returning to—the service industry at the other side of their careers. The service industries are welcoming mature age workers, who bring with them the attitude and customer service skills so much in demand.

The operating environment is more complex now and the only thing that is certain is change; technology

cannot be ignored; and customers want more and to pay less for it. New occupations have emerged over the last five years and more will come. The industries need skilled people who can do those jobs and they need people with management and leadership skills with the ability to run complicated supply chains where real time information is essential.

The customer is now completely informed; they carry in their pockets the means to access instantly information, prices worldwide and reviews from experts and their peers. Their expectations would be unrecognisable to the retailers of even the fairly recent past—especially when it comes to service, which they expect to be exceptional whether it's delivered online or in person. This is equally visible from tourism to funeral directing.

Service industries also face the rising cost of natural resources, which affects sport, fitness and recreation particularly. They are having to adopt sustainable practices to reduce their use of resources such as water. But customers are looking for sustainability wherever they buy services, whether that's in the material a florist uses to wrap flowers or where a restaurant gets its food.

Productivity measurements do not fairly represent the national effort provided by the service industries. There is a longstanding need for data to enable the industries to capture the whole picture and to help service businesses with their workforce planning activities.

Service Skills Australia continues to work with industry to make sure our training packages reflect emerging skill needs and are flexible enough to adapt to different business types and the rapidly changing environment.

Our annual Environmental Scan is integral to training package development and improvement; and we are uniquely placed to compile the comprehensive range of information in it. Our knowledge of the service sectors comes from our strong ties to industry and our extensive engagement with sector bodies and businesses of all sizes. While desk research helps us verify facts, it is our continual interaction with people on the ground that allows us to build our detailed understanding of our industries and their skill needs.

These are challenging times for all industries and particularly so for the service sector. We see them face those challenges and we see them innovate and evolve. It is a privilege to be able to make our contribution to ensuring continued success and relevance in such interesting times.

Yasmin King
CEO, Service Skills Australia



Service Skills Australia supports skills and workforce development in the service industries. These include retail and wholesale, sport, fitness, community recreation, outdoor recreation, travel, tourism, meetings and events, hospitality, accommodation, restaurants and catering, holiday parks and resorts, hairdressing, beauty, floristry, community pharmacy and funeral services.

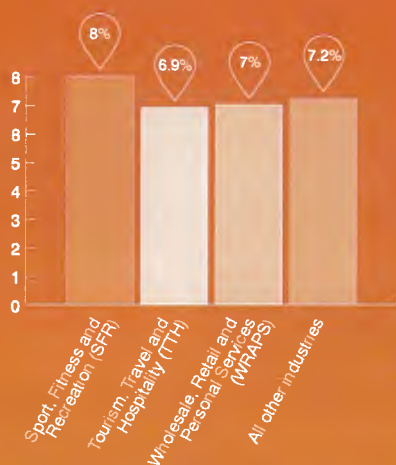
We are a not-for-profit, independent organisation, which supports skills development for our industries.

Our primary aim when developing nationally recognised training is to ensure that training is in step with the needs of employers and industry as a whole. To achieve this, we consult and engage with a broad a range of stakeholders. Our key stakeholder groups are: industry, both representative organisations and individual businesses; training professionals, including registered training organisations and trainers/ assessors; industry regulators; and a range of state/ territory and federal government bodies.

Service industries overview



Projected Growth in Employment
November 2013-2018



Industry Share of Australian Employment, 2013¹



334,043

Service Industry businesses operating in June 2013, representing 16.1 per cent all businesses.²

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LATEST INTELLIGENCE





Wholesale retail and personal services

A new type of customer needs a new type of salesperson

Modern customers are different from their predecessors. They demand convenience, value, personalised service and a shopping 'experience'. They know more about what they're buying, drawing on multiple sources of information, including in-store displays, retailer websites, online review sites, online marketplaces and social media.⁷ And with the phone in their pocket they can find the best price anywhere in the world.

A new type of customer requires a new type of salesperson, one with advanced problem solving and interpersonal skills; who is expert in the features, benefits and provenance of what they're selling; and who can make recommendations confidently.

These salespeople need to be supported by systems that give them instant access to real-time information about stock availability—online or offline because customers expect to be able pick and choose.

Online retail

Only three in a hundred Australians do not do some shopping online. The industry accepts a seamlessly integrated online presence as a strategic necessity for retailers.⁸ Retailers will succeed or fail based on their competence with social media, e-commerce and digital marketing (especially to mobile devices).⁹

These changes in retail have made online capability just as important in wholesale, which is intrinsically linked to the performance of retail. Retailers expect the same real-time information on stock and orders from their wholesalers as their customers expect from them.

Australia is lagging

Retailers who have embraced digital are in the minority, however. Despite recognising its strategic importance, Australian retailers and wholesalers lag behind much of the world. According to the Australian Bureau of Statistics, only 52 per cent of Australian retailers had an online presence in 2012–13.¹⁰ Research also shows 38 per cent of Australian retailers to be 'laggards', 'lacking in both digital execution and engagement'.¹¹

Business-to-business (B2B) e-commerce in Australia lags also. Less than half of B2B businesses plan to increase their e-commerce technology in the next 12 months.¹²

Retailers and wholesalers who are embracing digital technology need workers who can make the most of the benefits it presents.

Case Study: New Retail Series

Service Skills Australia is working closely with the retail industry to address skills shortages in merchandise management and online retailing, through an innovative training project, The New Retail Series.

Driven by Service Skills Australia and delivered by Australian Retailers Association, The New Retail Series will see participants undergo training prior to training package endorsement. The pilot will incorporate practical application of learning, facilitated by industry leading professionals and allow an opportunity to provide feedback on qualification development to ensure that they meet industry needs.

The Co-Op's CEO, Peter Knock, is one of the retailers that provided input on the project. He said initiatives of this kind are needed to ensure Australian retailers remain competitive.

'We deal with digital natives every day and their expectations of us as multi-channel retailers is to be as good as anyone else in the world. We believe the skill gaps being identified through this project will contribute to a greater understanding of the ways training can be delivered to ensure we meet their expectations.'

Merchandise and supply chain management

Merchandise and supply chain management are crucial and more complex in a world where staff and customers need real-time stock data.

Technology and warehouse automation are critical. Radio frequency identification (RFID) is not widely used in Australia but is expected to overtake barcode technology. It allows instant stock updates; helps customers and staff find items; prevents loss; and feeds data into business analytics. It also gives employees more time for customer service.

The theatre of retail

'Retail theatre' is reviving the appeal of bricks and mortar stores in a world redrawn by e-commerce. 'Retail theatre' includes live events or workshops (like 'how-to' classes at Officeworks) and engaging merchandise displays.

It also includes in-store technology that streamlines buying, for example mobile point-of-sale devices; technology that interacts with nearby mobile phones; wearable technology; and augmented reality. In the Birdsnest fashion store in Cooma, New South Wales, for instance, customers select the pieces they want and scan them at styling stations. The items are delivered directly from the adjoining warehouse to the change rooms, where customers can use iPads to get more information or ask for different styles or sizes.

Important to the in-store experience are sales assistants with roles and capabilities redesigned to provide knowledgeable and personalised shopping experiences.

Talking back to customers

Marketing is no longer seen as one-way communication, it is about a broader notion of 'engagement' aimed at building a relationship with the consumer, often through social media. Encouraging user-generated content is a focus for many retailers because it is thought to increase loyalty, total spend and repeat business.

The ability for customers to broadcast in social media or to leave reviews—either on a retailer's own site or on a third-party review site—puts additional pressure on retailers to provide a high level of service. Word of a customer's poor experience can go further and faster than could have been imagined in the past.

Highly-developed digital literacy skills are essential from entry-level up; and marketing professionals need the skills to understand the nuance of working with social and other online media.

Big decisions for big data

Digital retail and loyalty schemes give retailers 'big data', which can inform decisions about logistics, supply chain operations, merchandise management and marketing, but having access to so much personal information has ethical implications and many customers are concerned about their privacy.

Big data places leadership, management and strategy skills at the forefront of retailing operations, with analytical skills a key requirement for organisations to succeed.

Retail and wholesale

10.7%

of the total workforce is in the retail industry. The retail industry is the largest private employer in Australia, employing 1,249,100 people as at August 2014.³



The retail industry is projected to record the third largest employment growth of all industries in Australia over the five years to November 2018, with an expected increase of 98,200 jobs (representing growth of 7.8 per cent). This represents 11 per cent of total projected employment growth in Australia.⁴



403,800

people are employed in the wholesale industry⁵ and employment is projected to grow by 4.9 per cent over the five years from November 2013 to November 2018.⁶



Community pharmacy

At November 2013 40,400 people were employed as Pharmacy Sales Assistants and is projected to grow by 1.7 per cent to 41,000 by November 2018.¹³

Community pharmacies are already promoting themselves as health care destinations by giving advice on preventative health measures and disease monitoring. Negotiations on the Sixth Community Pharmacy Agreement (6CPA) have a strong focus on creating all-round health services destinations for better patient outcomes.¹⁴

This model for community pharmacies eases the burden on the broader health care system, but also requires pharmacists to spend more time with customers, so dispensary assistants will have to be able to take on more responsibility.

It's believed Australia's ageing and growing population will mean more demand for community pharmacy services, especially dispensing medication for age-related problems and running medication adherence and health monitoring programs. Pharmacy assistants and dispensary assistants need to be able to recognise when customers might benefit from a health care support program and to be able to refer them.

Community pharmacy peak bodies have also called for a greater role for rural pharmacies in vaccinations, issuing of repeat prescriptions, and care of patients with chronic conditions (in collaboration with other health care professionals).

Pharmaceutical Benefits Scheme

The Australian Government's *Expanded and Accelerated Price Disclosure* program for the Pharmaceutical Benefit Scheme (PBS) will strip an estimated \$30,000 to \$90,000 from the average pharmacy's turnover in the 2014/15 financial year.¹⁵ Pharmacists say they're likely to reduce personnel and services to remain operational, which will affect the uptake of nationally recognised training.

Floristry

2,280

floristry businesses were operating at the end of the 2012-13 financial year.¹⁶

More players, fewer shops

Competition has increased between traditional florists, 'order gatherers' like Interflora, online florists, studio or boutique florists, local markets and supermarkets. Trained florists are differentiating themselves by promoting their superior customers service and their design, construction and flower arranging skills.

