



Australian Government
Department of Prime Minister and Cabinet
PO Box 6500
Canberra ACT 2600

23 January 2019

Re: Vocational Education and Training Review Submission

The Queensland Tourism Industry Council (QTIC) welcomes the opportunity to respond to the discussion paper: “*Vocational Education and Training Review Submission*”.

QTIC is the state’s peak body for tourism in Queensland and represents the interests of the tourism industry. QTIC is an independent membership-based organisation with in excess of 2,000 members, operating in all sectors of the tourism industry, including business operators, Regional Tourism Organisations (RTOs), sector associations and education providers.

The tourism industry in Queensland contributed \$25.0 billion to Queensland’s Gross State Product (GSP), representing 7.9% of total GSP¹ and generated \$7.1 billion in exports in the year ending June 2016², making it one of the state’s largest export industries accounting for 14.8% of total Queensland exports. The tourism industry consists of over 53,000 businesses across Queensland; nine out of ten of these businesses are small to medium enterprises.

Tourism is a key economic driver in regional Queensland, supporting employment and community growth, employing more than 225,000 people directly and indirectly, or 9.5% of all people employed in Queensland¹. This is substantially more than mining (2.5% of employment) or agriculture, forestry and fishing combined (2.5% of employment). There is a diversity of jobs within the tourism industry with 11 occupations representing the majority of workers in the industry³. On average around 79% of tourism employees are sourced from the local region, of the remaining, 11% are from interstate or intrastate and 4% are working holiday makers. Temporary visitors to Queensland play an integral role in the provision of tourism experiences and are vital to an industry with a skills shortage.

¹ Tourism Research Australia, *State Tourism Satellite Accounts 2015-2016*

² Tourism Research Australia - *State Tourism Satellite Accounts 2015-16*, Queensland Government Office of Economic and Statistical Research - Overseas exports of goods by industry.

³ Queensland Government Department of Tourism Education and Small Business (DETESB) identified occupations: Tourism Workforce profiling: Accommodation and hospitality managers; Housekeepers and Cleaners; Fast Food Cooks and Kitchen Hands; Receptionists; Waiters; Bar attendants and Baristas; Chefs; Cooks; Café workers; Travel and Tourism Advisers; Air Transport professionals

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What is working well in the VET sector?

QTIC acknowledges the importance of the national training system in Australia and its role in building the skills for the nation and creating a strong and valuable workforce. The VET system in Australia has been recognised internationally for the strength of the framework, the regulation of training providers and the industry participation in the development of qualifications that meet evolving industry needs.

What are the key challenges in the VET sector?

One of the major challenges with the VET sector is ensuring the availability of courses that are fit for purpose, relevant for future workforce needs and offering quality delivery. QTIC is very aware the value of having flexible delivery options for courses and training packages, however, it is equally important that the delivery of the packages enables participants to develop relevant skills to the level required to be competent in areas reflective of industry needs. Thus, ensuring sufficient learning time and engagement to ensure competencies are achieved.

Anecdotal evidence from industry has identified a number of RTOs identified over the past 12 months as offering courses that do not meet industry standards. Tightening of monitoring and regulations is recommended to ensure that training outcomes meet industry needs, now and into the future. Unduly short courses have a significant impact on the tourism and hospitality industry, when courses do not provide for a trainee to develop sufficient competencies. This leads to new employees entering the workplace not being able to provide suitable levels of service, products and experiences that can meet the needs of domestic and international guests. Ultimately this puts in jeopardy not only individual businesses but also the future growth of the industry.

Of the QTIC members that responded to the survey, a small majority (55%) agree that VET arrangements are responsive enough to meet the future skills needs of the industry. A concerning 45% believe that VET is not able to deliver the future skills of the industry.

Perceptions across industry are that at a national level, the VET system is not responsive or flexible enough and is often unable to meet the needs of industry. One member notes "tourism operators are constantly frustrated by the esoteric, insular and inflexible nature of training options". Tourism operates in a dynamic and fast-moving environment and it is important that the VET model is able to evolve with these changes in a timely manner.

There is still some disconnect between industry and training providers and there is a persistent deficiency in the industry's understanding of what training is available to them. In a recent survey among QTIC members, a number of operators identified that they are not fully aware of what is available. In regard to advice, a member states:

"Rarely do business leaders attend events or give feedback on proposals and training packages. They do not seem to be engaged in the process, not sure why. Do they think that any input they may have is not taken into consideration therefore it is a waste of time participating or is it the timing and location of events? For small to medium businesses, they would need to replace themselves in the workplace- this has a cost to the business".

What changes would you make to the VET sector?

