



STAKEHOLDERS



OUTCOMES



INTEGRITY



BOLDNESS



TEAMWORK



**DRAFT**  
**TOURISM, TRAVEL AND HOSPITALITY**  
**INDUSTRY REFERENCE COMMITTEE**  
**INDUSTRY SKILLS FORECAST 2018**

## Executive Summary

To be completed once the document content is finalised.

## Skills Forecast

**Name of IRC:** Tourism, Travel and Hospitality

**Name of SSO:** SkillsIQ Limited

### **About SkillsIQ**

SkillsIQ supports 17 Industry Reference Committees representing diverse ‘people-facing’ sectors. These sectors provide services to people in a variety of contexts such as customer, patient or client. The Industry Reference Committees are collectively responsible for overseeing the development and review of Training Package Products, including qualifications, serving the skills needs of almost 50 per cent of the Australian workforce.

## Sector Overview

The sectors supported by the Tourism, Travel and Hospitality Training Package cover significant people-facing industry areas in Australia involving:

- Tourism
- Events and exhibitions
- Travel
- Holiday parks and resorts
- Hospitality.

Each comprises a diverse range of activities and service offerings to domestic and international markets, as well as different types of business entities, workforce profiles and consequently workforce skills needs. An overview of each of the key sectors is provided below.

## Tourism

Tourism encompasses a broad range of service areas, ranging from Transport and Accommodation to Retail, Food and Art and Recreation, generating during the last financial year a total revenue for Australia of \$129.5 billion.<sup>1</sup> Representing 3.8% of Australia’s Real Gross Value Added (GVA),<sup>2</sup> the sector is a key (and growing) contributor to Australia’s economy, and it is expected to continue to grow, with revenue projections showing steady growth trends at a rate of 3% per year during the next five years (2018 to 2023).

For the year ending November 2017, Australia hosted **8.8 million international visitors**, equivalent to an increase of 7.1% from the previous year. Domestic travel was also substantial, with Australians making **96 million overnight trips** between September 2016 and September 2017 and noting a similar increase year-on-year of 7%.<sup>3</sup> Overall spend in relation to tourism is significant with international visitors spending \$41.2 billion in Australia, and domestic travellers an additional \$63.7 billion for overnight trips.

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<sup>1</sup> IBISWorld Industry Report X0003 *Tourism in Australia* (October 2017)

<sup>2</sup> Australian Government Austrade (2016-17) *Tourism Satellite Account, Summary of Key Results*, Tourism Research Australia

<sup>3</sup> Australian Government Austrade (2017) *Travel by Australians*, Tourism Research Australia

During the last decade, tourism in Australia has been supported by a number of national long-term government strategies and policy, as well as state, territory and industry association programs and campaigns to support the sector reach its potential in economic activity, contribution and employment. Starting with the Commonwealth Government's National Long-Term Tourism Strategy (NLTTS) launched back in 2009, followed by the Tourism 2020 strategy (implemented in 2011) and Tourism Australia's "There's Nothing Like Australia" global marketing campaign, tourism is a national priority recognised for its export potential and for reducing the country's trade deficit.<sup>4</sup>

**Tourism 2020 - six strategic areas:**

1. Grow demand from Asia
2. Build competitive digital capability
3. Encourage investment and implement the regulatory reform agenda
4. Ensure tourism transport environment supports growth
5. Increase supply of labour, skills and Indigenous participation
6. Build industry resilience, productivity and quality

Source: Australian Government Department of Resources, Energy and Tourism, Tourism Australia

There are **over 110,000 businesses** involved in tourism in Australia<sup>5</sup>, and the sector's input regarding employment levels is also significant, registering a **workforce of nearly 600,000 workers** in 2016-17. This is equivalent to approximately 5% of all jobs in Australia, and more than 2.5 times the size of the mining workforce, another important contributing sector to Australia's economy. The workforce is characterised by a high proportion of part-time contracts, with Food Services and Accommodation employing the largest cohorts in tourism. The occupations across the sector are diverse and those supported by the Training Package can include Tourism Consultant, Travel Consultant, Tour Guide/Operator, Tour Manager, Outdoor Recreation Guide, Booking Agent, Visitor Information Officer, Marketing Manager and Sales Executive.

The sector is faced with a number of international and domestic market and workforce challenges. These include international events, fluctuating currency value, staying competitive, technology advancements, staff turnover and skills mismatch. These and other issues are further discussed in the section [Challenges and Opportunities](#).

## Events and exhibitions

The schedule of events and exhibitions taking place across the country is comprehensive, and through the years, events and exhibition activities have seen steady growth. The event promotion and management services sector involved in managing events, ticketing and providing tourist information has experienced an annual increase in revenue of 2% over the past five years, and this is expected to continue in the next five years. Today, it is an industry worth \$3.2 billion.<sup>6</sup> The related sector defined in industry as Exhibition and Conference Centres also experienced steady annual increases of 2.9% during the last five years and has a revenue value of \$11.3 billion.<sup>7</sup>

The events are varied and can target both business and leisure-purpose international and domestic visitors. Examples are:

- Art exhibitions and shows
- Community events
- Concerts and performances
- Festivals and celebrations
- Food and wine events
- Sports events
- Business conferences and seminars.

<sup>4</sup> Australian Government Austrade (2016-17) *Tourism Satellite Account, Summary of Key Results*, Tourism Research Australia

<sup>5</sup> IBISWorld Industry Report X0003 *Tourism in Australia* (October 2017)

<sup>6</sup> IBISWorld Industry Report N7299 *Event Promotion and Management Services in Australia* (January 2017)

<sup>7</sup> IBISWorld Industry Report X0018 *Exhibition and Conference Centres in Australia* (January 2017)

Similarly to tourism, this sector can encompass a range of different service areas such as Marketing, Catering and Event Management. Business and economic-related events run by private enterprises (32% of the market segment) and industry associations (26%) make up more than half of the demand for services in event promotion and management services. To a lesser extent, Government is also involved in contributing to demand for business events, representing 11% of the market segment.<sup>8</sup> As a result, business confidence and activity are key drivers for demand and determinants in the outcomes and growth of the sector. The Business Events Council of Australia estimated for 2013-14 that the economic contribution of business events to Australia's GDP was valued at \$23.1 billion, representing just over 237,500 jobs.<sup>9</sup> The increase in events and exhibitions held through the years means that the sector's contribution to Australia's economy will certainly be of a higher value today.

Some examples of the occupations involved in supporting events and exhibition sector activities include Event or Exhibition Assistants, Conference or Engagement Coordinators, Venue Coordinators and/or Organisers.

## Travel

The sector represents those firms involved in providing travel information, reservations and booking services for transport, accommodation, and tourist attractions to individuals and business travellers. Compared to those sectors discussed earlier (i.e. Tourism and Exhibitions and Events), this sector has noted a higher rate of growth in revenue during the past five years of 5% per annum, and valued at \$8.3 billion.<sup>10</sup>

Technological advancements and accessibility ranging from the Internet of Things (IoT) to mobile devices have seen the sector shift significantly from bricks-and-mortar travel agents to online travel services for all forms of travel and accommodation bookings. The two key players in this market include Expedia Australia Pty (having 28.0% of the market share), representing popular brands such as lastminute.com.au, hotels.com, and wotif.com, and Booking.com (Australia) Pty (with 25.3% of the market). Estimated to generate revenue valued at \$1 billion, growth trends show the sector has registered annual revenue increases of 17.7%, and it will continue to surpass growth rates of other related industries forecasted at 8.5% during the next five years).<sup>11</sup>

Just over 28,000 FTE staff are employed by Australian travel agents, with 19,830 in Travel Consultant roles. It is predominantly a female workforce, comprising 70% female workers and 30% males. Similarly to other sectors covered by this Training Package, it is characterised by a high proportion of part-time workers (42%). While Travel Consultants (in frontline positions) make up the majority of job roles in the sector, other popular employment roles include Business Development / Sales and Administration positions.<sup>12</sup> The online travel service sector employs approximately 2,000 individuals and the workforce will continue to increase with the strong growth rates forecasted for the sector.<sup>13</sup>

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<sup>8</sup> IBISWorld Industry Report N7299 *Event Promotion and Management Services in Australia* (January 2017)

<sup>9</sup> Business Events Council of Australia (February 2015) *The Value of Business Events to Australia*

<sup>10</sup> IBISWorld Industry Report N7299 *Travel Agency and Tour Arrangement Services in Australia* (October 2017)

<sup>11</sup> IBISWorld Industry Report OD4163 *Online Travel Bookings in Australia* (January 2017)

<sup>12</sup> Australian Federation of Travel Agents, *Employment Snapshot of Australian Travel Agents* (January 2017)

<sup>13</sup> IBISWorld Industry Report OD4163 *Online Travel Bookings in Australia* (January 2017)

## Holiday parks and resorts

This sector is the ‘accommodation’ provider for the Tourism and Travel sectors, and can represent everything from five-star resorts and luxury hotels, to motels, caravan parks and camping groups. Hotels and resorts represent the highest revenue source for the sector (\$7.9 billion)<sup>14</sup> followed by motels (\$3 billion)<sup>15</sup> and caravan parks and camping grounds (\$1.2 billion).<sup>16</sup>

Direct bookings of holiday houses and flats with their owners via Airbnb has resulted in a shift away from accommodation supplied by enterprises in general, but it has affected in particular small operators running holiday rental properties, bed and breakfasts and backpacker hostels. Airbnb’s contribution to Australia’s GDP is estimated to be \$1.6 billion, accommodating approximately 2.1 million guests representing 3.7 million nights. The Airbnb workforce represents over 14,000 jobs and it has been growing exponentially since it was launched in Australia in 2012.<sup>17</sup> It is a key player in the industry which is not only shaping trends for accommodation, but for the overall tourism industry in general.

Stays in holiday parks and resorts are driven by the domestic traveller industry, and this is especially the case for caravan and camping visits. Domestic caravan and camping visits represented 11.58 million trips and 49.78 million nights year ending March 2017.<sup>18</sup> Caravanning and camping stays have benefited from the depreciating Australian dollar value, influencing residents to stay in Australia and travel locally. Other drivers of demand for camping and caravanning include the country’s ageing population, whereby older travellers and retirees are using their accumulated income and available time to travel the country and stay in caravan parks. Employment levels are 9,470 (2017-18). However, this is expected to contract within the next five years to 9,149.<sup>19</sup>

Roles to support accommodation providers can be varied, ranging from Resort/Holiday Park Managers and Marketing roles, to Groundskeepers, Handy persons and Housekeepers.