At the same time there has been a shift from traditional shopfronts to online and warehousing operations, mainly attributed to the high cost of rent.

Digital capability

Order gatherers dominate much of the market. They mainly take orders online and send them to local florists to fulfil. A local florist can only tap into this revenue stream if it has the digital capability to connect to the order gatherer.

Social media is an important marketing tool for the sector. Many businesses post photographs to Instagram and Facebook to promote their designs, build their profile, stay in touch with customers and provide potential new clients with testimonials and information.

The need for an online presence adds to business complexity, a particular problem given the majority of florists are small businesses that often can't afford to hire someone just for the online side of the business.

Sustainable practices

Industry reports more customer demand for environmentally friendly practices like biodegradable or recyclable products. Stakeholders believe these types of requests will only increase in the future and some industry representatives are concerned about the cost because sustainable products are often more expensive, a cost that will have to be passed to the customer.

**INDUSTRY CONSULTATION SUGGESTS
COMMUNITY PHARMACIES MUST CONTINUE
TO ADAPT THE TRADITIONAL PHARMACY
OPERATING MODEL TO STAY VIABLE**

Hairdressing and beauty

55,900

people were employed as hairdressers as at November 2013 with projected growth to 60,500 by November 2018—an increase of 8.3 per cent.¹⁷

28,500

beauty therapists were employed at November 2013 with the projected employment level to grow by 13.5 per cent to 32,300 by November 2018.¹⁸

The hair and beauty industries are affected by higher client expectations like all service businesses. Clients expect longer opening hours and a highly personalised service, and are often short on time. But stakeholders say clients aren't willing to pay more; in fact they expect more for less.

Hairdressers are expanding their services for clients looking for a one-stop shop, bringing in beauty treatments such as spray tans, waxing or make-up services; as well as men's treatments. Typically they are hiring beauty specialists to deliver the service, which has created a clear cross over between the sectors.

There are cross overs with other service industries. Beauty and tourism intersect in the area of spa and wellness tourism, for instance. Internationally, the wellness travel industry is worth US\$439 Billion and is forecast to grow 50 per cent by 2017.¹⁹

The beauty industry reports it is seeing more specialisation, with a notable increase in salons and clinics offering a more limited range of treatments with quick and convenient options, typically at a lower price. These services tend to be in metropolitan areas where time is at a premium.

Social media for research

Clients research before buying hair and beauty services. The industry is using social media to promote salons and to give potential new clients customer testimonials and information. Social media is also a good way to stay in touch with existing clients. Salons need to be able to maintain and monitor social media to engage with customers and respond to any complaints.

More men

Industry reports more men looking for beauty treatments and that salons are responding with treatments specific to men, including waxing, anti-ageing skin treatments and hot shaves. This trend is expected to grow as salons look for new revenue streams.

In hairdressing this trend manifests in the revival of the barbershop. Men's fashion is for retro cuts and groomed facial hair, adding to the growing demand for barbering services. The only training options available currently are non-accredited barbering courses or the Certificate III in Hairdressing. The main skills required are cutting and styling using barbering techniques, facial hair grooming and wet shaving. Greater training in barbering skills is required.

Case Study: *Barbering Qualification*

In response to the identified skill shortage in barbering in Australia, Service Skills Australia is developing the Certificate III in Barbering as part of the new Hair and Beauty Training Package.

Barber Stephen Monk from T53 Men's Hair noted that 'We are looking for complete mastery of the scissor and comb and currently apprentices just don't have the skills'. Cutting for men's hair differs to women's hair and requires excellent scissor over comb skills as it is a much more precise cut.

The proposed Certificate III in Barbering will provide practical skills apprentices need to cut men's hair and provide businesses, which are experiencing growth, access to a larger pool of appropriately skilled graduates.





Funeral services

3,200

people were employed in the funeral services industry as at November 2013 and the number is projected to grow by 13.1 per cent to 3,600 by November 2018.²⁰

The multicultural, multi-faith composition of the Australian population has led industry to call for funeral directors to develop greater cultural awareness.²¹ Funeral homes need to connect with local religious groups, although industry also reports younger generations have changing funeral beliefs and customs.

Nationally, 56 per cent of people opt for cremation, with the number slowly increasing.²² Greater cultural diversity partially explains the increase—cremation is the traditional practice in some cultures—but the method has also become popular with those without religious affiliation.

Customer expectations

Customers have higher expectations for the funeral industry too. They are willing to spend money on a more personalised service, including audio-visual displays, themed services or memorial books.

There is also an expectation of a streamlined, all-encompassing funeral experience, including catering and floristry. Some in the industry are incorporating floristry and event management into their businesses; others prefer to maintain strong relationships with preferred suppliers, requiring funeral workers to have skills in negotiation and relationship management.

Population changes

The death rate of Australia's ageing population is projected to rise steadily from 145,000 to 160,000

per year by 2019, but the full impact of demographic changes on the industry is not expected to be felt until the 2030s.²³

The increase in obesity in Australia is also expected to impact on the death rate as the number of people with chronic illness related to being overweight increases.²⁴

Sustainable funerals

Requests for sustainable burial and cremation methods are expected to become more common. In Australia, this has led mainly to more cremations so far, but it is believed that other sustainable methods will increase in popularity. Resomation, for example, is not yet used extensively in Australia but has become popular overseas. It uses a water and alkali based method to break the body down chemically.

New technology

The industry has traditionally been slow to adapt to technology. Recent developments have been limited mostly to funeral directors using smart devices in consultations with clients and tablet-operated audio-visual systems in chapels.

There are, however, examples of businesses leading the way, for instance by webcasting funerals or providing WiFi for customers in cemeteries and chapels. QR codes have also been included on headstones; people scan the code with a smartphone and find more information about the deceased online.

Tourism, travel and hospitality



929,026

people are employed directly or indirectly in tourism industry (8 per cent of total employment)

▪ **543,600** directly

▪ **385,426** indirectly.²⁵



10.13%

growth in restaurant, café and catering service turnover from August 2013 to August 2014 shown by ABS Retail Turnover data.



5.3%

projected five year employment growth to November 2018 of Tourism and Travel Advisers.²⁶



17.9%

projected five year employment growth to November 2018 for Conference and Events Organisers.²⁷

Economic value

Material consumption is declining in countries with advanced economies relative to population and income growth because of more efficient production and consumer preferences for experiences over products. As people become wealthier they spend more money on tourism, education and entertainment.²⁸

Tourism has become an important industry for economies around the world, contributing to job creation and regional economic development. The total impact contribution of tourism to OECD member countries is around nine per cent of GDP and employment—including direct, indirect and induced impacts.²⁹

International visitor growth

In the year ending June 2014 there were 6,147,000 visitors to Australia, an increase of eight per cent.³⁰ Much has been made of the 708,000 visitors from China (11 per cent more than the year before), but industry notes it must also keep its eye on other growth markets. As well as a record number of visitors from China, the year also saw records set for visitors from Singapore (319,000, up 15 per cent); Hong Kong (181,000, up 17 per cent) and India (173,000, up 15 per cent).

In addition, Tourism Australia has tagged Brazil and Vietnam as two fast emerging markets. In the eight months to August 2014 there were 27,200 visitors from Brazil, an increase of 26.5 per cent on the year before.³¹

New experiences, more regional potential

Industry stakeholders note visitors from Asia in particular look for unique experiences. This is something the Australian tourism and hospitality industry is well positioned to deliver given appropriate infrastructure and staff with sufficient skills. Customer service and cultural awareness training is essential to visitors receiving world class service. In particular there is a clear need for what is referred to in the industry as 'Asia readiness'.

Consumers are looking for more personal engagement from the travel, tourism and hospitality industry to create an overall 'experience', which requires more customer service and customer engagement training. Higher levels of customer service are needed in particular for luxury consumers who are willing to pay more, but expect an extremely high level of service.³²

This appetite for new experiences also provides opportunities for areas outside the traditional international arrival ports such as Sydney, Melbourne and Brisbane.

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Indigenous experiences

Tourism enables Indigenous Australians to share their culture with visitors from around the world, often at locations of extraordinary natural beauty. Indigenous experiences are an opportunity for huge growth as they are seen to be authentic to the area in which they occur. The connection with meaningful Aboriginal cultural experiences is a unique selling point for Australia and skills development is required to meet increased demand for these experiences.³³

Case Study: Indigenous Tourism

The Western Australian Indigenous Tourism Operators Council (WAITOC) implemented two projects to help address the expanding tourism appetite for Aboriginal cultural experiences.

In conjunction with Service Skills Australia's Workforce Development Initiative for the Kimberley and Perth and the Aboriginal Tourism Product Development Initiative for Perth and the South West regions, WAITOC's aim is to close the gap that existed between supply and demand in the state, while also providing positive socio-economic outcomes.

Service Skills Australia's Workforce Development Initiative provided assistance to mentor and help businesses develop further. Aboriginal business role models were chosen as skills advisors to run the program across 10 businesses in the Kimberley and Perth. The advisors helped business owners with an on-line diagnostic tool that provided an assessment of that business and where there were gaps. They provided mentoring and advice and helped businesses produce workforce development plans.