Trainers and assessors should have mandated qualifications and workplace experience to deliver courses. It is important that the skills of trainers and assessors reflect the skills demands of industry. Trainers and assessors should remain current in their knowledge, follow key trends and industry evolution and be able to deliver training in line with industry needs.

School-based students should only be able to undertake Certificate II and lower qualifications. By offering higher level training to students through high schools, the system is being devalued. Students are often leaving school with qualifications but lacking in understanding and comprehension of the application of these skills.

Training packages should have regular reviews to ensure currency and fitness for purpose. This must be based on strong industry consultation and constructive engagement. VET is designed to reflect practical training and industry needs. Regular reviews need to be undertaken to maintain this position.

How can VET help Australians prepare for the future workforce (as industry requirements and job patterns change)?

The *Queensland Tourism Workforce Plan*⁴ identifies "Changing economic conditions and employers' strategies in the utilisation of their existing workers, local job seekers and overseas workers will influence the extent of any unmet demand... Skill deficiencies include a lack of suitably qualified applicants due to: the business location; misalignment between applicants' capabilities, qualification level and role requirement; and applicants lacking access to obtain required training and experience." Given the challenges faced by industry and the fast-paced changes in society, the style of employment and the new opportunities for employment that are being presented, there is no better time to review the VET system to ensure they are reflective of the current and future needs of industry and society.

Transferable skills and flexibility in course delivery are becoming more important. As the "gig economy" strengthens, traditional qualifications no longer match the needs of individuals who are taking on multiple roles to the equivalent of a full-time work load. The gig economy promotes skills that can be utilised in multiple occupations. As such, training should be reflective of the diversity of skills required. Micro-credentialing and/or skills sets can be utilised as a supplement to traditional qualifications, offering skills that are flexible, enable problem solving, encourage strategic decision making and provide digital literacy development.

Traditional models of VET do not sufficiently reflect the changing environment that industry operates in. It is important that both vocational and higher education adapt and evolve, as other industries do, to ensure that they remain relevant and support the upskilling and provision of workers fit for the roles industry requires.

Specifically, there appear to be a number of skill areas that industry identifies are lacking among job candidates. Redesigning programs to ensure the following skill areas are considered in preparing for the workplace needs of the future:

⁴ Jobs Queensland. Queensland Tourism Workforce Plan 2017-2020.

Power skills (soft skills) – these are defined as common sense, people skills, empathy, emotional intelligence, the ability to engage meaningfully with guests, to create and value-add to customer experiences, showing initiative, being 'self-starters' and motivated. There is an expectation that these skills are gained and taught at home or at school, to be then transferred into the workplace, yet they are often missing. Collectively, it needs to be determined who is responsible for the delivery of these needs and how they can be integrated into courses.

Climate Change – the ability for employees to understand the risks and opportunities that are associated with climate change and the influence and impact that this has on daily operations. There is also a lack of understanding surround adaptation and mitigation measures and how businesses can 'future-proof' themselves from climate risk. As we see climate change impacts play out, as well and changes to reporting requirements, these skills are becoming increasingly important. There are currently few course options available, we are aware that a course is being developed in partnership between EarthCheck and TAFE. It is important that such opportunities are supported and incentivised to engage industry in this skill development.


Middle Management – industry identifies that there is a lack of candidates with middle management skills. Whilst this can be addressed through the *Mentoring and Supervision Skill Set*, *CertIV in Business Management*, *Diploma in Travel and Tourism Management*, *Diploma in Hospitality Management* or *Diploma in Event Management*, etc., there is a relatively low uptake of these among industry, with barriers, including time and human resource availability.

Entrepreneurship - there is evidence that entrepreneurial skills may be in increasing demand. Globally, entrepreneurship skills are defined as qualities and traits such as creativity, resilience, adaptability, the ability to raise funds, to think innovatively and to possess the social skills needed to build teams. These skills need to be integrated across courses to build competencies in graduates.

Technology - The accelerated evolution of technology and digitisation will continue to increase the diversity of jobs across Australia. A key challenge is for Australians is to build the skills necessary to evolve with new and existing jobs as they adopt new technologies. As this transition continues to accelerate, it is important that industry, governments, and education and training providers continue to work collaboratively to ensure Australia's labour market has the right skills to match work needs now and in years to come. It is also important to note that the transition from personal digital literacy to workplace digital literacy is not always straightforward. Whilst we are seeing an emergence of 'digital natives', employers often identify that this generation is unable to apply their digital skills to a workforce context. It is important that training programs do not presume that future employees have these skill sets.

For all enquiries regarding the points raised in this letter, please contact me or the QTIC Policy Team on (07) 3236 1445 or email policy@qtic.com.au.

Kind regards



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