## Hospitality

Hospitality represents a range of service types and businesses with examples including:

- Restaurants
- Cafes and Coffee Shops
- Pubs, Bars and Nightclubs
- Casinos.

IBIS World Industry reports estimate the total value of the revenue generated for the four areas listed above to be approximately \$52 billion, with restaurants generating the highest revenue value of \$20 billion (equivalent to 39%). The sector has been growing steadily during the past five years, which for businesses has meant a regular increase in competition. Industry has attributed the growth of entrants to the market to factors such as the growing foodie culture; the popularity among many individuals of owning a hospitality business; population growth, and to some extent an increase in consumer demand.<sup>20</sup> Most (83.5%) hospitality businesses expect their revenue to increase either a lot

<sup>14</sup> IBISWorld Industry Report H4401 *Hotels and Resorts in Australia* (February 2017)

<sup>15</sup> IBISWorld Industry Report H4402 *Motels in Australia* (February 2017)

<sup>16</sup> IBISWorld Industry Report H4403 *Caravan Parks and Camping Grounds in Australia* (December 2017)

<sup>17</sup> Deloitte Access Economics (2017) *Economic effects of Airbnb in Australia*

<sup>18</sup> Caravan Industry Association of Australia (2017) *Domestic caravan and camping visitor snapshot, year ending March 2017*.

<sup>19</sup> IBISWorld Industry Report H4403 *Caravan Parks and Camping Grounds in Australia* (December 2017)

<sup>20</sup> Impos (2017) 2017 Australian Hospitality Industry Survey (<https://impos.com.au/blog/australian-hospitality-survey-stats-2017/>) Accessed 5 February 2018)

or a little during the next 12 months, and their top area for investment will be in staff (72%), followed by marketing (65%) and furniture and fit-outs (56%).

The workforce size (as represented by the Australian Bureau of Statistics, ABS, 'Accommodation and Food Services') employs 896,300 people, equivalent to 7.3% of the total workforce. Over the last five years employment has grown by 124,800 jobs (an increase of 16.2%) and over the next five years is expected to grow by another 97,600 positions (an increase of 11.2%). The most popular occupations of the industry are Waiters, Kitchenhands, Bar Attendants and Baristas, Chefs and Cafe and Restaurant Managers. Recent changes made by the government to the 457 Temporary Work (Skilled) visa means that sponsored individuals will not automatically be eligible to apply for an employer-sponsored Permanent Residency visa after two standard years of sponsorship. Industry sentiment towards the change has been negative,<sup>21</sup> with specific concerns raised in regards to the additional challenges and difficulties employers will face to recruit suitably skilled staff in an industry noted for having skills shortages across key occupations such as Chefs.

A survey conducted across the Victorian hospitality sector during 2016 and 2017 showed that more than half (58%) of respondents employ staff holding 457 visas, and eight in ten (83%) hospitality employers indicated it is very difficult or difficult to hire and retain staff from the local labour market.<sup>22</sup> A new Temporary Skills Shortage (TSS) visa will be introduced to replace the 457 Visa in early 2018, and the true impact of the change is therefore currently unknown. Nevertheless, the industry is growing, and many of the skills needs of the workforce are supported by the Tourism, Travel and Hospitality Training Package.

### Nationally Recognised SIT Tourism, Travel and Hospitality Qualifications (as at January 2018)

A total of 33 VET qualifications cater to this sector and are as follows:

- SIT10116 Certificate I in Tourism (Australian Indigenous Culture)
- SIT10216 Certificate I in Hospitality
- SIT20116 Certificate II in Tourism
- SIT20216 Certificate II in Holiday Parks and Resorts
- SIT20316 Certificate II in Hospitality
- SIT20416 Certificate II in Kitchen Operations
- SIT20516 Certificate II in Asian Cookery
- SIT30116 Certificate III in Tourism
- SIT30216 Certificate III in Travel
- SIT30316 Certificate III in Guiding
- SIT30416 Certificate III in Holiday Parks and Resorts
- SIT30516 Certificate III in Events
- SIT30616 Certificate III in Hospitality
- SIT30716 Certificate III in Hospitality (Restaurant Front of House)
- SIT30816 Certificate III in Commercial Cookery
- SIT30916 Certificate III in Catering Operations
- SIT31016 Certificate III in Patisserie
- SIT31116 Certificate III in Asian Cookery

<sup>21</sup> ABC News 457 visa: Restaurateurs say changes to foreign worker permit will hurt food industry (<http://www.abc.net.au/news/2017-09-13/upmarket-restaurateurs-scrapping-457-will-hurt-food-industry/8893970> Accessed 5 February 2018)

<sup>22</sup>The Australian Hotels Association Victoria (AHAV), Community Clubs Victoria (CCV), TSS Immigration, and AHA NSW (2017) *Australian Hospitality Skills Shortage: What is the Real Story?*



- SIT40116 Certificate IV in Travel and Tourism
- SIT40216 Certificate IV in Guiding
- SIT40316 Certificate IV in Holiday Parks and Resorts
- SIT40416 Certificate IV in Hospitality
- SIT40516 Certificate IV in Commercial Cookery
- SIT40616 Certificate IV in Catering Operations
- SIT40716 Certificate IV in Patisserie
- SIT40816 Certificate IV in Asian Cookery
- SIT50116 Diploma of Travel and Tourism Management
- SIT50216 Diploma of Holiday Park and Resort Management
- SIT50316 Diploma of Event Management
- SIT50416 Diploma of Hospitality Management
- SIT60116 Advanced Diploma of Travel and Tourism Management
- SIT60216 Advanced Diploma of Event Management
- SIT60316 Advanced Diploma of Hospitality Management.

### Registered Training Organisation Scope of Registration

**Table 1** indicates the number of Registered Training Providers (RTOs) with Tourism, Travel and Hospitality qualifications on scope. This data is current as at 16 January 2018, per the listing on the National Register of VET ([www.training.gov.au](http://www.training.gov.au)).

**Table 1:** Number of RTOs by nationally recognised qualifications on scope – Tourism, Travel and Hospitality Training Package

Code	Qualification title	RTOs with qualifications on scope
<b>SIT10116</b>	Certificate I in Tourism (Australian Indigenous Culture)	21
<b>SIT10216</b>	Certificate I in Hospitality	206
<b>SIT20116</b>	Certificate II in Tourism	139
<b>SIT20216</b>	Certificate II in Holiday Parks and Resorts	5
<b>SIT20316</b>	Certificate II in Hospitality	459
<b>SIT20416</b>	Certificate II in Kitchen Operations	220
<b>SIT20516</b>	Certificate II in Asian Cookery	5
<b>SIT30116</b>	Certificate III in Tourism	89
<b>SIT30216</b>	Certificate III in Travel	56
<b>SIT30316</b>	Certificate III in Guiding	31
<b>SIT30416</b>	Certificate III in Holiday Parks and Resorts	13
<b>SIT30516</b>	Certificate III in Events	54
<b>SIT30616</b>	Certificate III in Hospitality	376
<b>SIT30716</b>	Certificate III in Hospitality (Restaurant Front of House)	27
<b>SIT30816</b>	Certificate III in Commercial Cookery	196
<b>SIT30916</b>	Certificate III in Catering Operations	34
<b>SIT31016</b>	Certificate III in Patisserie	59
<b>SIT31116</b>	Certificate III in Asian Cookery	15

Code	Qualification title	RTOs with qualifications on scope
<b>SIT40116</b>	Certificate IV in Travel and Tourism	43
<b>SIT40216</b>	Certificate IV in Guiding	11
<b>SIT40316</b>	Certificate IV in Holiday Parks and Resorts	8
<b>SIT40416</b>	Certificate IV in Hospitality	195
<b>SIT40516</b>	Certificate IV in Commercial Cookery	177
<b>SIT40616</b>	Certificate IV in Catering Operations	3
<b>SIT40716</b>	Certificate IV in Patisserie	45
<b>SIT40816</b>	Certificate IV in Asian Cookery	11
<b>SIT50116</b>	Diploma of Travel and Tourism Management	72
<b>SIT50216</b>	Diploma of Holiday Park and Resort Management	7
<b>SIT50316</b>	Diploma of Event Management	66
<b>SIT50416</b>	Diploma of Hospitality Management	269
<b>SIT60116</b>	Advanced Diploma of Travel and Tourism Management	30
<b>SIT60216</b>	Advanced Diploma of Event Management	26
<b>SIT60316</b>	Advanced Diploma of Hospitality Management	118

Source: Training.gov.au. RTOs approved to deliver this qualification. Accessed 16 January 2018.