Doing well in tourism

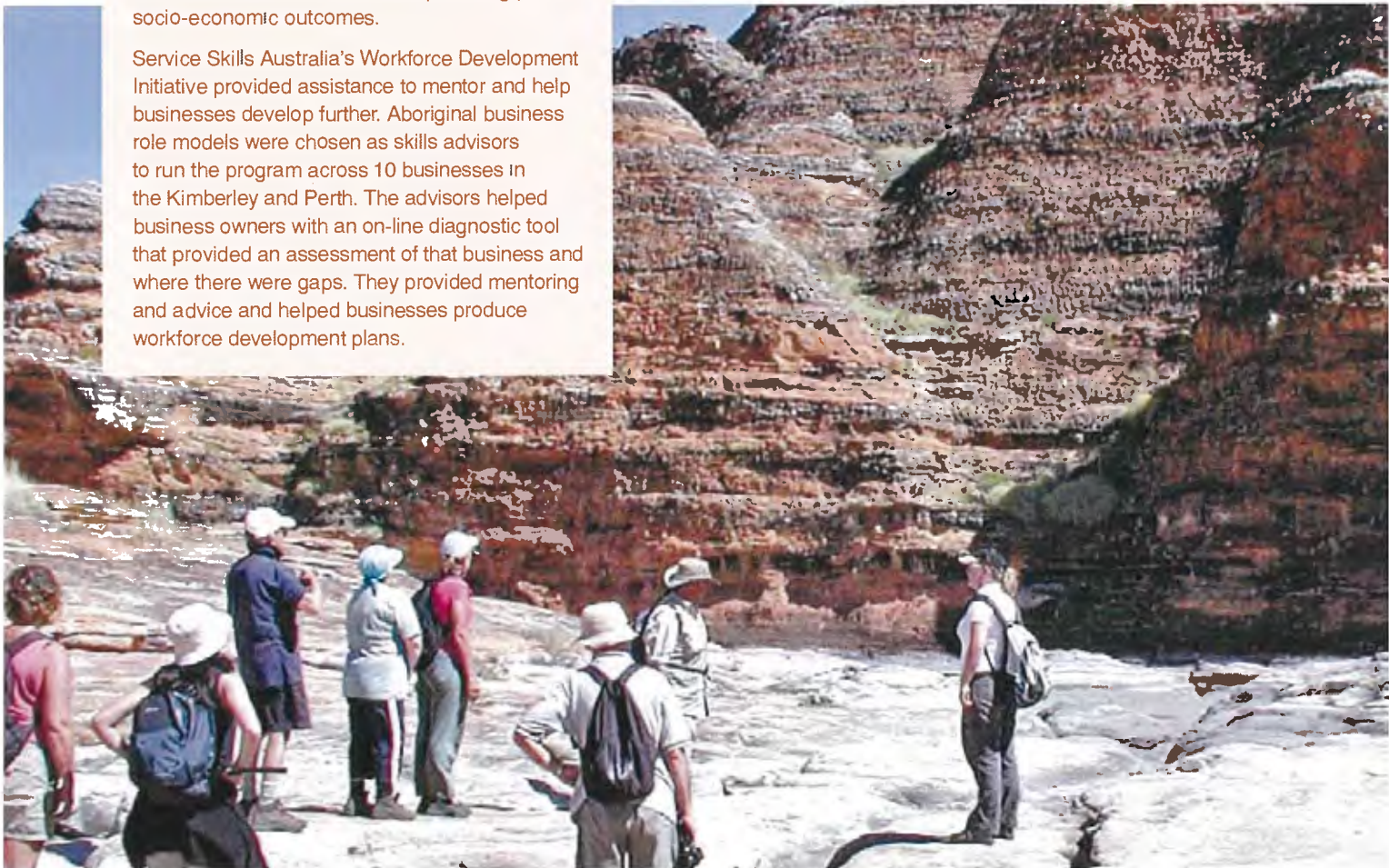
Wellness tourism is another area predicted to grow as consumers look to improve their wellbeing. Wellness tourists spend 130 per cent more than the average tourist and crossover into niches like culinary tourism, adventure tourism, agri-tourism, sports tourism and cultural tourism. Wellness tourism is predicted to grow by 9.1 per cent annually through 2017, almost 50 per cent faster than tourism overall.³⁴

Technology shaping travel, tourism and hospitality

The world online

Technology is having an enormous impact on how the industry is marketed and run. More and more customers go online to research and book restaurants, flights, hotels, events, tours, campsites, etc. They expect the service online to be of the same high quality they'd expect in person. Industry believes smaller operators in particular need more skills in using online sales channels for bookings and payments.

The *Workforce Futures* program, which worked with businesses in the tourism industry to help address their workforce challenges, found opportunities remain



to improve the digital presence of businesses within the industry. Of the 2,612 participating businesses, 30 per cent did not even have an online presence.

To benefit from the interest in Australia from abroad (and to grow it), industry highlights the importance of equipping business owners with the skills and knowledge to engage with international markets through marketing, communication and the use of social media.

Travel planning is increasingly influenced by electronic word of mouth.³⁵ Social media often influences purchasing decisions as consumers place ever greater stock in social media endorsements of destinations, hotels, airlines and so on. While travel agents usually have a high level of digital literacy, businesses need to develop the skills to manage the customer relations aspect of online feedback.

The impact of social media on tourism, travel and hospitality is too great for it to be just a marketing consideration. Businesses need the skills to factor social media into areas like human resources and customer relations. Social media also brings legal implications and is relevant to how businesses calculate risk and handle crises.

Using big data

More technology in tourism, travel and hospitality brings more data on customers, which makes it easier for businesses to calculate return on investment from their digital activities. Access to 'big data' also means businesses with the skills can market themselves more effectively by segmenting customers by brand, services, product and other criteria. To realise the potential value of this data, businesses need the right skills.

Booking travel

Industry has seen an increase in overseas online travel agents (OTAs) working the Australian market. As a result, more Australian agents are expanding their online presence and online booking tools to remain competitive. Skills in these areas are considered extremely important.

Seven years ago over 70 per cent of Australians travelling overseas used a conventional travel agents. In the year to June 2014, 4.7 million Australians had taken an overseas holiday in the last 12 months. Just under half booked through a conventional travel agent and 16 per cent went through an online-only travel agent.³⁶

In terms of domestic holidays, only eight per cent of travellers used a bricks and mortar travel agency, suggesting travellers are more confident when making online travel plans in their own country. Industry feedback suggests that the role of the travel agent has become one of the advisor rather than the booking agent, and it's this service that will be critical in sustaining businesses' profitability in the future.

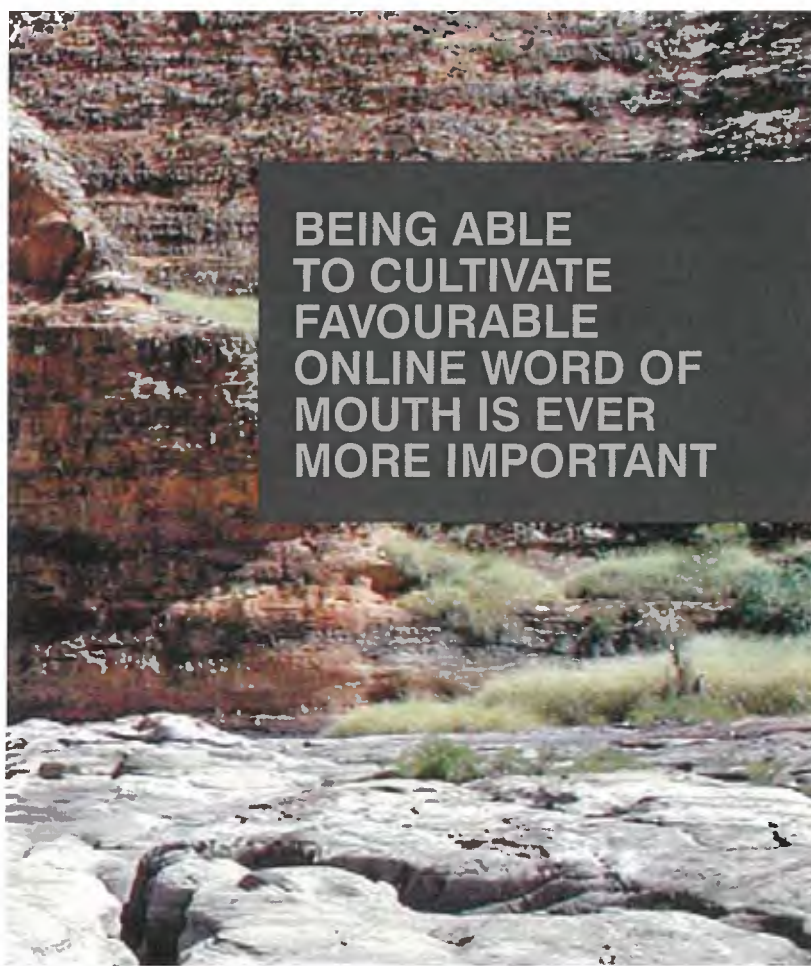
Event management in the cloud

Digital advances are also affecting the event management industry. Cloud-based event management platforms are now commonplace, which makes event management easier and more efficient, but requires the workforce to have advanced digital skills.

Changing business models in events

In the events management sector there is a trend towards hiring in-house event managers, cutting out the middleman, lowering costs and ensuring greater adherence to company objectives.

The 'private event trend' is part of the same shift. Companies are hosting their own events for qualified buyers instead of participating in larger events like trade shows or association events. This trend makes hosting an event part of a corporate marketing plan. To compete, exhibition and event organisers need to develop products and services that offer something privately produced events can't.³⁷



**BEING ABLE
TO CULTIVATE
FAVOURABLE
ONLINE WORD OF
MOUTH IS EVER
MORE IMPORTANT**

Sport, fitness and recreation



68,907

people are employed in the industries covered by the SIS Sport, Fitness and Recreation Training Package, with a total of 95,950 recorded as working in the sport and recreation industry overall.



71%

of the workforce is under 40 years of age, as opposed to 48 per cent for the rest of the working population.



68%

The workforce is mainly casualised/part time/seasonal workers—according to ABS, 68 per cent claim to be employed on a part time basis.³⁸



High impact

There is less incidental activity in everyday life because of our ever increasing reliance on technology, shortage of time and less access to open spaces particularly for urban populations. In 2012 only 43 per cent of adults met the recommended minimum of 150 minutes per week of at least moderate activity.³⁹

The positive impact the industry has on the health and wellbeing of the population—and by extension our economy—is a strong focus. The benefits extend beyond physical health, with the industry providing social benefits by promoting inclusive environments, improving the lives of the people most likely to be affected by poor physical and mental health, and by engaging with marginalised members of society.

Community recreation and aquatic centres

Community recreation and aquatic centres are playing a role in providing opportunities for physical activity and social interaction, particularly for the growing number of older Australians, those living in rural communities, and marginalised and culturally diverse groups.

Royal Life Saving Society Australia reports people from culturally and linguistically diverse (CALD) communities, especially those from African and Asian backgrounds,

are at a higher risk of drowning and aquatic injury. Drowning is the second most common cause of injury related death among Aboriginal children under 14. They are three times more likely to drown than their peers from other backgrounds.⁴⁰

Aquatic peak bodies have responded with water safety programs and there will be more focus on communication skills within the training package to reflect the need for graduates to engage effectively with diverse population groups.

