

Message from Industry

National and international data indicates that there is a contributing shortage of suitably qualified and skilled workers for the tourism and hospitality industry.

The tourism and hospitality industry is forecast to experience continued strong growth in the years to come. To support the industry's success, and facilitate this projected growth, industry must work together to ensure we have access to suitable skilled labour. Appropriately skilled, quality personnel are integral to the success of business in any industry, and can provide a competitive advantage.

Customers already expect high levels service from our businesses. This means that industry must find innovative and flexible ways to manage our existing and future staff. It will require looking beyond traditional methods and sources to attract and retain staff.

This Workforce Development Strategy is an important step in continuing to address the skills and labour shortages in the tourism and hospitality industry. The document represents a commitment from industry to work together. It is a way for industry to articulate their vision for workforce development.

The workforce development strategy focuses on four key priorities:

- The creation of a highly skilled workforce.
- Access to quality employment.
- Shaping the future through better workforce planning.
- Expanding the traditional workforce.

We would like to acknowledge the support of the Australian Hotels Association in the development of this important document.

With the support of our industry skills council, Service Skills Australia, the industry has united with a common vision of a strong, successful future, fostered by access to quality trained, skilled employees. This workforce development strategy provides the means for that vision to be realised.

John Hart and *John Sweetman*

Co-chairs of the Tourism and Hospitality Industry Advisory Committee



Message from the Service Skills Australia CEO

Service Skills Council is proud to present the Tourism and Hospitality Workforce Development Strategy. This is an important document and represents a common clear vision that industry has for its labour force and its development.

Workforce development covers a wide range of key activities, strategies and policies impacting on individuals and teams, the organisation in which they operate, the systems that surround them, as well as on the broader industry, regional business and community environment. It can include business analysis, policy, job design, recruitment, attraction, retention and separation, as well as resources, support mechanisms, capability development and incentives.

To the Commonwealth Government, workforce development means improving the productivity of Australia's workforce and increasing participation in the workforce—in essence, increasing the capability and capacity of the Australian workforce.

The Tourism and Hospitality Workforce

Development Strategy outlines the priority areas for achieving the overall goal of access to the number of skilled employees that the tourism and hospitality industry will require to be successful in the future. A number of particular focus areas have been outlined in the strategy that will require action to attain these priorities.

This document has been developed by industry, for industry and will provide clear direction and an agreed strategy to confront the challenges facing the tourism and hospitality industry.

By industry working together, with Service Skills Australia, we can ensure that the tourism and hospitality industry will have access to the right people, with the right skills, at the right time.

Jeanette Allen

Chief Executive Officer, Service Skills Australia



Perspectives of a Treasury Head

As a rather crude but nevertheless instructive generalisation, there is no policy intervention available to government, in these circumstances that can generate higher national income without expanding the nation's supply side capacity: policy actions that expand the nation's supply capacity target at least one of the 3 Ps – Population, Participation or Productivity.

Many of the policy problems that we face today have a whole-of-government character. There is no room for silos between central, line and operational agencies; nor between levels of government.

Comments made by Ken Henry – The Secretary of The Treasury

Preamble

The tourism and hospitality industry (“our industry”) must plan for the future if it is to ensure skill and labour shortages will not derail projected growth. Demographic and economic challenges mean Australian business will be confronted with continuing skill and labour shortages over the next two decades. If overall business performance is to improve, the issues surrounding skills and labour shortages must be managed more effectively.

The challenge is greater than finding sufficient people to meet a growing market.

An increasingly demanding customer will expect higher service levels, and increasing the productivity of the workforce will require an innovative and flexible approach to our existing and potential staff. Employers will need to look beyond traditional workforce issues and consider how they can develop attractive, productive workplaces.

Our aim should be to ensure that quality staff will choose to work in the industry over other sectors.

Employees should have their choice to work in our industry confirmed by feeling valued through secure and rewarding jobs that offer coherent career paths and competitive salaries.

Overview

The Workforce Development Strategy will act as a catalyst for an industry wide approach to human resource needs, by providing a strategic response to the issues identified.

This document has been developed with industry, and by industry, to provide an overarching framework to address the workforce challenges confronting the tourism and hospitality industry. Whilst the document will sit with the Industry Skills Council (Service Skills Australia) it will be owned by the industry and to that extent, industry will take responsibility for its currency and relevancy.

The strategy seeks to encourage all those involved in the industry, including government, to work together. The strategy identifies priority areas and actions that can be realised in a coherent and coordinated way to address workplace issues. It seeks to transform businesses in the tourism and hospitality industry into employers of choice, that deliver highly profitable, world class visitor experiences.

Final word

Whilst much of the detail of the strategy will be implemented within sectors, and at a regional level, it is important that solutions will require industry, education and training providers, and government to work together, and individual businesses to examine what they are doing today, and what they can do differently tomorrow.

The aim of the strategy

People working across tourism and hospitality will be appropriately skilled and able, through the application of their expertise, to contribute to the growth and development of a sustainable, productive and profitable tourism and hospitality industry.

The goals of the strategy include:

GOAL 1

There are enough people to do the work required, to the standard required, to consistently deliver a world-class visitor experience.

GOAL 2

The people who work in the tourism and hospitality industry have appropriate skills and the personal attributes to deliver a quality experience. There are education and training systems in place to recognise and deliver the skills and knowledge required to resource the tourism and hospitality industry.

GOAL 3

People with experience and expertise are retained within the tourism and hospitality sector because they have opportunities to grow and build satisfying careers.

GOAL 4

Businesses in the tourism and hospitality sector have the right information, management systems and processes in place to maximise the contribution of their people.

GOAL 5

The tourism and hospitality industry has the structures and mechanisms in place to address its future workforce and skill needs on an ongoing basis.