### Qualification Enrolments and Completions

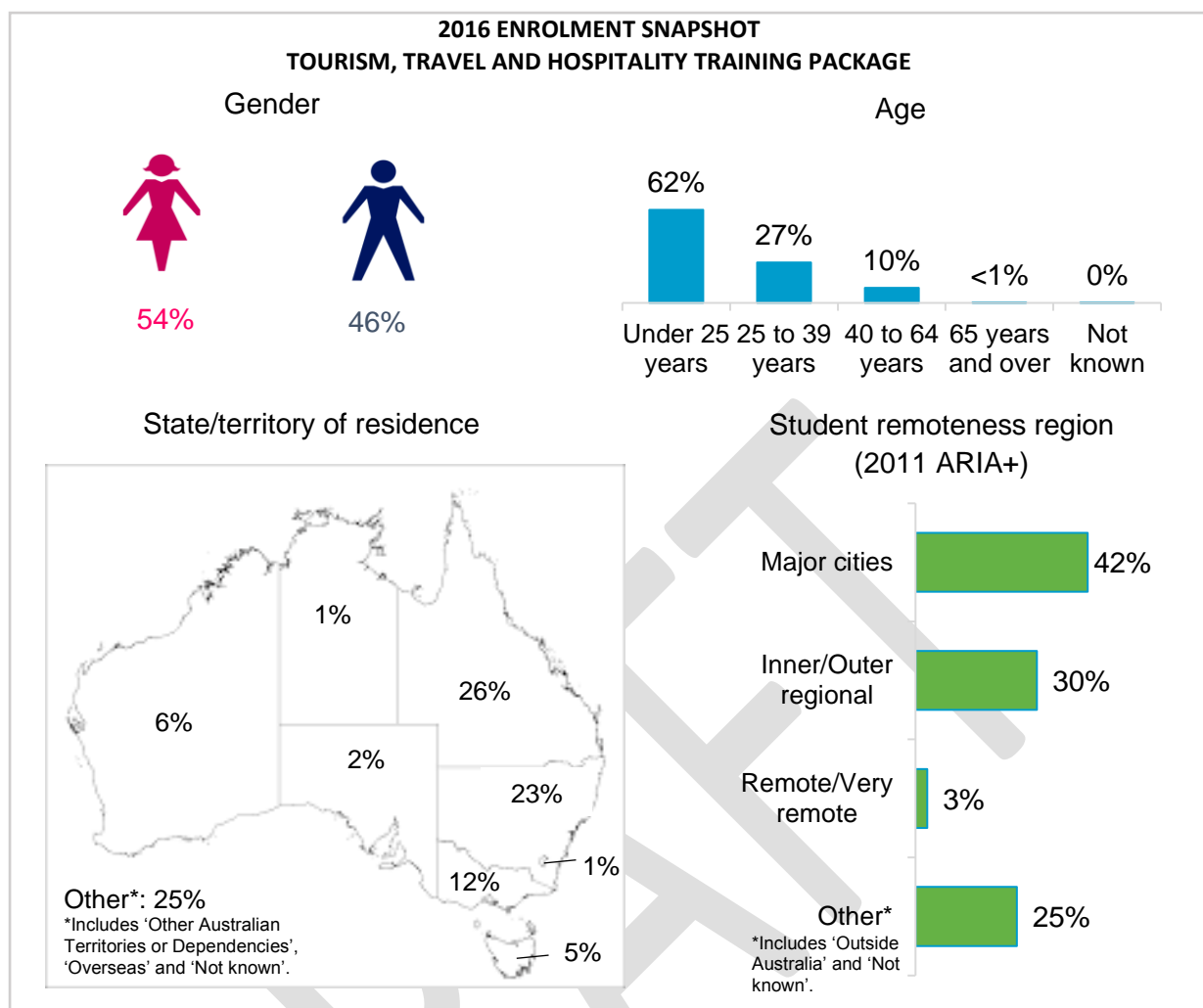
In 2016, there were approximately 15,100 enrolments across all VET qualifications catered for by the Tourism, Travel and Hospitality Training Package. The most popular qualifications in 2016 were the Certificate II and III in Hospitality, together representing 40% of all Training Package qualification enrolments (and equivalent to 2,482 and 3,674 enrolments, respectively).

An overview of key traits of the Tourism, Travel and Hospitality Training Package enrolments for 2016 is provided below, followed by a breakdown of enrolments and completions for individual qualifications (see **Table 2**).



General notes on statistics:

1. Enrolment and completion data is sourced from NCVER VOCSTATS (program enrolments and completions 2014 – 2016), accessed October 2017.
2. It is important to note that not all training providers are currently required to submit enrolment and completion data through the NCVER VOCSTATS database, and therefore some figures presented may underrepresent the true number of enrolments and completions for a qualification. From 2018, however, all training providers will be required to submit data, and, as a result, the current discrepancies noted between the national NCVER figures and actual attendance should be minimal in future releases. The data presented in this report is shown for indicative purposes.
3. Figures reflect public and private RTO data.
4. 'E' represents Enrolment.
5. 'C' represents Completion.
6. Completion data for 2016 represents preliminary outcomes (i.e. not a full year)
7. Superseded qualifications, and their respective enrolment and completion data, are not tabled.



Source: NCVER VOCSTATS (Program enrolments 2016 by various breakdowns) Base count n=15,111

**Table 2:** Total number of enrolments (Total VET Activity, TVA) and completions by nationally recognised qualifications in scope – Tourism, Travel and Hospitality Training Package (2016)

Qualification Code	Qualification Name	2016
SIT10116	Certificate I in Tourism (Australian Indigenous Culture)	E – 35 C – 8
SIT10216	Certificate I in Hospitality	E – 737 C – 214
SIT20116	Certificate II in Tourism	E – 651 C – 113
SIT20316	Certificate II in Holiday Parks and Resorts	E – 0 C – 0
SIT20316	Certificate II in Hospitality	E – 2482 C – 415
SIT20416	Certificate II in Kitchen Operations	E – 465 C – 124
SIT20516	Certificate II in Asian Cookery	E – 0 C – 0
SIT30216	Certificate III in Tourism	E – 362

Qualification Code	Qualification Name	2016
		C – 39
SIT30216	Certificate III in Travel	E – 365
		C – 125
SIT30316	Certificate III in Guiding	E – 27
		C – 10
SIT30416	Certificate III in Holiday Parks and Resorts	E – 5
		C – 0
SIT30516	Certificate III in Events	E – 45
		C – 7
SIT30616	Certificate III in Hospitality	E – 3674
		C – 398
SIT30716	Certificate III in Hospitality (Restaurant Front of House)	E – 42
		C – 0
SIT30816	Certificate III in Commercial Cookery	E – 1991
		C – 190
SIT30916	Certificate III in Catering Operations	E – 22
		C – 0
SIT31016	Certificate III in Patisserie	E – 74
		C – 4
SIT31116	Certificate III in Asian Cookery	E – 43
		C – 4
SIT40116	Certificate IV in Travel and Tourism	E – 56
		C – 13
SIT40216	Certificate IV in Guiding	E – 5
		C – 0
SIT40316	Certificate IV in Holiday Parks and Resorts	E – 0
		C – 0
SIT40416	Certificate IV in Hospitality	E – 553
		C – 35
SIT40516	Certificate IV in Commercial Cookery	E – 869
		C – 304
SIT40616	Certificate IV in Catering Operations	E – 0
		C – 0
SIT40716	Certificate IV in Patisserie	E – 51
		C – 35
SIT40816	Certificate IV in Asian Cookery	E – 6
		C – 9
SIT50116	Diploma of Travel and Tourism Management	E – 228
		C – 14
SIT50216	Diploma of Holiday Parks and Resorts	E – 0
		C – 0
SIT50316	Diploma of Event Management	E – 327
		C – 9
SIT50416	Diploma of Hospitality Management	E – 1115
		C – 279
SIT60116	Advanced Diploma of Travel and Tourism Management	E – 22
		C – 0

Qualification Code	Qualification Name	2016
SIT60216	Advanced Diploma of Event Management	E – 15 C – 3
SIT60316	Advanced Diploma of Hospitality Management	E – 847 C – 84

Source: NCVER VOCSTATS, TVA program completions 2016, accessed November 2017

## Businesses Involved

Businesses operating in the service areas supported by this Training Package represent a range of public and private, small, medium and large enterprises, and are spread all across the country. A summary count of some of the key business types involved in the employment of a workforce with the qualifications in this Training Package is provided below, **totalling over 180,300 businesses**.<sup>23</sup>

- **Tourism: 113,916 businesses**

Businesses involved in providing services to international and domestic visitors on trips shorter than one year. Trips may be for leisure or work-related purposes

- **Event Promotion and Management Services: 4,447 businesses**

Businesses provide event management, event promotion and ticketing services. They can also include tourist information centres.

- **Exhibition and Conference Centres: 2,181 businesses**

Businesses organise and/or host exhibitions and conferences.

- **Amusement Parks and Centres: 922 businesses**

Businesses representing amusement or theme parks which offer attractions such as mechanical rides, water slides, games, shows and theme exhibits. This also includes arcades, centres or parlours which are permanently located within a venue and offer coin-operated games, such as pinball.

- **Travel Agency and Tour Arrangement Services: 6,409 businesses**

Businesses provide travel information, reservation and booking services for transport, accommodation and tourist attractions to individuals and business travellers. The industry also includes internet travel booking services.

- **Online Travel Bookings (only): 48 businesses**

Businesses provide online travel reservation and booking services, taking a proportion of the total transaction value booked through their website. This count excludes businesses that also have a physical retail presence.

- **Caravan Parks and Camping Grounds: 1,320 businesses**

Businesses run powered and unpowered holiday parks, caravan parks and camping grounds that provide short-term and/or long-term accommodation.

- **Hotels and Resorts: 373 businesses**

Businesses include hotels and resorts than have more than 15 rooms. They are licensed to operate a public bar and provide accommodation on a room or suite basis. Accommodation provided by casinos is not included in this count.

- **Motels: 1,948 businesses**

Businesses include motels and guesthouses with 15 or more rooms. They provide accommodation in the form of rooms or suites.

- **Holiday Houses, Flats and Hostels: 762 businesses**

Businesses operate rented houses and apartments, bed and breakfast accommodation and backpacker hostels for short-term rentals. Properties or rooms on accommodation- sharing platforms such as Airbnb are not included in this count.

- **Restaurants: 24,440 businesses**

Businesses mainly provide food and beverages for consumption on the premises. It includes licensed, unlicensed and BYO restaurants.

- **Cafes and Coffee Shops: 14,286 businesses**

Businesses represent cafes and coffee shops that serve food and beverages to customers. This count excludes takeaway food services, restaurant and catering services, theatre restaurants and establishments that primarily sell alcohol for consumption on and off premises.

<sup>23</sup> Various IBISWorld Industry Reports. Titles of reports provided in bullet points for reference (version 2017)

- **Pubs, Bars and Nightclubs: 5,906 businesses**

Businesses can sell alcohol for consumption either on the premises or off the premises.

- **Social Clubs: 2,851 businesses**

Businesses represent gambling, sporting, recreational and social (such as RSL) clubs or associations that generate income predominantly from hospitality services. Clubs that mainly provide sporting services are not included in this count.

- **Wine Bars: 494 businesses**

Businesses include lounges and bars that prepare and serve wine for immediate consumption. They can also offer food options.

- **Casinos: 8 businesses**

Businesses operate facilities with a range of gambling services such as table wagering games and electronic gaming machines.

### National Peak Bodies and Key Industry Players

The following list represents a range of organisations that perform a variety of key roles in this sector. These organisations and their networks are well placed to offer industry insights at the time of Training Package review. Industry engagement will include a broad and inclusive range of stakeholders beyond those included in this list, as relevant to the nature of Training Package product review.