Sport and health

Sport is recognised globally as important to health, physical and social wellbeing. The *Supporting healthy communities through sports and recreation programs* report from the Australian Institute of Health and Welfare and the Australian Institute of Family Studies, reports many links between sport and improved physical and mental wellbeing, as well as improved social cohesion and inclusion.⁴¹

In 2012 three million Australians reported having a mental or behavioural condition.⁴² Sport has embraced the part it can play in mental health awareness and management. Sporting groups have partnered with mental health groups on programs promoting clubs' ability to support people experiencing mental health issues. For instance, the *Good Sports Mental Health* program run with



Beyond Blue and the Australian Drug Foundation raises mental health awareness and the capability of communities in regional and rural areas (where awareness of these issues is particularly low) by working directly with community sports clubs.⁴³

Collaborating with other industries

Working with health professionals

To support this emphasis on health and wellbeing, there is a need for the sector to form strong working relationships with other industries, particularly medical and allied health professionals. For instance, fitness professionals are now more commonly asked to collaborate with medical and allied health professionals to deliver evidence based exercise programs for people with managed health conditions. To reflect this, the fitness qualifications have been updated to incorporate content on effective collaboration with health professionals.

Opening career paths

Forming links with other service industries, including tourism, education and health, are also a focus for the sector because the industry believes better ties will strengthen the industry and provide more career development options. Also, the industry recognises a need to give workers skills to work across job roles, giving them options for full time employment and

transferable skills that open career paths within and outside the industry. If more investment were made in multi-skilling, it would be easier for employees to see their jobs as careers not just short-term employment.

For example the 2013 *National Outdoor Sector Survey* conducted by Service Skills Australia and the Outdoor Council of Australia found the outdoor recreation workforce needs to be multi-skilled. Outdoor leaders need experience or qualifications in an average of five areas to gain full-time employment.

To reflect this, qualifications will be made more flexible so students are skilled in sufficient activity areas to have the best chance of full time employment. At the same time, skill sets will be streamlined so workers can top up or broaden their skills as easily and cost effectively as possible. This is particularly important in a sector that employs a large number of volunteers.

Pressure on resources

Pressure on outdoor spaces and the rising cost of natural resources like water are forcing a rethink in the industry. Maintaining sports grounds and community recreation facilities is costly and labour intensive, leading to investigation of smarter ways to manage facilities. The Community Sporting and Recreation Facilities Fund in Western Australia, for instance, funds clubs—particularly in drought-prone areas—to replace grass with synthetic surfaces.

Community recreation facility managers are also looking at energy and water efficiency. For instance, pools all over Australia are looking at solar power, heat pumps, cogeneration and trigeneration to reduce their consumption.⁴⁹

**SPORT AND FITNESS
ARE EVER MORE
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THE EFFECTS OF
GROWING INACTIVITY
ON NATIONAL HEALTH
AND WELLBEING**

⁴⁹ Cogeneration makes use of the heat produced when generating power. Trigeneration takes this a step further by producing cooling as part of the process.

It is believed integrated sport and recreation facilities are the future of the sector as councils look to minimise land use and running costs, particularly in urban areas. As well as open green spaces, sporting fields and aquatic facilities, it is expected the complexes would offer a variety of services such as shopping, health and beauty services (massage and spa treatments) and cafés. These multi-purpose recreation facilities could provide appealing career pathways in the sector by creating more roles and opportunities and giving additional weight to the need to have a multi-skilled workforce with transferrable skills.

Case Study: Aquatic Industry Partnership

Royal Life Saving NSW partnered with the Australian Training Company to participate in the *Strategic Skills* program, funded by the New South Wales Government. The program provided subsidised training in various skill sets to candidates within the aquatic industry in regional and remote New South Wales. Royal Life Saving NSW identified a training need within these communities, as many aquatic employees have limited formal qualifications and many have not completed further education.

Royal Life Saving provided training for candidates across three skill sets – Technical Operation, Customer Service and the AUSTSWIM Teacher of Swimming and Water Safety. Training commenced in late June 2014, with 141 candidates taking part in the skill set of their choice.

Royal Life Saving NSW identified a need to provide these skills sets to regional and remote candidates to allow students to build on their current training to become multi-skilled. This supports the industry, creating a more professional and skilled aquatic workforce, whilst supporting employment opportunities for jobseekers and improving the skills of existing workers. Successful completions of the skills sets allows candidates to work across job roles within aquatic centres, and provides candidates with an opportunity to increase their chances of developing sustainable careers within the industry.

Responding to consumers

Consumer demand is a key driving force for change in the sport, fitness and recreation industry. This has created a much more complex environment and prompted organisations within the industry to change their business models to provide consumers with the more personalised, flexible and 'experiential' services they expect.

The fitness sector is providing flexible opening hours for members, with 11 per cent of gym members now belonging to a gym that is open 24 hours a day.⁴⁴

The global trend towards personalised service is reflected in the booming market for group personal training, particularly outdoor group training. Small groups allow trainers to provide a somewhat tailored service at a lower price than an individual training session. Due to its popularity in Australia, Fitness Australia and Parks and Leisure Australia have formalised their relationship with a memorandum of understanding that will outline a joint position regarding proper use of public spaces by fitness professionals.

Modifying sports

Declining participation in organised sport has prompted the sector to look for ways to reach people interested in non-traditional sport by offering modified formats for adults and children. For example, Cardio Tennis is a modified form of tennis designed to improve adult fitness and provide opportunities for social interaction. This trend will affect the types of coaches and officials required, and organisations are considering the roles and skills needed to serve the changing participation opportunities they are implementing.



Technology

Technology and social media are now an integral part of interacting with customers, who expect organisations to have a digital presence and to engage with them.

Clubs and sporting organisations are expected to provide real-time updates to members, who expect a website or Facebook page as a matter of course. This requires organisations to have the skills and ability to develop digital content and keep it up-to-date. This poses a challenge, particularly where much of the workforce is voluntary and might not be digitally literate.

Technology is an important part of a fitness professional's arsenal, with some even taking it as far as providing personal training sessions via the web. Though this type of venture is limited to a small number of operators, it is expected to become more common.

The path to professionalism

To realise its full potential, the industry is eager to continue its move towards professionalism, with a strong push for more rigorous governance structures that better reflect best practice in business.

In some areas of the industry, the workforce is largely unpaid. To ensure the ongoing success of the sector, these volunteers need appropriate access to training and skills. It can be difficult for the industry to retain volunteers and provide effective support and professional development opportunities due to accessibility and cost. 'Traditional' forms of professional development like accreditation are appropriate for some volunteer segments, but other forms of training and education need to be developed to meet the needs of short term volunteers in particular.

More data needed

If the industry is to carry out meaningful workforce planning activities, it will need access to better data on its people. Put simply, they need to know who they are and where they are going to plan for the future and ensure the skills and training being provided meet the needs of industry and give graduates skills for a lifelong career in the industry.

**THE INDUSTRY HAS
AN IMPORTANT
ROLE TO PLAY IN
SOCIAL INCLUSION
AND MENTAL AS
WELL AS PHYSICAL
HEALTH**







IDENTIFIED WORKFORCE DEVELOPMENT NEEDS

Skills shortages

The following key skills have been identified by stakeholders as being in shortage across all segments of the service industries:

Customer service and frontline service skills

Customer service staff have a critical role as the interface between a business and its customers, they need more advanced skills than in the past because consumers are better informed and expect more personalised service to create an overall 'experience'. Key skills include:

- problem solving
- interpersonal or customer engagement skills
- deeper levels of product knowledge.

Digital and social media skills

It is widely believed organisations must be part of the digital environment to survive but the digital skills required are in short supply.

- Digital literacy is now a basic requirement for workers at all levels. Additionally, organisations across the sectors need the skills to develop websites, social media content and digital marketing that gives the best customer experience and return on investment.
- Social media use can be fraught, with immense—and often very public—consequences for missteps. Even organisations that have made the leap into social media report a lack of skills to use it to its full benefit, with less than a quarter of small businesses that use social media having a strategy.⁴⁵ Skills to implement policies and processes for proper use and content management are in demand.
- There is growing recognition that an effective strategy requires digital channels to be seamlessly integrated with offline channels and a consequent demand for the skills needed to implement integrated business strategies. In addition, the skills to interpret the voluminous data that digital channels provide and the ability to use it to inform decisions and marketing are key for the industry.
- A shortage of people with online retailing skills has been identified by the industry and Service Skills Australia is working with industry to develop training options to deal with this skill gap.



Management and leadership skills

Industry consultation highlighted the need for business management and leadership skills in the areas of pricing, financial management, coaching, human resources and operations, particularly given the industry is dominated by small businesses and organisations with a large number of volunteers, some of which operate in regional locations. Management staff need:

- More advanced and broader skills for the increasingly complex environment. For example many retailers report difficulty recruiting high level staff appropriately skilled in all areas of retail operations.
- Coaching and leadership skills. For example in the tourism and hospitality sectors, small and regional businesses noted the additional need for managers to have recruitment and induction skills.
- Relationship management, client retention management and business management skills. For example in the sport, fitness and recreation industry, gaps still exist in governance within the sport sector as clubs look to professionalise management structures.



- Crisis management skills, which the events industry stakeholders identify being in shortage.
- Succession planning skills - representatives of the holiday parks and resorts sector highlight a shortage of people with these skills.

Communication skills

There is a shortage of effective communication skills within the services industry in the following areas:

- Presentation and public speaking skills, particularly in the tourism industry.
- Within the fitness and community recreation sector, communication skills are seen as important because they are needed for effective collaboration with medical and allied health professionals.
- The ability to communicate with diverse populations is also seen to be lacking as the sport, fitness and recreation industry looks to be more inclusive and to reach out to marginalised members of the community.

Negotiation and facilitation skills

Negotiation and facilitation skills are important for the service industries, some examples of industries that require these skills are:

- Funeral Directors: to interact with clients sensitively and with integrity, particularly when there are disputes in families over burial options or other issues.
- Outdoor recreation sector: the growth of outdoor education has increased the need for negotiation and facilitation skills to for those dealing with diverse groups.

Cultural awareness skills

- Cultural awareness skills are needed to make the most of the opportunities offered by visitors to Australia and other growth markets for the tourism, travel and hospitality industry and the broader economy including the need for Indigenous interpretation and storytelling skills.
- Funeral services employees need cultural awareness skills when dealing with diverse cultural beliefs.