The industry's workforce development strategy will be based on the following interrelated priority areas:

- the creation **of a highly skilled workforce**
- access to **quality employment**
- shaping the future through **better workforce planning** and
- **expanding the traditional workforce**

Each **priority area** contains a series of **focus areas** that this strategy document seeks to clarify and explain.

Background

Successful tourism and hospitality businesses depend first and foremost on the people at the coalface. People deliver a world-class visitor experience. Tourism Australia is committed to attracting high yielding visitors to Australia and this coupled with an increasingly demanding domestic consumer means that now more than ever the industry must deliver a premium experience.

This requires a strategy that does more than simply 'puts a body' in front of customers.

Employers across the industry, large and small, face the same challenge—to attract and keep people with the right skills and personal attitudes and attributes to deliver a quality experience. However, there are labour and skills shortages in a number of occupations and regions in the tourism and hospitality industry. These shortages cannot be simply attributed to demographic changes, a growing economy or blamed on an education and training system delivering insufficient numbers. Industry and regional structures, business size, workplace conditions, and the mobility of workers are all contributing to these shortages and these are likely to continue for the next two decades.¹

Staff shortages, inadequate skills and knowledge and/or high turnover can impede the ability of a hotel or other tourism business to deliver quality service.

Successful businesses, regions and nations recognise that investment is increasingly attracted to locations that have the best available pool of skills and knowledge. Cost competitiveness is important but it is not enough on its own. Quality people provide a key competitive advantage. Labour shortages and the constant scramble to replace staff can damage the ability of a business to continuously deliver quality service. A failure to provide solutions will put a brake on projected growth.

The creation of an efficient and productive workforce requires more than an adequate number of workers. The unpredictable 24/7 trading environment and the small number of very busy peak periods within the week (Friday and Saturday nights and Sundays) have led to a heavy reliance on casual workers. Part time work in the industry fulfils a vital need in society. Students, working parents and older Australians want part time work to enable them to earn an income whilst meeting other commitments.

The continuity of the industry's commitment to these employees, along with creating further career options for full time employees, is important.

People wanting to work in the industry must be able to find rewarding employment that meets their personal and family responsibilities. By recognising the importance of long term workforce planning, we can assist the industry, community and business partners to address the specific issues of skill shortages and workforce development.

Whilst in the past formal education and training has been seen as a key mechanism for developing the workforce, the approach outlined in this strategy recognises that there needs to be better co-ordination across a broader range of areas if we are to achieve the required improvement in workforce productivity. Some effort needs to be made to ensure that the investment in skilling employees and potential employees is made in those with aptitude for role in which the skills are to be used.

1 An Employment Profile of the industry is located in Appendix One

In addition, areas such as industry development, workplace relations, effective education and training, the introduction of family friendly work practices, accessing overseas workers, retaining mature age people through changed retirement patterns and encouraging people currently outside the workforce to seek employment, will all influence the desire and ability of people to take up jobs in our industry and will determine the shape of the future workforce.

This document calls for industry to collectively focus on both workplace and workforce planning and development to meet the challenge of a world class tourism industry. Industry must create a culture that values skills, innovation and the people who work in our businesses.²

The Tourism and Hospitality Workforce Development Strategy (THWDS) acknowledges that skill acquisition is an ongoing, incremental process that is best driven by continuous improvement in the workplace.

The responsibility for meeting the skills acquisition needs of the industry and individuals is not confined solely to our education and training systems.

Work organisation, recruitment policies and practices, employee relations and job design are also involved. Assuring appropriate skills acquisition strategies for the industry and individuals requires some consideration of all these elements.

The strategy outlined here aims to create an environment where a highly skilled culture can grow and flourish by forging strong partnerships between the industry, workers, the education and training sector and government.

The THWDS acknowledges that the development of a skilled workforce capable of supporting the industry and maintaining high standards cannot be left to chance. It requires deliberate strategy that draws together the policies and practices that contribute to creating an efficient, highly skilled workforce. This will ensure the industry has people with the right skills, both now and into the future.

A number of issues need to be addressed to achieve this. These include:

- A better understanding of current and future skill and labour needs, shortages and possible areas of supply.
- Establishing ways of identifying and attracting suitable people currently not engaged in the labour market.
- Implementing workplace structures and practices that encourage increased productivity and efficiency.
- Ensuring the industry is an attractive long term career option.
- Creating an industry led, demand driven training and education system.
- Improving labour market matching services.
- Reducing regulation that negatively impacts business performance.
- Encouraging innovation in all aspects of business process.

² The exact skills that will be required by the Hospitality & Tourism workforce over the next two decades are uncertain but are broadly defined in the accredited Training Package and tertiary education programs. We must monitor trends and constantly adapt these to future needs

Priority areas of action

A highly skilled workforce

Focus Area 1

Creating a more responsive training and learning system

Focus Area 2

Better recognition of learning and skills

Focus Area 3

Accelerated pathways

Focus Area 4

Focus on management and business skills

Expanding the traditional workforce

Focus Area 1

People currently not in workforce & welfare to work targeted groups

Focus Area 2

Engaging Indigenous workers

Focus Area 3

Managing the generational change: Young people and existing and mature age workers

Focus Area 4

Using overseas workers

Access to quality workplaces

Focus Area 1

Improved attraction and recruitment

Focus Area 2

Enhanced retention strategies

Focus Area 3

Flexible work practices and employment arrangements

Focus Area 4

Improving industry image and the provision of career pathways

Better workforce planning

Focus Area 1

Better information and analyses of data at a regional level

Focus Area 2

Destination management planning and labour force mapping to assist workforce planning

Focus Area 3

Provide high quality workforce information, tools and services