- Government departments and agencies
  - State and Territory Tourism Organisations
  - Regional Tourism Organisations
  - Tourism Australia
  - Australian Trade Commission (Austrade)
- Peak and industry associations
  - Accommodation Association of Australia
  - Australian Culinary Federation
  - Australian Federation of Travel Agents Ltd
  - Australian Hotels Association
  - Australian Regional Tourism Network
  - Australian Tourism Export Council
  - Caravan Industry Association of Australia
  - Clubs Australia
  - Exhibition and Event Association of Australasia
  - Guiding Organisations Australia
  - International Air Transport Association
  - International Association of Tour Guides
  - Restaurant & Catering Australia
  - Tourism Accommodation Australia
  - Tourism Hospitality Catering Institute of Australia
  - Tourism and Transport Forum Australia
  - YHA Australia
- Employee associations
  - United Voice
  - Australian Services Union
- Regulators
  - Food authorities in each State/Territory
  - Liquor and gaming authorities in each State/Territory
- Large and small employers across metropolitan, regional, rural and remote areas
- Registered Training Organisations both public and private.

## Challenges and opportunities

### Attraction and retention

Nationally, recruitment and retention across Tourism, Travel and Hospitality has been an ongoing issue, with individual States and Territories all experiencing challenges in employing suitably skilled staff. Compared to other industries, the workforce is characterised by a relatively young and casual workforce. According to the latest ABS workforce data trends for 2017, accommodation and food services employ approximately 896,300 persons, with part-time positions representing 59.6% of all jobs. The median age for workers is 26 years, which is significantly lower than the national workforce average age of 40 years.<sup>24</sup> Young workers generally have other commitments they prioritise such as full-time or part-time study, and the issues of attitude, reliability and retention are therefore regularly raised by employers.

The growing 'gig' economy means that individuals are increasingly preferring to work on a casual basis and manage their own earnings by working independently completing different gigs, i.e. tasks, rather than obtaining full-time positions. Casual contracts are easily obtained via digital platforms such as AirTasker, Uber, and Deliveroo and this freelance economy is therefore driving an individually-focussed and self-motivated approach to work. The implications for industry mean that the workforce is perhaps more than ever less loyal and less committed to a place of employment, further increasing retention issues for this sector.

The casual workforce is also increasingly characterised by individuals with experience in industry. A recent survey conducted by Casual Support Network and McCrindle<sup>25</sup> with casual and contract workers showed that more than half (57%) had six or more years' experience. Factors such as those mentioned earlier regarding the shift from traditional permanent employment to 'gig' employment, as well as the drive for a better work/life balance and an ageing population, are likely to see casual work trends in these sectors continue among all age groups.

The career pathways available in Tourism, Travel and Hospitality can be endless. They can also be unknown, however, thereby creating further barriers to attracting suitably skilled staff. Individuals can start as a junior kitchen-hand or operator and progressively move into roles involving leading and managing a team of staff as a Head Chef or Marketing Manager. The prominence of young and casual workers in the sectors can, in some cases does, endorse the perception that the sector does not provide long-term career pathways. Industry needs to work on building and promoting visible career pathways to encourage new entrants to the industry and to retain existing workers.

Data collected from business in the Tourism sector suggests that there is an average vacancy rate of 7% across the sector, which translates to a shortage of approximately 38,000 positions.<sup>26</sup> This research suggests that, in the absence of any major policy changes to the industry, by 2020 approximately 123,000 new workers will be required to service the Tourism industry, with the skilled labour shortage expected to rise to 30,000 workers.

All Australian States and Territories report greater problems with the skill levels of their employees than with recruitment or staff retention. Of all the sub-sectors within the Tourism industry, businesses in the café and restaurant industries reported the greatest labour market difficulties in terms of the

<sup>24</sup> Department of Employment, (August 2017) *Labour Market Information Portal-Accommodation and Food Services*  
<http://lmip.gov.au/default.aspx?LMIP/GainInsights/IndustryInformation/AccommodationandFoodServices>

<sup>25</sup> Care Support Network and McCrindle (2017) *The Australia's Casual Workforce Report* by Care Support Network and McCrindle

<sup>26</sup> Deloitte Access Economics 2015, *Australian tourism labour force report: 2015-2020*, Australian Trade Commission, Austrade, viewed 12 August 2016.

recruitment and retention of staff relative to those in the accommodation or attraction industries.<sup>27</sup> South Australia (75%), the Australian Capital Territory (71%) and New South Wales (71%) reported the greatest skills deficiencies within the occupations of cleaners, chefs and cooks who are primarily lacking in qualifications, skills and work experience.<sup>28</sup>

Employment is forecasted to grow strongly over the years in order to continue to meet the steady increase in demand. While workforce attraction and retention issues are not unique to Tourism, Travel and Hospitality, the impact of these issues can be significant for the sector given the forecasted growth trends. It is imperative for businesses to adopt a multifaceted approach to address industry concerns. The Foundation for Young Australians (FYA) has called on a need for a national enterprise skills and careers education strategy to tackle the ongoing skills challenges.<sup>29</sup> Organisations and businesses within the Tourism industry need to develop workplace strategies to improve staff retention by, for example, offering their workers the right experience to overcome skills shortages as well as by demonstrating career pathways for career development opportunities.<sup>30</sup> Skills information provided should meet four principles:<sup>31</sup>

- **Applies to whole-of-workforce:** Reflects the skills required across the whole economy, rather than for select or niche occupations
- **Reflects dynamism of working lives and lifelong learning:** Recognises that working lives are most likely to be broader than a single occupation and involve multiple career shifts, which often draw on similar skills. Reflects the concept of lifelong learning
- **Encompasses all types of skills:** Holistically represents skill requirements as comprising both technical and enterprise skills
- **Applies now and in the future:** Reflects skill requirements for today and for the future.

### Mismatch of skills (including Skills Shortages)

Workers with **mismatched qualifications** can represent situations of over-qualification, under-qualification or those with misaligned qualifications. A study conducted by SkillsIQ measured the cost of over-qualification to Australian workers to be valued at \$4.1 billion per year, and Tourism was one sector where rates of over-qualification were high (i.e. 34% of the Tourism workforce were over-qualified).<sup>32</sup> Some of the issues surrounding over-qualification include high staff turnover which is an issue already discussed in detail in the previous section.

The solution to address the challenge of over-qualified staff in positions within the sector is not straightforward. A number of suggestions put forward for the main parties involved (that is, individuals, education providers and employers) are as follows:

- Individuals to consider pursuing qualifications that meet their career stage and may offer practical work experience rather than favour a higher qualification
- Education providers to better align qualifications with job roles and sectors in order to in turn aid student expectations regarding career pathways

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<sup>27</sup> Deloitte Access Economics 2015, *Australian tourism labour force report: 2015-2020*, Australian Trade Commission, Austrade, viewed 12 August 2016.

<sup>28</sup> Deloitte Access Economics 2015, *Australian tourism labour force report: 2015-2020*, Australian Trade Commission, Austrade, viewed 12 August 2016.

<sup>29</sup> Foundation for Young Australians (FYA) (2016) *The New Work Mindset. 7 new job clusters to help young people navigate the new work order. New Work order report series*

<sup>30</sup> Deloitte Access Economics 2015, *Australian tourism labour force report: 2015-2020*, Australian Trade Commission, Austrade, viewed 12 August 2016.

<sup>31</sup> Foundation for Young Australians (FYA) (2016) *The New Work Mindset. 7 new job clusters to help young people navigate the new work order. New Work order report series*

<sup>32</sup> Skills IQ (2017) *Right Skills. Right Time?*



- Employers to consider ‘skills-ready’ suitability of a candidate and practical skills for a job in preference to the attainment of advanced levels of qualifications.

Seven in ten employers (69%) in the sector have indicated that there are **skills deficiencies** among their workforces, and this has increased from an initial metric captured in 2011 of 50%.<sup>33</sup> Key factors driving skills shortage experiences of employers include an individual’s lack of experience in Tourism as well as a misalignment between the skills of the individual and the requirements of the role. Access to training, a lack of quality training or a high drop-out rate from training were also cited as contributing to some extent to the skills shortages of the sector.

Employers have been using the supply of an international workforce to help combat the skills shortages experience. However, as mentioned earlier, changes in international visa eligibility conditions mean that employers will need to identify other channels for sourcing adequately skilled staff.

Overall, employers are struggling to fill vacancies and a key reason cited is due to an **applicant’s lack of hard and/or soft skills**.<sup>34</sup> Having a qualification, technical knowledge and content knowledge for a profession is important. The focus for employers, however, is now more than ever on employability skills:

- Communication
- Teamwork
- Problem solving
- Initiative and enterprise
- Planning and organising
- Self-management
- Learning
- Technology.

There is a need to ensure that training is available in key soft skills, identified above, as well as in entrepreneurial skills involving financial, resource and management skills, so that individuals can continue learning and progressing in their industry. This is particularly important at a middle-management level as employees move from operational to supervisory and management roles. Industry reports that many new entrants do not have the requisite skills across all facets of business ownership and management to ensure the viability of these businesses.

### Seasonality

The impact of seasonality on the workforce is a major concern for Tourism, Travel and Hospitality businesses. Workforce supply is therefore heavily reliant on multiple channels to fill short-term gaps by attracting mature, youth and overseas workers.<sup>35</sup> Government policy regarding overseas working visas can impact access to workers significantly, and the Working Holidaymaker program currently includes various visas to support the supply of overseas workers (i.e. the Working Holiday and Work and Holiday visas).

Labour mobility programs are also essential in supporting industry’s recruitment of sufficient skilled workers. The Department of Foreign Affairs and Trade (DFAT) funds the Labour Mobility Assistance Program (LMAP) which supports the Seasonal Worker Programmer (SWP) one of whose focus areas

<sup>33</sup> Austrade and Deloitte Access Economics (2015) *Australian Tourism Labour Force Report: 2015-2020*.

<sup>34</sup> The Foundation for Young Australians (FYA) ‘New Work Order’ series (trends 2012-2015)

<sup>35</sup> Austrade and Deloitte Access Economics (2015) *Australian Tourism Labour Force Report: 2015-2020*.

involves improving the supply and quality of seasonal workers (*Focus Area 2: Improving Supply*).<sup>36</sup> Enterprises are also venturing upon their own labour mobility programs, with an example being the caravan and parks sector, which has begun rotating willing staff members between States and Territories during peak and off-peak seasons.

In order to mitigate the issues involved in seasonality in the workforce, strategies to remove barriers to access overseas workers will be important. For example, removing or reducing limits and eligibility criteria for overseas workers, or targeting immigration programs to address seasonal demand in occupations,<sup>37</sup> will support alleviating recruitment pressures which employers in these sectors can experience several times a year.