Labour shortages and emerging roles

Wholesale, retail and personal services

Labour shortages within the industry:

- Retail manager and retail supervisor: The latest government research into recruitment finds these roles are difficult to fill and an additional 18,600 retail managers are expected to be needed in the next five years.⁴⁶
- Merchandise and category management or buying and planning: The Australian retail sector also has severe difficulties finding local staff at the standard available overseas within these areas. Retailers have had to find employees offshore but those staff cost more to recruit, don't know the local market, and are more difficult to retain. The two biggest skill gaps are in merchandise planning and commercial design/product development.
- Visual merchandisers (in-store and online): Extensive consultation with retail employers shows a demand for these roles.
- Hairdressers: The hairdressing industry is facing the familiar challenge of finding suitably skilled hairdressers. According to the Department of Employment's labour market rating, the labour shortage largely remains the same as reported in 2012, but there has been a change in recruitment experiences for salons in metropolitan and regional areas. 'Employers in metropolitan locations continue to experience difficulty recruiting while those in regional areas recruit with relative ease.'⁴⁷
- Barbers: Industry feedback is that barbershops are also struggling to find qualified barbers. In response, Service Skills Australia is developing the Certificate III in Barbering as part of the new training package.
- Beauty therapists that specialise in spa treatments are also considered to be in short supply.
- Embalmers are in demand in the funeral services industry, with the Department of Employment forecasting strong growth in employment—an increase of 13.1 per cent over the next five years (400 workers).

Tourism, travel and hospitality

Labour shortages within the industry:

- Chef: The strong growth in restaurant, café and catering services is forecast to continue. With the tourism sector being identified as one of the five 'super-growth' sectors over the next 20 years, the long-term shortage of cooks, chefs and waiters will need to be resolved to make the most of these opportunities. The occupation of chef was added to the Skilled Occupation List in July 2014, a move welcomed by industry stakeholders.
- Baristas: Skills relating to espresso coffee making are needed.
- Cruise specialists: Australia is the world's leading cruise market in terms of growth and market penetration,⁴⁸ with record numbers of passengers arriving in 2013.
- Tour guides remain in demand, particularly in the Northern Territory, where 51,000 cruise ship passengers are arriving annually. It is not uncommon for businesses to have to fly guides in to cope with demand for day trips, partly because licences prohibit drivers acting as guides.
- Park managers: The caravan and camping industry employs 25,000 people, but the holiday parks and resorts sector reports a shortage in this role.
- The events sector has a shortage of venue managers, exhibition managers and professional conference organisers. The ABS projects 17 per cent growth in demand for conference and events organisers to November 2018.⁴⁹

Emerging job roles within the industry:

- Social media manager: This role has emerged in response to the impact of social media and the need to manage content, strategy and customer interaction.
- Online travel managers: The online travel market is growing—'bricks and mortar' travel agents now also operate online—which has led to the emergence of this job role.
- Mobile travel managers: There has also been a marked increase in home-based travel agents since the deregulation of the industry. Many operate almost as franchisees with a centralised back office taking care of administrative duties. This has led to this new role.

Sport, fitness and recreation

Labour shortages within the industry:

- Volunteers are in short supply in the sport sector.
- Outdoor leaders are in shortage, particularly those with the skills to assist with the educational needs of school groups, which has led to some organisations linking with training organisations overseas to find graduates and increase their pool of candidates.

Emerging opportunities in the fitness industry:

- Personal trainers with knowledge of nutrition and advanced skills in working with clients with chronic conditions.
- Fitness services coordinators who can manage fitness services and liaise with allied health services professionals.
- Personal training managers with the skills to lead teams of personal trainers.

In the community recreation sector, there are emerging needs for:

- Swimming school coordinators particularly at larger facilities.
- Employees with marketing skills who can promote facilities to the community to increase participation.

Emerging job roles in sport:

- Community development officers: to help clubs engage with communities, particularly those that are multicultural, rural or remote.
- Integrity officer: to help sporting organisations with policy development and implementation for issues including member welfare, gambling, match fixing and anti-doping, as well as other issues of integrity.
- Inclusion officers: to help sporting groups engage with all segments of the population and to promote inclusive environments.

**ATTRACTING
AND KEEPING
EMPLOYEES WHO
CAN OFFER SERVICE
AT THE RIGHT LEVEL
CALLS FOR GOOD
RECRUITMENT
AND INDUCTION
PROCESSES**

Attracting and developing talent

There is a false perception that jobs in the service industries do not provide long term career prospects. Job roles in these sectors need to be promoted as aspirational career options to students (but also to careers advisors and parents). The service industries can provide entry level job roles from which people can move on to higher skilled roles as they acquire training and job experience.

Given the shortages that have emerged in the higher-skilled roles within the retail industry in particular, many retailers have commented on the need for the greater promotion of the opportunities in retail and to make career pathways more explicit. As the industry continues to change, the vast proportion of employment growth is among highly skilled occupations.

The attraction of workers who are looking for 'fill in' jobs and poor retention impacts on service levels (staff don't stay long enough to develop skills) and also on business costs (hiring, training, etc).

Attracting and keeping employees who can offer service at the right level calls for good recruitment and induction processes. According to industry, newcomers often don't know what will be expected of them in their jobs. They also say mentoring is crucial for new employees to develop their skills, especially for those looking to become supervisors and managers.

Currently, 60.8 per cent of hospitality businesses have vacancies with 22.3 per cent indicating they were having extreme difficulty finding staff. Chefs, cooks and restaurant managers ranked as the most difficult vacancies to fill.⁵⁰

Working in conjunction with the Australian Retailers Association, the National Retail Association, and the Franchise Council of Australia and eleven other retail groups and associations, Service Skills Australia interviewed key industry stakeholders to identify the return on investment from skills development in accredited and non-accredited training. The retailers, which ranged in size and location, identified that such an investment can have a positive impact on profit margins by as much as 20 per cent. Significant improvements in employee retention were also noted, with stores in remote and regional locations experiencing a 300 per cent improvement. Some businesses also found that training investments led to increases in average customer spend and significant improvements in mystery shopper results. These early results highlight the value of training investments for the business, but also the industry as a whole as it builds a more skilled workforce and eases skill shortages.



Career paths within the services industry

People don't expect a vertical career path like they once did: a career where they rose through the ranks in a single industry. They anticipate moving horizontally—using the skills they develop in one industry to move to another, either for variety or advancement.

This means it is important that skills like customer service and communication are transferrable. For employers this means good staff will be easier to find because the pool is bigger. For employees it means more opportunities to diversify and to further their careers. And a diversity of skills is increasingly important to employees as employers flatten structures and expect employees to be versatile. There will always be a demand, however, for specialised skills needed for particular job roles.

Transferability of skills is increasingly important. Whereas there are perceptions of the service industry being transient and low-skilled, in reality the skills acquired in these sectors are portable across industries and around the world. Australia's productivity and competitiveness depend on a highly trained workforce and education should emphasise the parallels between different industries.⁵¹

Casual employment can work against the industry in terms of attracting good staff; career paths are harder to see and career development is harder to come by because businesses are reluctant to spend on training and development for casual workers. But the casual nature of work can assist industry in retaining employees because it is flexible work.

Lack of funding for training casuals was highlighted as a barrier to resolving labour and skills issues. Stakeholders believe a model should be created which allows a pool of funding to pay for training of casuals. The model could be based on the number of hours the casual works.

Mature age workers

The number of mature age workers varies across the industry, but it was reported in several service industry sectors that mature age staff are bringing experience, knowledge, reliability and interpersonal skills with them. They often have well-developed skills in communication, problem-solving and self-management—the foundations of many roles in the service industries.⁵²

In addition, the 2014 Federal Budget included incentives for hiring mature age people. Some stakeholders also say the removal of age restrictions



CURRENT IMPACT OF TRAINING PACKAGES

on the Working Holiday Maker visa will bring in more mature aged workers to the labour pool.

According to a KPMG report commissioned by the Caravan Industry Association of Australia, the sector needs to manage the risk of an ageing workforce and to align the age profile of the workforce more closely with the demographic of target customers. At present a disproportionate number of workers are over 50—more than 59 per cent of the 3,497—strong workforce in 2011.⁵³

Seasonality

Addressing the impact of seasonality remains crucial for businesses in the service industries. Businesses within some industry sectors are seeking to counter seasonality through labour mobility programs.

In the Tourism, Travel and Hospitality industry the *Workforce Futures* program found that nearly all participating businesses in the industry traded year-round, but 71 per cent of them reported being significantly affected by seasonal trends. However, only 25 per cent of those had a seasonal worker program to encourage employees to find work elsewhere or to take extended leave during down times and return in the next season.

Much of the work in the sport, fitness and recreation industry is seasonal and highly casual. To assist the workforce to find full time employment in the outdoor recreation sector in particular, training needs to ensure graduates leave with multiple skills so they can find work season to season. Training also needs to be available in ways that make it easy for those already in the sector to top up their skills as needed.

Business sustainability

Businesses need the skills to be able to operate sustainably to meet expanded customer expectations. This requires not only the skills involved in delivering the service but also to manage the supply chain in order to provide the experiences the customer demands.

The issue of economic sustainability is of critical importance to all businesses. Unless employers can create profitable, growing businesses there will be no opportunities for employment regardless of the level of skill of prospective employees.

The Tourism, Travel and Hospitality Workforce Development Strategy 2014-2019 noted that a targeted effort is required to make sure operators have the skills and knowledge to grow businesses because these industries are dominated by non-employing and self-employing small businesses.⁵⁴ Management and leadership skills, strategic planning, financial literacy and mentoring and coaching skills were among those identified as being critical to building and maintaining a sustainable tourism, travel and hospitality industry.

Within the sport, fitness and recreation industry there has also been a move towards more financially, socially and environmentally sustainable practices. Traditional methods of running recreation centres and sports grounds are inefficient and costly, which is an even greater problem as energy and water costs rise. Facility and sports ground managers are looking at energy and water efficiency in particular to make centres cheaper to run.

Volunteers

The sport, fitness and recreation sector includes a large number of volunteers—up to 14 per cent of the adult population, according to the ABS.⁵⁵

Volunteers are needed in all areas of sport, but particularly in governance roles at the grassroots. These roles have traditionally been filled by parents of participants but they now need the governance experience necessary to support the move towards greater professionalism.