### Ageing population and workforce

Australia, like most developed nations, is experiencing a long-term ageing of its population. The Australian Government's Intergenerational Report (IGR) shows that both the number and proportion of Australians aged 65–84 and 85 years and over are projected to grow substantially. In 2015, approximately 3 million people, or 13% of the population, were aged 65–84, and 500,000 people, or 2% of the population, were aged 85 years and over<sup>38</sup>. By 2054–55, the 65–84 cohort is projected to be around 7 million people, or just under 18% of the population. The population 85 years and over is projected to be around two million people, or 5% of the population<sup>39</sup>. Such substantial changes in the age of the population will certainly bring increasing pressures to bear upon the industry.

While Australia's senior population is growing steadily, so too is Australia's general population. Overall, the population grew by 1.6% during the year ended 30 June 2017.<sup>40</sup> Approximately 37% of this growth was due to natural increases while 63.2% was due to net overseas migration. Based on medium-level growth assumptions, Australia's population is projected to increase to 41.5 million people in 2061 and 53.6 million in 2101.<sup>41</sup>

With population trends of ageing and growth expected to continue steadily, managing workforce supply and demand will include the need for workforce planning to ensure staff volume and skills are in line with demand trends.

### Licensing and regulation

The disparity of licensing and regulation regimes between the various jurisdictions across Australia has long presented challenges for businesses operating within the tourism, travel and hospitality industry.

Differences in requirements across all States and Territories present significant challenges, particularly for businesses who operate nationally or across State/Territory borders, in terms of the portability of skills and restrict the ability of workers to move between jurisdictions while performing the same job role.

There is also concern voiced by industry in regard to the quality of training, particularly in Responsible Service of Alcohol, which varies widely between Registered Training Organisations and also between modes of delivery, from fully face-to-face to fully online. The Review of the South Australian Liquor

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<sup>36</sup> Australian Aid, Labour Mobility Assistance Program, Supporting the Seasonal Worker Program (<https://www.lmaprogram.org/supply>) Accessed 7 February 2018)

<sup>37</sup> Austrade and Deloitte Access Economics (2015) *Australian Tourism Labour Force Report: 2015-2020*.

<sup>38</sup> Australian Government, Department of Treasury 2015, *Intergenerational report*

<sup>39</sup> Australian Government, Department of Treasury 2015, *Intergenerational report*

<sup>40</sup> Australian Bureau of Statistics (ABS) 3101.0 - *Australian Demographic Statistics, Jun 2017*

<sup>41</sup> Australian Bureau of Statistics (ABS) 3222.0 - Population Projections, Australia, 2012 (base) to 2101 (Released 2013)

Licensing Act 1997 noted the existence of online courses that were being provided at a very low cost and took little time to complete and the report questioned the ease with which qualifications with respect to responsible service of alcohol were able to be obtained.<sup>42</sup>

The Australian Industry & Skills Committee (AISC) has recently commissioned a Case for Change to determine if Units of Competency relating to Food Safety and Responsible Service of Alcohol need to be updated to better meet the needs of industry in response to the issues outlined above.

## Sustainability

Sustainable tourism is defined by the UN World Tourism Organisation as ‘tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, and the environment and host communities.’ It is a global trend and internationally recognised, with the United Nations declaring 2017 the *International Year of Sustainable Tourism for Development*. There is a growth in the number of consumers who want ‘sustainable’ tourism options, which encompass both environmental considerations and social and economic sustainability. Key movements in sustainable tourism include:

- Eco-tourism – Eco-tourists primarily want to visit natural attractions and related cultural assets. To meet these expectations operators need to be skilled in lands and parks management, and their operations and infrastructure need to be environmentally friendly. Their guides also need to be knowledgeable about local culture.
- Organic product preferences – These preferences have led to consumers having a greater interest in knowing the source of their food and a growing preference for restaurants that use locally- and regionally-sourced food options. As a result, more online solutions are emerging that enable consumers to track their food from farm to table.<sup>43</sup> Providing these experiences requires businesses to have the skills to operate in a sustainable manner—both in the way they deliver the service and also in managing their supply chain to the required standards.

Sustainable tourism involves a wide range of stakeholders including governments, industry associations, local communities, employers and workers in the industry. A skilled workforce is particularly key to ensuring individuals seeking sustainable experiences in Tourism, Travel and Hospitality get the experience they are seeking and that all resources are respected.

Effort is required to make sure operators have the skills and knowledge to deliver the current and upcoming demands of the public. Management and leadership skills, strategic planning, financial literacy and mentoring and coaching skills are among those identified as being critical to building and maintaining a sustainable Tourism, Travel and Hospitality industry.

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<sup>42</sup> Government of South Australia 2016, *Review of the South Australian Liquor Licensing Act 1997*, Prepared by the Hon. TR Anderson QC, 29 June 2016

[http://www.agd.sa.gov.au/sites/agd.sa.gov.au/files/documents/Liquor%20licensing/Anderson%20Report%20Review%20of%20Liquor%20Licensing%20Act%201997\\_June%202016.pdf](http://www.agd.sa.gov.au/sites/agd.sa.gov.au/files/documents/Liquor%20licensing/Anderson%20Report%20Review%20of%20Liquor%20Licensing%20Act%201997_June%202016.pdf)

<sup>43</sup> Deloitte 2013, *The food value chain: a challenge for next century*, viewed 12 August 2016.

## Cultural tourism

Culture, and experiencing different customs and interactions with locals, is for many a key driver for travelling. Just over three-quarters of global travellers are influenced by the allure of visiting somewhere new, and experiencing local culture is a big priority.<sup>44</sup>

Australia offers some of the most unique and culturally rich experiences through its Aboriginal culture, and Indigenous experiences are an opportunity for huge growth as they are seen to be authentic and unique to the area in which they occur.<sup>45</sup> The connection with meaningful Aboriginal and Torres Strait Islander cultural experiences is a unique selling point for Australia. A recent study conducted by the Northern Territory Government showed that more than two-thirds (67%) of visitors to the area want to visit sacred rock art sites, 64% want to learn about Aboriginal beliefs and connection to the land ('country'), and 60% want to hear stories about the Dreamtime.<sup>46</sup> Skills development is required to help meet the increased demand for these experiences including those skills needed to explain and showcase these sorts of experiences so that they can then be tailored to the specific local experiences in a given area.

Language and cultural awareness skills to cater to these and other international visitors are seen as being essential in order to ensure that Australian businesses provide the world-class experiences these visitors are seeking. While it is noted that qualifications for Translating and Interpreting sit outside of the SIT Tourism, Travel and Hospitality Training Package, up-skilling employees with basic language skills to provide service to international visitors is seen to be of critical importance.

## Technology

The digital revolution is well and truly here, and technological disruptions have been changing the way customers and businesses interact and operate across all industries in Australia. Tourism, Travel and Hospitality industries are no exception, and, in fact, are some of the industries that have been comparatively impacted the most by technological developments.

The adoption of technology by industries has been driven by consumers<sup>47</sup> who have been proactive in embracing devices and tools to enhance daily living, including holiday experiences. For example, there has been a 63% increase in the number of mobile handset subscribers in Australia over the past five years, reaching a new high of 26.3 million.<sup>48</sup> Access to mobile devices (and consequently internet subscriptions) has pushed traders to embrace online shopping and online engagement activities. While online travel and reservation bookings are a significant element of the industries (and are discussed separately below), other technologies and digital initiatives which have been shaping industry activities include:<sup>49</sup>

- M-commerce – a subset of e-commerce which includes buying and selling via smartphones and tablets, and also includes mobile content purchases such as those via 'apps'.
- Mobile Apps - to guide transport routes, destinations, local activities and dining options as well as ordering.
- Tabletop devices to order and pay when dining.

<sup>44</sup> TripAdvisor 2014, *TripBarometer 2014: insights on the planning and budget phase*, 24 April, viewed 12 August 2016, <https://www.tripadvisor.com.au/TripAdvisorInsights/n2208/tripbarometer-2014-insights-planning-and-budget-phase>.

<sup>45</sup> Australian Government, Indigenous Business Australia 2013, *Indigenous business Australia: annual report 2012-13*, viewed 12 August 2016, [http://www.iba.gov.au/wp-content/uploads/2013/11/20131114Annual-report-2012-2013\\_Compressed-for-wen.pdf](http://www.iba.gov.au/wp-content/uploads/2013/11/20131114Annual-report-2012-2013_Compressed-for-wen.pdf).

<sup>46</sup> Northern Territory Department of Tourism and Culture (2017) National demand for cultural tourism in Australia.

<sup>47</sup> Deloitte, 2016/17, *Technology in Retail: From centre stage to supporting player*. Retail trends Vol. 1.

<sup>48</sup> Australian Bureau of Statistics (ABS) 81530DO001\_201706 Internet Activity, Australia, June 2017

<sup>49</sup> Various sources accessed (WebrestaurantStore blog <https://www.webrestaurantstore.com/blog/2154/how-we-interact-with-technology-in-restaurants.html>), Toast <https://pos.toasttab.com/blog/2017-restaurant-technology-trends>, Econsultancy <https://econsultancy.com/blog/68969-four-ways-technology-could-impact-restaurants-in-the-future>) (Accessed 6 February 2018)

- Voice-recognition technology to capture orders.

The adoption of technology has meant workforce skills requirements have changed and will continue to change. Automation and online engagement facilitated by technology will mean the skills requirements of all role types across the industries need to evolve to reflect the new working environments. This can include Waiter staff adapting to new devices to capture orders and payments, to Managers accessing more in-depth customer data and learning how to read that data from online and social media platforms in order to understand customer behaviour and better target products and services.

### The 'knowledgeable' customer and heightened expectations

The customer landscape has been evolving in line with wider industry trends regarding technology, innovation and globalisation, and, as a result, the standard tourist and member of the public has never before been more educated or informed about services, activities, experiences and brands. Individuals are accessing a wealth of news, data and reviews to support or discourage the purchase of a product or service, and this access to information is raising knowledge and, consequently, heightening customer expectations across all touch points of the customer journey (i.e. pre and post-purchase). For Tourism, Travel, Hospitality and their associated sectors, this is particularly important given that, in many cases, customers are purchasing an 'experience,' and customer loyalty to brands and products is diminishing with the online and competitive nature of the market. Customer expectations now involve:<sup>50</sup>

- **Digital experiences** – Online platforms which provide responsive and personalised customer service through customised communication and delivery options.
- **Physical and digital integration** – Omni-channel, which provides a seamless experience across all channels.
- **Mobile experiences** – Access to mobile apps which provide innovative and fun ways of interacting with products and brands, including the ability to tailor information and marketing to preferences.
- **Personalisation** – Communication and offers regarding holidays, dining, adventure, accommodation channels, as well as product variability and payment options, need to be customised to resonate with individual customers.

Obtaining an in-depth understanding of customers across the spectrum of sectors, including their needs across the preferences listed above, is now an essential function for businesses to grasp in order to ensure they exceed expectations.

### Social media

Social media has undoubtedly become a popular online platform and, for many individuals, one that is accessed on a daily basis. The latest statistics show that in Australia there are 17 million active Facebook users.<sup>51</sup> This is equivalent to 70% of the population. Other platforms with which consumers are engaging regularly include YouTube, WordPress.com and Instagram. While the general public is actively using social media, the extent to which businesses are embracing social media and running digital campaigns is not as high. Across the Arts and Recreation services industry and Accommodation and Food Services industry, 69.9% and 56.0% of businesses respectively have a social media presence. These figures are on average higher than that of other industries, although they still remain significantly lower than the rates of use by consumers.<sup>52</sup>

<sup>50</sup> IBM 2017 Customer Experience Index (CEI), Executive Report, *Retail and Consumer Products*

<sup>51</sup> <https://www.socialmedianews.com.au/social-media-statistics-australia-september-2017/> Accessed 17 October 2017)

<sup>52</sup> Australian Bureau of Statistics (ABS), 81660DO001\_201516 Summary of IT Use and Innovation in Australian Businesses, 2015-16

Social media has significantly transformed the Tourism, Travel and Hospitality sectors, with key impacts including:<sup>53</sup>

- **Online reviews** - With 85% of consumers trusting online reviews as much as a personal recommendation,<sup>54</sup> it is evident that maximising online presence and reputation is now a required essential tool for business survival.
- **Sharing via social media** - Platforms such as Twitter, Facebook and Instagram provide individuals with channels to instantly share quotes, photos and videos of experiences with businesses and services. Nearly all (97%) Millennials share photos and videos of their travels online and some hotels and resorts have therefore been working to leverage their customers' social activity by setting up social media competitions and campaigns (i.e. #EventName).

Digitalisation and the continuing increase in consumer demand for online and social media interactions mean that online and social media engagement is (and will continue to be) an essential area in which businesses will need to be involved. Workforce skills training is an important component of this trend which can assist in supporting businesses and the wider economy to engage effectively, and such training can involve a combination of technical skills (i.e. setting up a Facebook or Twitter account and using it on behalf of an organisation) and non-technical skills such as the ethical use of social media, content creation, and risk management, which involves having the skills to communicate and respond to negative reviews.

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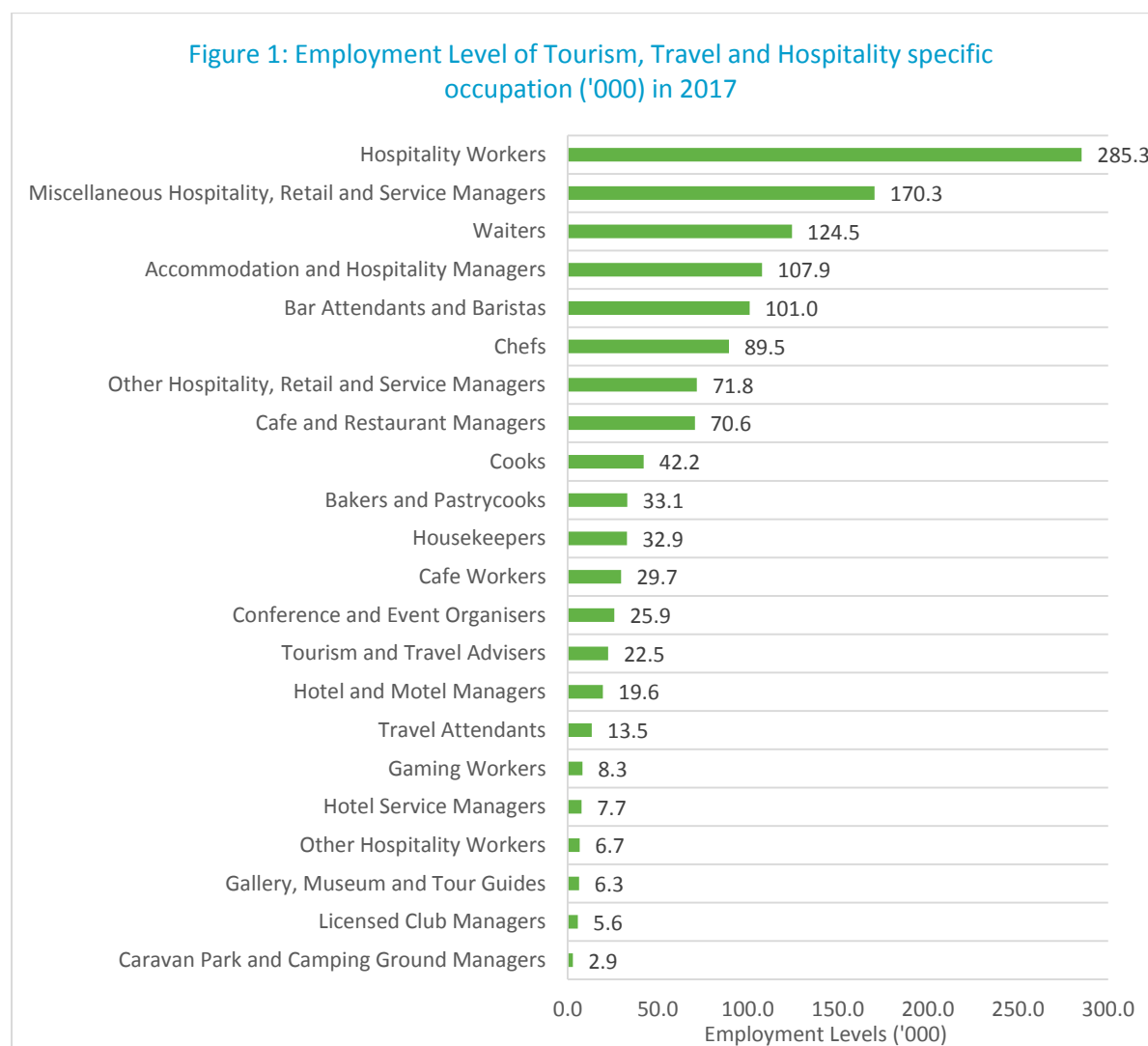
<sup>53</sup> Entrepreneur.Network, *5 Ways Social Media Has Transformed Tourism Marketing* (<https://www.entrepreneur.com/article/286408> Accessed 2 February 2018)

<sup>54</sup> BrightLocal (2017) *Local Consumer Review Survey 2017*

## Employment Skills and Outlook

### Labour Force Data

Currently the occupations within this IRC at May 2017 show that 'Hospitality Workers' number 285,300, while 'Miscellaneous Hospitality, Retail and Service Managers' (170,300), 'Waiters' (124,500) and 'Accommodation and Hospitality Managers' (107,900) also have strong numbers of people who are employed in these occupations (see **Figure 1**).

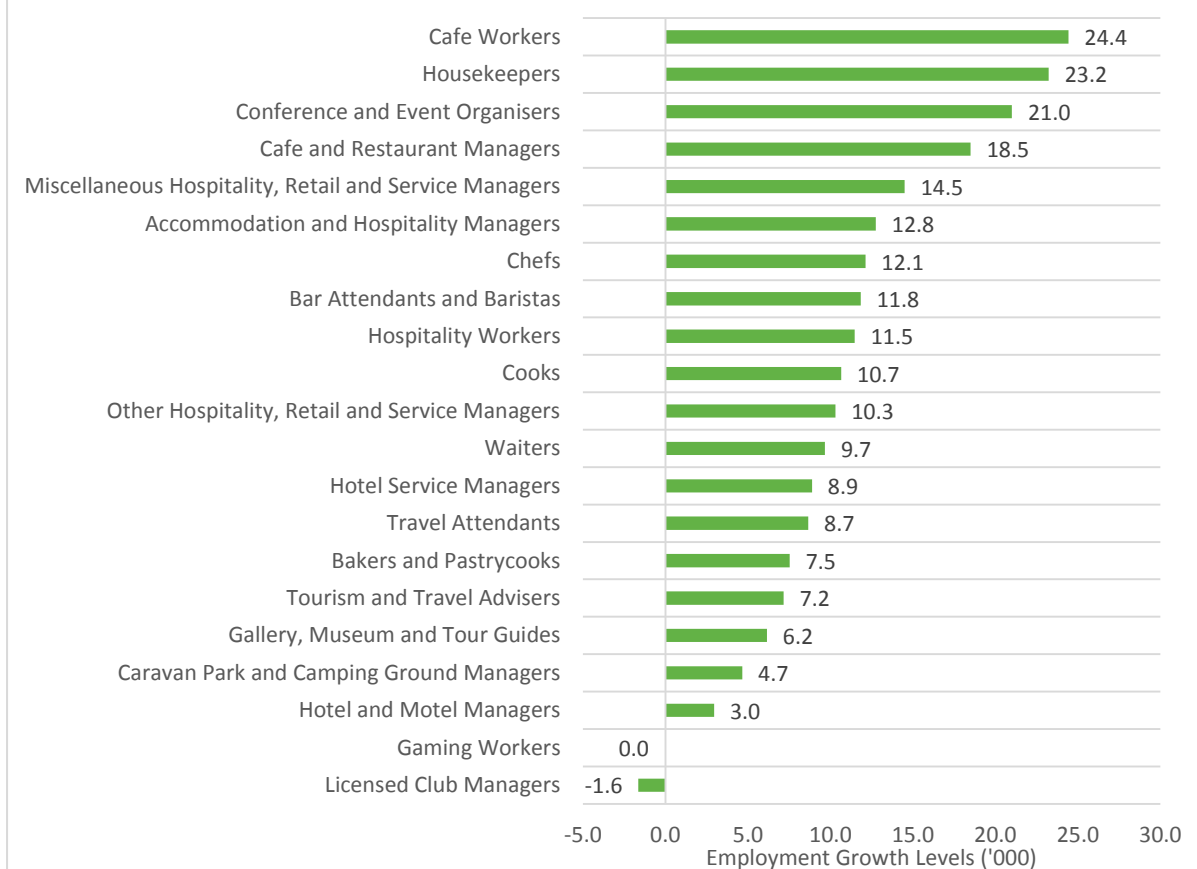


Source: Australian Department of Employment, 2017 Occupational Projections – five years to November 2022

There is strong growth projected in the 'Tourism, Travel and Hospitality' occupations. Of these 'Café Workers' (24%), 'Housekeepers' (23%) and 'Conference and Event Organisers' (21%) are expected to have the strongest growth over the next five years (see Figure 2)



Figure 2: Projected growth ('000) in selected Travel, Tourism, and Hospitality specific occupational groups 2017-2022



Source: Australian Department of Employment, 2017 Occupational Projections – five years to November 2022

An overview of a selection of relevant occupations supported by the Tourism, Travel and Hospitality Training Package is provided below. The occupations have been categorised according to levels of seniority in the industry.