Volunteers also make up a significant part of the outdoor recreation workforce but industry stakeholders have noted their numbers are decreasing. It's been suggested this might be because people have less free time and the time and expense needed to meet the legislative requirements for being a volunteer.

In the tourism industry, the training and retention of volunteers is a concern for those working in visitor information centres. They are often the face of tourism in local areas, playing a significant role in shaping the visitor experience. As such, it's important they're well trained but a lack of funding makes training and retaining experienced volunteers difficult.

Professional development for volunteers can be an incentive for participation, but a difficult balance has to be struck. The training needs to be rigorous enough to qualify someone to manage the high level of risk involved, yet accessible enough that it is not an additional burden for volunteers.⁵⁶

**THE ISSUE OF
ECONOMIC
SUSTAINABILITY
IS OF CRITICAL
IMPORTANCE TO
ALL BUSINESSES**



Overall numbers

Commencements in the seven Service Skills Australia training packages decreased between 2012 and 2013, as shown in the table below. However, the longer term trend shows that commencements have increased significantly since the base year of 2002. This is particularly the case for *SIB Beauty* and *SIS Sport, Fitness and Recreation*.

There was also an increase in the number of completions of Service Skills Australia's training packages between 2012 and 2013, with the most significant increases being experienced in *SIR Retail*, *SIS Sport, Fitness and Recreation* and *SIT Tourism, Travel and Hospitality*.

Table 1: Qualification commencements in Service Skills Training Packages, 2002-13⁽ⁱⁱ⁾

Qualification	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
SFL Floristry	1,312	1,385	1,314	1,341	1,310	1,419	1,505	1,483	1,787	1,536	1,683	1,616
SIB Beauty	3,518	4,642	4,897	5,788	6,888	7,579	7,193	8,628	10,167	12,387	15,217	17,118
SIF Funeral Services	9	6	62	42	66	1	3	19	0	1	45	36
SIH Hairdressing	7,495	9,069	9,474	11,221	11,604	12,438	13,571	12,324	16,010	15,219	16,191	14,360
SIR Retail	33,987	37,328	35,135	37,244	42,432	40,632	46,045	38,128	44,989	53,175	53,689	31,622
SIS Sport, Fitness and Recreation	11,992	17,146	16,822	17,795	18,302	19,861	19,306	22,375	26,516	35,642	37,483	31,464
SIT Tourism, Travel and Tourism	72,214	86,033	79,954	84,150	103,316	110,223	125,962	133,811	129,086	128,485	139,952	126,204
Total	130,527	155,609	147,658	157,581	183,918	192,153	213,585	216,768	228,555	246,445	264,260	222,420

Table 2: Qualification completions in Service Skills Training Packages, 2002-12

Qualification	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
SFL Floristry	462	543	628	589	687	668	691	688	876	1,011	884	7,727
SIB Beauty	1,740	1,941	1,859	2,344	2,648	2,927	3,276	3,648	4,055	5,223	5,906	35,567
SIF Funeral Services	0	0	8	0	40	2	0	0	8	9	18	85
SIH Hairdressing	1,860	2,085	2,542	3,611	4,439	4,465	5,440	6,291	6,551	6,586	6,897	50,767
SIR Retail	11,810	13,409	15,160	14,309	12,773	14,291	17,789	17,964	21,832	27,219	32,886	199,442
SIS Sport, Fitness and Recreation	2,526	3,694	4,526	5,216	5,301	5,709	6,200	7,305	9,176	15,213	20,106	84,972
SIT Tourism, Travel and Tourism	22,025	19,936	20,596	22,724	21,995	25,111	27,170	29,904	31,685	35,159	39,944	296,249
Total	40,423	41,608	45,319	48,793	47,883	53,173	60,566	65,800	74,183	90,420	106,641	674,809

(ii) Source: NCVER VOCSTATS (ncver.edu.au/resources/vocstats/intro.html), extracted on 8/10/2014
NCVER's VET provider collection provides information on publicly funded training in public providers; publicly funded training in private providers; and fee for service training in public providers. It does not include data for fee-for-service VET by private providers or VET in Schools, where the delivery has been undertaken by schools.
Prior environmental scans have reported enrolments rather than commencements, and therefore cannot be compared



FUTURE DIRECTIONS FOR ENDORSED COMPONENTS OF TRAINING PACKAGES

Right Way

Service Skills Australia supports and recognises the delivery of quality training through our national Right Way accreditation program for trainers and assessors, training facilities and training resources. The Right Way logo lets employers and potential students know that trainers, assessors and training providers are committed to exceeding industry expectations.

Right Way accreditation is a symbol of quality training for the service industries, which acknowledges professional trainers and assessors who maintain current industry knowledge by working in industry and or participating in professional development activities. It also provides recognition of quality training and assessment facilities and training resources used across the service industries.

There are 311 trainers and assessors, 25 facilities and four resources accredited under the Right Way program and these numbers are growing daily as trainers and facilities align themselves with quality training delivery.

VET market

Industry feedback suggests that Certificate I is not substantial enough to be considered entry level. Certificate II level is also generally considered foundational entry level or pre-vocational but graduates would be considered for some positions and many employers continue to use Certificate II as a first line of training for new employees.

Industry loses confidence in the VET system when graduates aren't competent in skills the qualification says they should be able to do. Multiple examples were given by the service industries throughout the consultation process and the need for nationally consistent standards remains of paramount importance.

An example of the need for a nationally consistent approach can be seen in the application of Responsible Service of Alcohol licensing, which varies across jurisdictions, creating difficulties for businesses and employees. It's especially difficult for employees who move interstate, an issue of particular concern for the tourism and hospitality industry because seasonality calls for employees to travel.

Industry has also raised some concerns about the self-regulation of quality training providers and the need for consistency in the auditing process. It was broadly felt the five year accreditation period was too long and that stringent quality controls will be vital if self-regulation is to succeed.

Aside from quality, stakeholders also report employer and VET graduates can have mismatched expectations. Some graduates feel their qualification enables them to do things they are not actually trained for, while some employers expect more of graduates than they are trained for. This situation is partially explained by feedback that not all employers are aware of and engaged with the VET system. Therefore, an opportunity exists to promote the benefits of participation with VET to industry.

The introduction of the Unique Student Identifier (USI) from 1 January 2015 will complement industry's desire for targeted sets of skills obtained through completion of skill sets. The USI will act as a central collection point for student records of attainment, allowing employers to see what skills a potential employee has, as well as allowing learners completing skill sets to achieve full qualifications as they build up the required units of competency.

VET in Schools

Industry is concerned about the quality and appropriateness of the *VET in Schools* (VETiS) program in its present form, particularly that the teachers are not sufficiently qualified or up-to-date.

Stakeholders believe VETiS should be reformed and seen only as an introduction to the industry, a pre-vocational pathway to a higher qualification. Students would benefit from more practical, workplace experiences; industry is concerned schoolchildren are gaining qualifications without having the requisite experience or aptitude.

**STUDENTS WOULD
BENEFIT FROM
MORE PRACTICAL,
WORKPLACE
EXPERIENCES**

Wholesale, retail and personal services

Retail and wholesale

There will be more focus on customer engagement and experience for frontline staff and store managers, and also skills in building brand loyalty.

Coaching and leadership will be a focus across the training package to give managers at all levels the skills to enhance learning opportunities and maximise performance.

A pathway will be created into the Diploma of Visual Merchandising; retail employees will be able to gain base visual merchandising skills relevant to their in-store roles. They will have the option to move into a specialised role of visual merchandiser linked to the diploma.

Two new qualifications aligned to retail merchandise management and buying and planning functions will be added. Industry stakeholders identified it was most important to train junior levels to become buyers/planners and to train very experienced buyer/planners to move into the buying/planning manager level (also known as head of trade/business unit manager).

- *Diploma in Retail Merchandise*: a qualification aimed at assistant, trainee and junior level job roles and could also be used as part of a graduate training scheme.
- *Graduate Certificate in Merchandise Management*: a more advanced qualification for experienced buyers, merchandise planners or category managers, which focuses on developing commercial acumen and retail business skills. As a graduate certificate level qualification, it will be attractive to more experienced workers who may not have a completed a bachelor degree but would qualify to undertake this qualification because of their work experience. It will also be an attractive option for graduates of a bachelor degree as an alternative to completing a masters or MBA.

New online retailing components will be embedded across qualifications and a new qualification could potentially be developed. This would cater for businesses of different sizes, as smaller retailers do everything—marketing, merchandising online and social media—but larger organisations have personnel for each of these functions.

The structure of the qualifications will be more appropriately aligned to the varying job roles across industry sectors and business sizes.





Tourism, travel and hospitality

Specialist skills

Over the last 14 years qualifications have moved from specific and targeted qualifications to become broad and general, which reduced duplication across training packages and met requirements to rationalise units and qualifications. However, it has made it harder for employers to understand exactly what someone can do with a particular qualification. As a result, the training package review is exploring forming specialisations within qualifications.

Service Skills Australia is talking to industry to find out where specialisation is needed. Where specialisations are developed, they may in some cases be able to be completed as a skill set, allowing industry to develop targeted skills to address a defined need.

Events

The *SIT Tourism, Travel and Hospitality Training Package* contains three events qualifications focussed on meetings, conferences and business events. Feedback from industry indicates there are gaps. Full functional job analysis for current roles is happening and the development of qualifications to fill gaps will be explored.

Espresso coffee

The *SIT Tourism, Travel and Hospitality Training Package* contains two units of competency focussed on espresso machine operation, but industry reports a need for the development of units in cupping and roasting, and the development of a possible skill set. The current units are adequate for food and beverage attendants but Australia has a sophisticated coffee culture and the units do not meet the needs of cafés. Industry reports some employers are undertaking international qualifications or non-accredited training because the training package does not meet their requirements.

Cultural awareness

Although the *SIT Tourism, Travel and Hospitality Training Package* has scope for the inclusion of languages other than English to be included in various qualifications, it has been noted by industry that there is a need for more than just language skills, to increase awareness of international cultures.

Understanding how cultural differences affects customers' needs, expectations and reactions in areas such as customer service, design and structure of products and services, as well as sales and marketing and communication methods is seen to be important.

Existing units will be reviewed to ensure adequate coverage of these areas address the industry need.

Indigenous culture

The *SIT Tourism, Travel and Hospitality Training Package* contains one entry level qualification at the Certificate I level which is focused on Indigenous tourism. Given the growth in Indigenous tourism and feedback that much of this has developed organically and without structure, industry has reported the need to improve skills in story-telling, public speaking, interpretive and presentation skills for both Indigenous and non-Indigenous people working in Indigenous businesses. Further development of capability in these areas will increase profitability and professionalism of different tourism products, such as guided tours and visits to cultural centres and sites.

HR management, including conflict resolution, recruitment, induction, retention and building career paths that can be adapted to the needs of Indigenous communities is critical to the continued growth and success of this sector.

The need for skills development in some aspects of parks and land management, for maintenance of sites of cultural significance, has also been identified as a required skill set to complement the tour guiding/customer service aspect in a number of Indigenous business operations. Both of these skill sets are important for seasonal businesses to provide opportunities for year round employment, which is required by both the community and industry to keep skilled workers employed.

All of these identified needs will be further explored during the development of the *SIT Tourism, Travel and Hospitality Training Package*.

Community pharmacy

The continuous improvement review of the *SIR Community Pharmacy Training Package* component is underway. The review focuses on the development of new units of competency and job roles to meet emerging community pharmacy skill requirements. For instance, the role of a dispensary assistant will be scoped in-depth with a view to establishing a qualification specific to this job role.

Floristry

The continuous improvement review of the *SFL Floristry Training Package* started in late 2013 with an evaluation of industry practices and the existing training package. It was established that the skills and knowledge required by floristry workers were unchanged. Support for the existing *SFL Floristry Training Package* came from industry and registered training organisations.

Updates are required only to improve or clarify the skills and knowledge required under the revised Standards for Training Packages. Specifically, units of competency have been developed or refined to reflect the customer services skills needed by a floristry business, along with units with more focus on design skills. Refinements to the Diploma of Floristry Design

have also been made, including the development of floristry-specific design and creativity units of competency. Also assessment requirements are being strengthened to ensure skills have greater application in real workplaces.

Hairdressing and beauty

Regrouping hair and beauty qualifications into a new Hairdressing and Beauty Services Training Package is being considered to reflect the industries' ANZSIC industrial code.

Hairdressing

A new barbering qualification will be developed at the Australian Qualifications Framework (AQF) Level 3 to meet the needs of barbers.

An introductory qualification delivered predominantly as a VETiS program might need to be developed to replace the Certificate II in Hairdressing which has very limited impact in terms of job outcome.

Assessment requirements for the revised training package will be strengthened to ensure consistent quality outcomes for delivery through apprenticeships and institutional based pathways.

Beauty

Certificate II in Nail Technology has been reviewed and the new qualification is aligned to Certificate III level to better reflect the skill level.

A new standalone qualification in make-up artistry, the Certificate III in Make-Up, has been developed. This qualification reflects the role of make-up artists who operate in a commercial or fashion environment. New units of competency have also been developed including airbrushed make-up and creative make-up.

A new qualification has been proposed to cover advanced treatments, particularly skin treatments.

New units of competency are being developed for:

- Eyelash enhancements
- Infection control content including sanitation, disinfection and sterilisation
- Integrated industry units to prepare beauty therapists for the realities of the workplace and include training on self-management and time management.

Funeral services

The *SIF Funeral Services Training Package* was endorsed under the Standards for Training Packages in 2013 so there are no plans for a review in the short term. Service Skills Australia will continue to liaise with the funeral services industry to make sure the training package meets their needs.



Sport, fitness and recreation

Fitness

Service Skills Australia is consulting with the fitness sector about introducing work placement hours in the core units of the fitness qualifications to improve workplace competence.

To recognise the importance of being able to work with different populations, a unit will be included in the Certificate III in Fitness qualification to give graduates an introductory grounding in specific populations, for example children or older adults. The Certificate III will also include referral processes to medical and allied health professionals, and the unit on instructing exercise to older clients will be moved to the core of the qualification and include flexibility, strength, endurance, falls prevention, balance and the benefits of exercise while ageing.

To equip personal trainers to work with all types of clientele, *SISFFIT013 Instruct exercise to children and adolescents* will be moved to the Certificate IV core units.

An additional elective grouping, Fitness Services Coordinator, will be included in the diploma to cover the knowledge and skills needed to coordinate evidence-based programs for clients with managed conditions. It will include knowledge of local and national health networks; the skills to build and maintain healthy stakeholder relationships; and the ability to coordinate collaborative programs across various health and wellness sectors.

Nutrition content will be included in the Certificate IV but it will remain within the professional scope of practice and further enable coordinated service delivery with allied health practitioners.

The diploma will include some content on working with clients with managed chronic conditions, but will ensure fitness professionals always remain within the professional scope of practice and not contradict the expert professional standards authorities in allied health.

There will be a management specialisation in the diploma which will include the skills required for a personal training manager—a focus on marketing and sales, business analysis, time and money management, recruiting and retaining trainers, mentoring on business skills and proficiency of technical skills.

Community recreation and sport

The Certificate II in Community Activities will be merged with the Certificate II in Sport and Recreation. Much of the content is similar and it is believed merging the

qualifications will give graduates a better range of skills, which will allow them to work across industries.

The Certificate III in Aquatics and the Certificate III in Community Activity Programs will also be merged to become Certificate III in Aquatics and Community Recreation. This—along with the introduction of more flexible packaging rules in the qualification—will allow graduates to be multi-skilled.

A greater focus on customer service and communication skills will be included in the units to equip graduates with the skills to communicate with various population groups.

The Certificate IV in Community Recreation will be merged with the Certificate IV in Sport and Recreation; much of the content is similar. Merging the qualifications will remove duplication and give graduates more career opportunities.

Outdoor recreation

Qualifications will be made more flexible to ensure students are skilled in enough activity areas to give them the best possible chance of full time employment. At the same time, skill sets will be streamlined so workers in the sector can top up their skills as easily and cost effectively as possible.

To meet the needs of the growing number of schools outsourcing their outdoor education, additional communication and facilitation skills will be included in all qualifications.

All qualifications will be reviewed in conjunction with the Adventure Activity Standards to ensure activities sit at the appropriate level in the Australian Qualification Framework.

In addition, mandatory workplace assessment hours may be introduced into core units to address concerns about work readiness.

**ENSURING
GREATER
AWARENESS OF
THE CAREER
PATHWAYS
THAT EXIST IS
A KEY GOAL FOR
THE SERVICE
INDUSTRIES**



A photograph of a bartender with long dark hair in a ponytail, wearing a brown and white vertically striped shirt. She is seen from the side, working behind a bar. The bar is stocked with various bottles of alcohol. In the foreground, there are several clear bottles of '42 BELOW' vodka. Behind them, there are bottles of 'Sagariba' and 'ABSOLUT CITRUS'. On the top shelf, there are bottles of 'COGNAC', 'REMY MAISON', 'GALLIA', and 'VANGUARD'. To the right, there are bottles of 'PINK' and '12'. The bartender is reaching for a red container on the bar. The text 'APPENDICES AND REFERENCES' is overlaid in large white letters at the bottom of the image.

APPENDICES AND REFERENCES

Appendices

Appendix A – Report on previous continuous improvement activity

No changes to training packages have been submitted by Service Skills Australia since the publication of the 2014 Environmental Scan. However, extensive industry engagement and scoping work has been ongoing and areas for development are outlined in the section of this scan titled Future Directions for Endorsed Components of Training Packages

Appendix B – Methodology and bibliography

The content examined in this Environmental Scan, and the supplementary sectoral Environmental Scans, were developed through extensive consultation with key industry stakeholders across Australia. The information was gathered via forums, surveys and targeted interviews and supplemented with a review of related research reports and the media.

During this process, Service Skills Australia consulted with 345 stakeholders, representing 253 businesses, peak bodies, associations and training providers. We also gathered information from local, state and federal government representatives. Additionally, further information was obtained from the past and current work of Service Skills Australia.

Service Skills Australia's Industry Advisory Committees provided feedback and validation for draft versions of the Environmental Scans throughout 2014. The final versions were approved by the committees and Board of Directors in December 2014. Service Skills Australia wishes to thank its board and committee members for their significant contribution throughout the development of these Environmental Scans.

The full bibliography can be seen in the References section of this report.



Appendix C – Occupations and qualifications in demand table

ANZSCO Code	Occupation	Training Package Qualification	Justification/Evidence
6215	Retail Supervisors	<i>SIR30312 Certificate III in Retail Supervision</i>	The Department of Employment forecasts employment in this occupation will increase by 15.1 per cent between 2013 and 2018 (representing 4,900 workers).
1421	Retail Managers	<i>SIR40212 Certificate IV in Retail Management</i> <i>SIR50112 Diploma of Retail Management</i>	The Department of Employment forecasts employment in this occupation will increase by 7.4 per cent between 2013 and 2018 (representing 18,500 workers).
6359	Visual Merchandisers	<i>SIR50212 Diploma of Visual Merchandising</i>	While the Department of Employment figures suggest a small decrease in employment level for this occupation, extensive consultation with retail employers indicated that there is a demand for Visual Merchandisers (both in-store and online).
6211	Retail Sales Assistant	<i>SIR20212 Certificate II in Retail Services</i> <i>SIR30212 Certificate III in Retail Operations</i>	The Department of Employment forecasts employment in this occupation will increase by 7.5 per cent between 2013 and 2018 (representing 39,400 workers).
8912	Shelf Fillers	<i>SIR10112 Certificate I in Retail Services</i> <i>SIR20212 Certificate II in Retail Services</i>	The Department of Employment forecasts employment in this occupation will increase by 3.1 per cent between 2013 and 2018 (representing 2,300 workers). Industry has also identified that this occupation will grow in line with the demand for online retail as these workers are responsible for managing stock in warehouses and distribution centres.
6311	Checkout Operators and Office Cashiers	<i>SIR20212 Certificate II in Retail Services</i>	The Department of Employment forecasts employment in this occupation will increase by 6.5 per cent between 2013 and 2018 (representing 9,700 workers).
2612	Multimedia Specialists and Web Developers	n/a	While retail is not a significant employer of Multimedia Specialists and Web Developers in terms of share of employment, the growth of online retail will ensure they will play a larger role in the retail industry. Across all industries, the Department of Employment expects employment in this occupation to increase by 9 per cent in the next five years.
6392	Retail and Wool Buyers	n/a	The Department of Employment forecasts employment in this occupation will increase by 11.3 per cent between 2013 and 2018 (representing 600 workers). This reflects industry feedback that back-of-house roles, particularly retail buyers are in shortage.