#### MANAGEMENT roles Top Skills Areas

- ✓ Service Orientation
- ✓ Critical Thinking
- ✓ Management of Personnel Resources
- ✓ Speaking
- ✓ Coordination
- ✓ Monitoring
- ✓ Active Listening

The occupations within this scope include 'Café or Restaurant Manager', 'Hotel and Motel Managers', 'Hotel Service Managers', 'Other Accommodation and Hospitality Managers', 'Caravan Park and Camping Ground Managers' and 'Licensed Club Managers'. Within these occupations, most employees are qualified at an Associate or Diploma level. Growth over the next five years is stable.

Source: Australian Department of Employment, Job Outlook, ANZCO ID; 1411, 1413, 4314, 1419, 1412, 1414

**FOOD PREPARATION roles**  
**Top Skills Areas**

- ✓ Co-ordination
- ✓ Monitoring
- ✓ Critical Thinking
- ✓ Active Learning
- ✓ Active Listening
- ✓ Speaking

The occupations focussed on here are 'Chefs', 'Cooks', 'Bakers and Pastrycooks' and 'Bar Attendants and Baristas'. Most of these occupations require at a minimum a Certificate III education attainment level. Hospitality (food preparation) related workers growth is forecasted to be strong over the next five years.

Source: Australian Department of Employment, Job Outlook, ANZCO ID; 1411, 1413, 4314, 1419, 1412

**OTHER roles**  
**Top Skills Areas**

- ✓ Active listening
- ✓ Service Orientation
- ✓ Coordination
- ✓ Speaking
- ✓ Social Perceptiveness

The remaining hospitality related workers such as 'Waiters', 'Gaming Workers' and 'Housekeepers' growth over the next five years is expected to be stable. The level of education required for these occupations is generally a Certificate II at a minimum.

Source: Australian Department of Employment, Job Outlook, ANZCO ID; 4315, 4313, 8114

**TRAVEL AND TOURISM**  
**Top Skills Areas**

- ✓ Speaking
- ✓ Service Orientation
- ✓ Coordination
- ✓ Active Listening
- ✓ Social Perceptiveness

Occupations included here are 'Tourism and Travel Advisers', 'Gallery, Museum and Tour Guides' and 'Travel Attendants'. Travel and Tourism occupations within this IRC are expected to have moderate growth over the next five years. With these occupations, Certificate III is the most common level of education.

Source: Australian Department of Employment, Job Outlook, ANZCO ID; 4516, 4514, 4517

## Future Skills Needs

### Science, Technology, Engineering and Mathematics (STEM) Skills

With the constant evolution of technology through automation, artificial intelligence (AI) and robots, the skills needed by the workforce in the coming years will be vastly different to those required today. It is imperative that this is factored in to Training Packages that are being developed, adapted and updated. Technology disruption, as it has done in the past, will replace some industries, companies and workers, especially those that lack the flexibility to adapt.

Australians are generally welcoming of technology, and most believe that innovation and new technology development is vital for Australia's future prosperity<sup>55</sup>. There is some speculation that, as a result of technological developments, approximately 40.0% of the workforce will be replaced by computers in the next 10 to 15 years<sup>56</sup>. This does not take into account the fact that technology also creates new jobs and often replaces inefficient processes. Also, rather than replacing a worker's role, the rise of technology and automation won't necessarily change what jobs workers do; instead, it will change the way workers do their jobs. Technological advancement has the ability to not merely impact

<sup>55</sup> Australian Information Industry Association 2017, *Jobs for Tomorrow 2017*

<sup>56</sup> See for example: [http://adminpanel.ceda.com.au/FOLDERS/Service/Files/Documents/26792~Futureworkforce\\_June2015.pdf](http://adminpanel.ceda.com.au/FOLDERS/Service/Files/Documents/26792~Futureworkforce_June2015.pdf), <https://startupaus.org/startups-and-tech-companiesare-the-engine-room-for-australias-future-workforce/> and <http://reports.weforum.org/future-of-jobs-2016/chapter-1-the-future-of-jobs-and-skills/>

low-skilled workers by replacing menial tasks with automation, but also has the potential to affect highly skilled workers through AI supplementation, or even by replacing cognitive tasks<sup>57</sup>.

In order to succeed in the wave of automation and innovation, many believe that STEM (Science, Technology, Engineering and Maths) skills are part of the answer when it comes to preparing workers for jobs of the future. The focus on STEM, while not new, is crucial to building a 21<sup>st</sup> century knowledge-based economy underpinned by data, digital technologies and innovation which are essential for growth<sup>58</sup>. Both digital literacy and competency in the use of different technological platforms will be essential skills in the future. Without basic digital competencies a person will not have the skills to negotiate the digitally connected world which has now become the norm<sup>59</sup>.

Workers will need the ability to use digital technology in their jobs to access and use information and digital content; communicate and collaborate through digital technologies; manage their digital identity; develop digital content; and use and protect their digital devices, personal and organisational data, and privacy<sup>60</sup>. This is especially critical for workers within the Tourism, Travel and Hospitality sectors, as more and more data is collected about visitors and tourists to streamline and service provision. As booking systems become more integrated and integral in workplace performance monitoring, the future workers will need to be constantly learning and receiving training in how best to maximise the technology for a business.

While STEM skills are critical for the needs of the future, other ‘softer’ skills are just as important. Soft skills include things like communication, teamwork, problem solving, emotional judgement, professional ethics and global citizenship. Deloitte Access Economics forecasts that two-thirds of jobs will be soft skill-intensive by 2030<sup>61</sup>. Businesses are aware of the importance of soft skills. A survey conducted in 2015 of over 450 business managers and executives in western Sydney cited teamwork, communication skills and time management as vital skills for applicants to possess (*TAFE NSW 2015*). Megatrends like technology advancement and globalisation will contribute to more demand for people with soft skills as the geographical barriers fall due to technology, making it easier to connect people across countries<sup>62</sup>. The need for soft skills is even more essential in leadership positions. A survey conducted by Deloitte found that soft skills were more important for determining the success of a leader than technical knowledge<sup>63</sup>. For decision-makers the ability to effectively communicate, problem-solve and think critically is important for success. Credentials for soft skills are beginning to emerge. The benefits to businesses have two advantages. The first is the fact that recruitment processes can be made more efficient as credentials allow recruiters to pre-screen potential candidates for the required soft skills. The second benefit is the fact that more targeted recruitment for soft-skilled candidates allows businesses to make savings in training and developing their own workforce later on<sup>64</sup>. These skills going forward will be vital to workers within the remit of this IRC as employers struggle to recruit adequately skilled workers.

Current Training Package products within the SIT Training Package have content regarding soft skills so it is important to ensure industry is aware of these options and the ability to tailor training to meet their specific job role requirements.

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<sup>57</sup> Australian Information Industry Association 2017, *Jobs for Tomorrow 2017*

<sup>58</sup> Australian Information Industry Association 2017, *Jobs for Tomorrow 2017*

<sup>59</sup> Australian Information Industry Association 2017, *Jobs for Tomorrow 2017*

<sup>60</sup> Australian Information Industry Association 2017, *Jobs for Tomorrow 2017*

<sup>61</sup> Deloitte Access Economics 2017, *Soft skills for business success, DeakinCo, May 2017*

<sup>62</sup> Deloitte Access Economics 2017, *Soft skills for business success, DeakinCo, May 2017*

<sup>63</sup> Deloitte Access Economics 2017, *Soft skills for business success, DeakinCo, May 2017*

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## Leadership

Leadership in the workplace is another important emerging trend in future skill needs. As Australia potentially enters a period of slow economic growth it is essential that Australian organisational leaders are ready to meet these new challenges. Formal training provides a foundation for the diverse skills associated with leadership – from technical skills to solving problems and managing change. Investing in leadership development is positively associated with leadership capabilities and self-efficacy, which in turn significantly improves workplace performance and innovation. Yet the findings reveal that many workplaces do not invest in leadership development at all, or invest very little. Frontline leadership matters most for employees, shaping the experience of work and creating a positive climate for innovation and performance<sup>65</sup>. Within the sectors of focus, it is essential that staff have the skills to ensure they can cope in fast-paced and high-pressured work environments in not only working with customers, but also manage teams of staff.

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<sup>65</sup> Australian Government 2016, Department of Employment, Centre for Workplace Leadership, *Leadership at Work: Do Australian leaders have what it takes?*

## Key Generic Skills – Ranked in Order of Importance

The 12 generic skills listed below, including the descriptors, were provided by the Department of Education and Training for ranking purposes. For the 2018 ranking exercise, an 'Other' generic skill option was included in the list to capture any additional key skills for an industry. Please note in this case, no other generic skills were identified.