ANZSCO Code	Occupation	Training Package Qualification	Justification/Evidence
6214	Pharmacy Sales Assistants	<i>SIR20112 Certificate II in Community Pharmacy</i> <i>SIR30112 Certificate III in Community Pharmacy</i>	The Department of Employment forecasts employment in this occupation will increase by 1.7 per cent between 2013 and 2018, representing 700 workers.
3112	Pharmacy Technician / Dispensary Assistant	<i>SIR30112 Certificate III in Community Pharmacy</i> <i>SIR40112 Certificate IV in Community Pharmacy</i>	The Department of Employment forecasts employment in the occupation of 'Medical Technician' (approximately 14 per cent of which are pharmacy technicians/dispensary assistants) will increase by 5.3 per cent between 2013 and 2018.
1421	Retail Managers	<i>SIR40112 Certificate IV in Community Pharmacy</i> <i>SIR40212 Certificate IV in Retail Management</i> <i>SIR50112 Diploma of Retail Management</i>	While there were only 3,800 retail managers working in community pharmacies in 2011, industry reports that this will grow substantially as pharmacists move towards more professional roles to improve health outcomes to the general public, with less time to undertake administrative activities, and hence a greater demand for and reliance upon retail managers. Other stakeholders have reported that many community pharmacies are now recognising the need for a dedicated manager.
391111	Hairdresser	<i>SIH30111 Certificate III in Hairdressing</i> <i>SIH40111 Certificate IV in Hairdressing</i> <i>SIH80113 Graduate Certificate in Hairdressing Creative Leadership</i>	The Department of Employment has determined that hairdressers are in shortage, particularly due to applicants lacking the required skill level, and have been so since 1997. Employers note that senior hairdressers with 3–15 years' experience are particularly in demand.
142114	Hair or Beauty Salon Manager	<i>SIB50210 Diploma of Salon Management</i>	This industry, comprised of predominantly small businesses, is continually professionalising and requires a greater number of highly skilled managers.
451111	Beauty Therapist	<i>SIB40110 Certificate IV in Beauty Therapy</i> <i>SIB50110 Diploma of Beauty Therapy</i>	The employment of beauty therapists is projected to grow by 13.5 per cent, or by 3,800 workers, in the five years from November 2013.
451111	Nail Technician	<i>SIB20210 Certificate II in Nail Technology</i>	Beauty services, including nail treatments, continue to see increased demand, but industry reports that there are insufficient numbers of qualified nail technicians to provide these services with the required safety precautions.
142114	Hair or Beauty Salon Manager	<i>SIB50210 Diploma of Salon Management</i>	This industry, comprised of predominantly small businesses, is continually professionalising and requires a greater number of highly skilled managers.

ANZSCO Code	Occupation	Training Package Qualification	Justification/Evidence
451399 Funeral Workers	Embalmer	<i>SIF40213 Certificate IV in Embalming</i>	<p>The Department of Employment forecasts strong growth in employment for funeral workers, increasing by 13.1 per cent over the next 5 years, or 400 workers.</p> <p>The industry reports it is not currently experiencing any recruitment difficulties other than for Embalmers.</p>
4521	Personal Trainer Group Exercise Leader Aqua Instructor/Trainer	<i>Certificate III in Fitness</i> <i>Certificate IV in Fitness</i> <i>Diploma of Fitness</i>	Industry reports ongoing demand for qualified fitness professionals and in particular reports recruitment difficulties for aqua instructor/trainers and group exercise leaders.
452315	Swimming Instructor	<i>Certificate III in Aquatics</i>	<p>The Australian Water Safety Strategy developed by the Australian Water Safety Council (AWSC) aims to reduce the number of drowning deaths in Australia by 50 per cent by 2020.</p> <p>Education and training has been identified as a key driver in the reduction of drowning. Swimming instructors are expected to continue to be in demand to administer learn to swim programs for children and adults to assist the industry in meeting this goal.</p>
4523	Sports Coach or Instructor	<i>Community Coach:</i> <i>Certificate II in Sport Coaching/Certificate III in Sport Coaching</i> <i>Sport Coach:</i> <i>Certificate IV in Sport Coaching</i> <i>High Performance Coach:</i> <i>Diploma of Sport Coaching</i>	Increasing the quality and professionalism of community coaches has been raised as a strategy to ensure greater community participation in physical activity. It is reported that many community coaches, predominantly volunteers, lack training. Ongoing demand for these occupations is expected due to churn rate of mainly volunteer roles.
452321	Sports Development Officer	<i>Sports Development Officer:</i> <i>Certificate IV in Sport Development</i> <i>Sport Development Manager: Diploma of Sport Development</i>	Industry reports that sport development occupations continue to be in demand as sporting organisation's attempt to boost participation and develop lasting relationships with consumers that engage with the sport. These roles play a key part in implementing and promoting the sport's participation strategies.
139915	Sports Administrator (Executive Officer)	<i>Diploma of Sport and Recreation Management</i>	The sport sector is professionalising and commercialising in order to be more sustainable. This is being achieved with a focus on the skills of Executive Officers at the state and national levels in terms of improved management, strategic planning, finance and budgeting, human resources, leadership and governance skills.

ANZSCO Code	Occupation	Training Package Qualification	Justification/Evidence
N/A	Board and Committee Members	<i>SIS10 skill sets:</i> <i>Organisation Governance – Board</i> <i>Organisation Governance – Committee</i>	The sport and recreation sectors often rely on volunteers as members of their governance structures. There is ongoing feedback from industry there is a need for governance skills at a board level.
4522	Outdoor Leaders (Outdoor Adventure Guide)	<i>Leaders under supervision:</i> <i>Certificate III in Outdoor Recreation</i> <i>Independent leaders:</i> <i>Certificate IV in Outdoor Recreation</i>	The sector reports difficulty recruiting qualified outdoor leaders, particularly following a continuing reduction in the provision of these courses nationally.
351311	Chef	<i>Certificate IV in Commercial Cookery</i> <i>Certificate IV in Asian Cookery</i>	The Department of Employment forecasts an increase in employment of 11,900 chefs to November 2018, representing an increase of 13.9 per cent from November 2013.
351411	Cook	<i>Certificate III in Commercial Cookery</i> <i>Certificate III in Asian Cookery</i>	The Department of Employment forecasts growth of an additional 1,500 cooks to November 2018, representing an increase of 4.3 per cent on 2013 employment figures.
351112	Pastrycook	<i>Certificate III in Patisserie</i> <i>Certificate IV in Patisserie</i>	The Department of Employment forecasts increased demand for 1,200 bakers and pastry cooks to November 2018, or an increase of 5.5 per cent on 2013 employment figures.
431511	Waiter	<i>Certificate III in Hospitality</i>	<p>The Department of Employment forecasts an increase in employment of 13,100 waiters, or 11.7 per cent, in the five years to November 2018.</p> <p>The Certificate III in Hospitality (Restaurant Front of House) qualification, which will include a specialist elective group for waiting skills, is currently in development.</p>
431111	Bar attendant	<i>Certificate III in Hospitality</i>	<p>The Department of Employment forecasts an increase of 9,000 bar attendants and baristas in the five years to November 2018, representing an increase of 10 per cent.</p> <p>The Certificate III in Hospitality (Restaurant Front of House) qualification, which will include specialist elective groups for bar attendant skills and barista skills, is currently in development.</p>
431112	Barista		
141111	Café and Restaurant Manager	<i>Diploma of Hospitality</i> <i>Advanced Diploma of Hospitality</i>	The Department of Employment forecasts growth in employment of 7,600 café and restaurants managers, representing an increase of 12.1 per cent by November 2018.
451612	Travel and Tourism Adviser	<i>Certificate III in Travel</i>	The Department of Employment forecasts an increase in employment of 1,200 tourism and travel advisers to November 2018, representing an increase of 5.3 per cent from 2013.

ANZSCO Code	Occupation	Training Package Qualification	Justification/Evidence
149311	Conference and Events Organisers	<i>Diploma of Events</i> <i>Advanced Diploma of Events</i>	The Department of Employment forecasts an increase of 4,100 conference and event organisers to November 2018, or an increase of 17.9 per cent.
451412	Tour Guide	<i>Certificate III in Guiding</i> <i>Certificate IV in Guiding</i>	<p>The Department of Employment forecasts an increase in the employment of gallery, museum and tour guides of 1.1 per cent to November 2018 from 2013 levels.</p> <p>Feedback from the tourism industry has highlighted the need for tour guides, particularly those with foreign language skills and in remote and regional Australia.</p>
8112	Holiday Park Managers	<i>Diploma of Holiday Parks and Resorts</i>	<p>59 per cent of Australia's Caravan Park and Camping Ground Managers are over 50 years old. This is twice that of the total workforce which is 28 per cent.</p> <p>As a result it is likely that in the foreseeable future there will be a large number of caravan holiday park managers retiring leaving a skills gap.</p>
n/a	n/a	<i>Skill sets: 'Customer Service' and 'Customer Service Management'</i>	Industry feedback emphasised the importance of high quality customer service as a main factor for continued business success.
n/a	n/a	<i>Skill set: 'Mentoring and Supervision'</i> <i>'Supervision of Apprentices'</i>	Industry feedback to Service Skills Australia has stated that people in this sector tend to be promoted to management/supervisory roles mainly because they are effective at their current operational job role, despite not having the necessary management and supervisory skills. The labour intensive nature of this industry necessitates good management skills to ensure productivity.
n/a	n/a	<i>Skill sets: 'Understanding Basic Financial Concepts'</i> <i>'Business Management'</i> <i>'Essential Business Skills for a Franchisee'</i> <i>'Essential Business Skills for a Restaurant Manager'</i>	Service Skills Australia has identified through its work with the tourism, travel and hospitality industries that a key deficiency among small business owners is having an adequate understanding of compliance and finance in order to maintain a sustainable business.
n/a	n/a	<i>Skill sets:</i> <i>'Governance'</i>	The 2014-2019 Tourism, Travel and Hospitality Workforce Development Strategy and feedback from the clubs industry has identified that there is a serious concern across the clubs sector about limited training skills at a director level, particularly in the areas of financial management and strategic planning. A skill set to address this need is currently in development.

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