1	CUSTOMER SERVICE / MARKETING	Ability to interact with another human being, whether helping them find, choose or buy something. Ability to supply customers' wants and. Ability to manage online sales and marketing. Ability to understand and manage digital products.
2	COMMUNICATION / COLLABORATION / SOCIAL INTELLIGENCE	Ability to understand/apply principles of creating more value for customers and collaborative skills. Ability to critically assess and develop content with new media forms and persuasive communications. Ability to connect in a deep and direct way.
3	MANAGERIAL / LEADERSHIP	Ability to effectively communicate with all functional areas in the organisation. Ability to represent and develop tasks and processes for desired outcomes. Ability to oversee processes, guide initiatives and steer employees toward achievement of goals.
4	TECHNOLOGY AND APPLICATION	Ability to create/use of technical means, understand their interrelation with life, society, and the environment. Ability to understand/apply a scientific or industrial processes, inventions, methods. Ability to deal with mechanisation/ automation / computerisation.
5	LEARNING AGILITY / INFORMATION LITERACY / INTELLECTUAL AUTONOMY	Ability to identify a need for information. Ability to identify, locate, evaluate, and effectively use and cite the information. Ability to develop a working knowledge of new systems. Ability to work without direct leadership and independently.
6	LANGUAGE, LITERACY & NUMERACY (LLN)	Foundation skills of literacy and numeracy.
7	DESIGN MINDSET/ THINKING CRITICALLY / SYSTEM THINKING / PROBLEM SOLVING	Ability to adapt products to rapidly shifting consumer tastes and trends. Ability to determine the deeper meaning or significance of what is being expressed via technology. Ability to understand how things that are regarded as systems influence one another within a complete entity, or larger system. Ability to think holistically.
8	ENVIRONMENTAL / SUSTAINABILITY	Ability to focus on problem solving and the development of applied solutions to environmental issues and resource pressures at local, national and international levels.
9	ENTREPRENEURIAL	Ability to take any idea and turn that concept into reality / make it a viable product and/or service. Ability to focus on the next step / closer to the ultimate goal. Ability to sell ideas, products or services to customers, investors or employees etc.
10	FINANCIAL	Ability to understand and apply core financial literacy concepts and metrics, streamlining processes such as budgeting, forecasting, and reporting, and stepping up compliance. Ability to manage costs and resources, and drive efficiency.
11	DATA ANALYSIS	Ability to translate vast amounts of data into abstract concepts and understand data based reasoning. Ability to use data effectively to improve programs, processes and business outcomes. Ability to work with large amounts of data.
12	STEM Science, Technology, Engineering and Maths (STEM)	Sciences, mathematics and scientific literacy

## Key Drivers for Change and Proposed Responses

The following key drivers for change have been identified as driving the proposed work for 2018-2019:

- Modernising the qualifications to meet current industry requirements and encourage retention of apprentices, who are looking to learn contemporary skills.
- Providing skills for employees to work across all sectors of the cookery industry from fine dining to clubs, to catering operations in mines.
- Skilling cookery graduates to the level that they can run a small operation in its entirety, but also run a section in a larger operation.
- Creating assessment criteria that ensure learners must adequately demonstrate competency prior to completion – to address the lack of skilled workers entering the industry after completing apprenticeships.
- Providing graduates with the requisite skills to perform to industry standard to retain them in industry and stop the exodus of staff who feel the demands are too high compared to the skills they gained during their apprenticeship.
- Providing advice from industry regarding duration to ensure that learners have sufficient time during their apprenticeship to embed the skills they are learning and be job ready upon completion.

## Proposed Schedule of Work

### 2018-19

Year	Project Title	Description
2018-19	Cookery, Catering and Patisserie	The IRC proposes to update 10 qualifications, 2 Skill Sets and 66 Units of Competency relating to commercial cookery, Asian cookery, patisserie and catering operations to meet current and emerging industry needs.

### 2019-20

Year	Project Title	Description
2019-20	Tourism and Hospitality	The IRC proposes to update 20 qualifications, 21 Skill Sets and 156 Units of Competency relating to tourism, guiding, holiday parks and resort and hospitality to meet current and emerging industry needs.

### 2018-19 Project Details

Project Title	Cookery, Catering and Patisserie
Description	The IRC proposes to update 10 qualifications, 2 Skill Sets and 66 Units of Competency relating to commercial cookery, Asian cookery, patisserie and catering operations to meet current and emerging industry needs. A full list of the Training Package Products to be updated in this project may be found at Appendix A.
Rationale	<i>To be completed once the previous section “Key drivers for change and proposed responses” is agreed upon.</i>
Minister’s Priorities Addressed	<p>The development of Training Package products proposed within this Case for Endorsement considered opportunities to support the COAG Industry and Skills Council and used consultation activities and stakeholder engagement to identify:</p> <ul style="list-style-type: none"> <li>• opportunities to identify and remove obsolete Training Package Products from the system.</li> <li>• industry expectations for training delivery and assessment to be documented within the Companion Volume Implementation Guide.</li> <li>• opportunities to enhance the portability of skills from one related occupation to another.</li> <li>• opportunities to remove unnecessary duplication within the system and create Training Package Products that may have application to multiple industry sectors. The existing Qualifications cater to a range of job roles in the cookery, catering and patisserie sectors and contain cross-sector Units that are utilised in more than one qualification and across job roles.</li> </ul>



	<ul style="list-style-type: none"> <li>opportunities for the development of Skill Sets.</li> </ul>
Consultation Plan	<p>The IRC will guide the consultation process ensuring that key industry stakeholders are consulted at all stages of the project and provided with the opportunity to have input. National industry consultation workshops will be conducted on a face-to-face basis to collect broader industry views and feedback, along with webinars to facilitate those stakeholders who are unable to attend a face-to-face workshop. ITABs will be engaged in those states and territories that they exist to ensure a national perspective is gained.</p> <p>All proposed Training Package Products will be uploaded to the SkillsIQ Online Feedback Forum during consultation periods to enable stakeholders to provide specific feedback on content of Qualifications, Skill Sets and Units of Competency.</p> <p>This feedback will be provided to the IRC (or any Technical Advisory Committee the IRC may choose to appoint) to inform its decision making process for the final Training Package Products to be submitted to the AISC for endorsement.</p>
Timing - Estimated Duration and Key Dates	<p>Project to commence in upon issuance of Activity Order in July 2018. Consultation on draft one and draft two of updated Training Package Products to occur through to end of November 2018 with validation, quality assurance, STA review to occur in February – March 2019. Final submission of Case for Endorsement expected in May 2019.</p> <p><i>*It is noted that any delay in commencing the project would impact the overall timing, causing significant delay, as consultation is unable to occur during the industry's peak business period of December-January.</i></p>
Training Package to be Revised	SIT Tourism, Travel and Hospitality Training Package
Qualifications to be Developed/Revised	<p>10 qualifications.</p> <p>A full list of the Training Package Products to be updated in this project may be found at Appendix A.</p>
Units of Competency to be Developed/Revised	<p>66 Units of Competency.</p> <p>A full list of the Training Package Products to be updated in this project may be found at Appendix A.</p>

## IRC Sign-off

The 2018 Industry Skills Forecast will be signed off by the IRC Chair before submission to the AISC.

## Appendix A

Qualifications, Skill Sets and Units of Competency to be updated in the Cookery, Catering and Patisserie project.

### 10 Qualifications

SIT20416	Certificate II in Kitchen Operations
SIT20516	Certificate II in Asian Cookery
SIT30816	Certificate III in Commercial Cookery
SIT30916	Certificate III in Catering Operations
SIT31016	Certificate III in Patisserie
SIT31116	Certificate III in Asian Cookery
SIT40516	Certificate IV in Commercial Cookery
SIT40616	Certificate IV in Catering Operations
SIT40716	Certificate IV in Patisserie
SIT40816	Certificate IV in Asian Cookery

### 2 Skill Sets

SITSS00054	Kitchen Management
SITSS00057	Supervision of Cookery Apprentices

### 66 Units of Competency

SITHASC001	Prepare dishes using basic methods of Asian cookery
SITHASC002	Prepare Asian appetisers and snacks
SITHASC003	Prepare Asian stocks and soups
SITHASC004	Prepare Asian sauces, dips and accompaniments
SITHASC005	Prepare Asian salads
SITHASC006	Prepare Asian rice and noodles
SITHASC007	Prepare curry pastes and powders
SITHASC008	Prepare Asian cooked dishes
SITHASC009	Prepare Asian desserts
SITHASC010	Prepare Japanese cooked dishes
SITHASC011	Prepare sashimi
SITHASC012	Prepare sushi
SITHASC013	Produce Japanese desserts
SITHASC014	Prepare dim sum
SITHASC015	Prepare Chinese roast meat and poultry dishes
SITHASC016	Prepare tandoori dishes
SITHASC017	Prepare Indian breads
SITHASC018	Prepare Indian sweetmeats
SITHASC019	Prepare Indian pickles and chutneys
SITHCCC001	Use food preparation equipment
SITHCCC002	Prepare and present simple dishes
SITHCCC003	Prepare and present sandwiches
SITHCCC004	Package prepared foodstuffs

SITHCCC005	Prepare dishes using basic methods of cookery
SITHCCC006	Prepare appetisers and salads
SITHCCC007	Prepare stocks, sauces and soups
SITHCCC008	Prepare vegetable, fruit, egg and farinaceous dishes
SITHCCC009	Produce cook-chill and cook-freeze foods
SITHCCC010	Re-thermalise chilled and frozen foods
SITHCCC011	Use cookery skills effectively
SITHCCC012	Prepare poultry dishes
SITHCCC013	Prepare seafood dishes
SITHCCC014	Prepare meat dishes
SITHCCC015	Produce and serve food for buffets
SITHCCC016	Produce pates and terrines
SITHCCC017	Handle and serve cheese
SITHCCC018	Prepare food to meet special dietary requirements
SITHCCC019	Produce cakes, pastries and breads
SITHCCC020	Work effectively as a cook
SITHCCC021	Prepare specialised food items
SITHCCC022	Prepare portion-controlled meat cuts
SITHKOP001	Clean kitchen premises and equipment
SITHKOP002	Plan and cost basic menus
SITHKOP003	Plan and display buffets
SITHKOP004	Develop menus for special dietary requirements
SITHKOP005	Coordinate cooking operations
SITHKOP006	Plan catering for events or functions
SITHKOP007	Design and cost menus
SITHKOP008	Select catering systems
SITHPAT001	Produce cakes
SITHPAT002	Produce gateaux, torten and cakes
SITHPAT003	Produce pastries
SITHPAT004	Produce yeast-based bakery products
SITHPAT005	Produce petits fours
SITHPAT006	Produce desserts
SITHPAT007	Prepare and model marzipan
SITHPAT008	Produce chocolate confectionery
SITHPAT009	Model sugar-based decorations
SITHPAT010	Design and produce sweet buffet showpieces
SITXFSA003	Transport and store food
SITXFSA004	Develop and implement a food safety program
SITXINV001	Receive and store stock
SITXINV002	Maintain the quality of perishable items
SITXINV003	Purchase goods
SITXINV004	Control stock
SITXINV005	Establish stock purchasing and control systems