

# **Strategic review of the Australian apprenticeship incentive system**

*Submitted to the Department of  
Employment and Workplace Relations*

May 2024



**QUEENSLAND  
TOURISM INDUSTRY  
COUNCIL**

---

*The Voice of Tourism*

© Queensland Tourism Industry Council 2024

This work is copyright. All other use, copying or reproduction of any part of this document is prohibited except as permitted under the Copyright Act 1968 (Cth). Without limiting the foregoing, no part of this work may be reproduced without acknowledgement of the Queensland Tourism Industry Council.

### **Acknowledgement of Country**

QTIC acknowledges the Traditional Owners and Custodians of Country throughout Queensland. We recognise those who shared stories, welcomed guests on Country, and were stewards of the earth for millennia before us, and their continued connection to land, waterways, and culture.

### **Contact details for Queensland Tourism Industry Council**

Level 5, 189 Grey Street, SOUTH BANK QLD 4101  
PO Box 13162, George Street, BRISBANE QLD 4000

Phone: 07 3236 1445  
Email: [info@qtic.com.au](mailto:info@qtic.com.au)  
[qtic.com.au](http://qtic.com.au)



### **Disclaimer**

While all reasonable care has been taken in the preparation of the material contained in this work, the Queensland Tourism Industry Council (QTIC) does not warrant the accuracy, completeness, or adequacy of the information, including information provided by other parties. The information is by way of general commentary only, subject to change without notice, and does not constitute the giving of professional legal or financial advice. To the extent permitted by law, QTIC, its employees, and agents disclaim liability (including liability by reason of negligence) to any person for any loss, damage, cost, or expense incurred or arising as a result of any information, whether by reason of any error, omission, the currency or misrepresentation in the information or for any action taken by any person in reliance upon the information contained within this work.



## QUEENSLAND TOURISM INDUSTRY COUNCIL

The Queensland Tourism Industry Council (QTIC) is pleased to offer this submission to the Australian Government Department of Employment and Workplace Relations regarding the *Strategic review of the Australian apprenticeship incentive system*.

QTIC is the peak industry body and leading advocate for the tourism, hospitality, and events sectors in Queensland, committed to the growth and sustainability of the state visitor economy. Our efforts focus on powerful lobbying, policy development, and collaboration with key industry stakeholders to create a favourable business environment for operators. As a not-for-profit, membership-based organisation, we take pride in ensuring that the concerns and needs of our members and the broader tourism industry inform all relevant policy debates and that businesses have strong representation in decision-making processes. By promoting the value and importance of tourism in government forums and to the wider community, we help to create a vibrant, diverse industry that benefits all.

Through delivery of workforce and skilling programs, advocating for attraction and infrastructure investment, and working with the private sector to develop innovative solutions to tourism priorities, QTIC continues to serve members and industry. We also provide expert advice and support, including workforce and business development opportunities and access to vital industry insights.

We highlight specific QTIC submissions and initiatives which can offer insight into key Queensland tourism industry priorities regarding vocational education and training (VET):

- 2024 [submission](#) to the Australian Government and Treasury regarding the *2024-25 Budget*.
- 2023 [submission](#) to the Australian Government Department of Employment and Workplace Relations regarding a *Blueprint for the VET workforce*.
- 2023 [submission](#) to the Queensland Government Department of Youth Justice, Employment, Small Business and Training regarding the *Development of a Queensland Vocational Education and Training Strategy*.
- 2023 feedback and insights provided to the Australian Chamber of Commerce and Industry in support of their [submission](#) to the Australian Government Department of Education regarding *Supporting women to achieve VET-based careers*.
- 2023 [QTIC Workforce Priorities Report](#), developed in consultation with industry as part of the Industry Skills Advisory program.
- 2022 [submission](#) to the Australian Government Department of Employment and Workplace Relations regarding *Apprenticeship services and supports*.
- Ongoing QTIC programs relating to addressing critical workforce issues in tourism and hospitality, including the [Regional Tourism Careers Roadshow](#), [Salute to Excellence Awards](#), and [Registered Trade Skills Pathway](#).

QTIC notes the burden of frequent stakeholder consultations and recommends a review of past inquiries and enhanced inter-departmental communication within government. By streamlining efforts and minimising duplication, a coordinated approach could alleviate stakeholder workload while ensuring effective engagement on critical issues.



# TOURISM IN QUEENSLAND

## VALUE OF THE VISITOR ECONOMY

Tourism is a dynamic and multifaceted industry, comprised of passionate people showcasing Queensland's rich history, unique destinations, and diverse First Nations cultures. A deep connection to communities is evident through the array of services and commercial opportunities tourism provides. In addition, a commitment to research and innovation means that tourism plays a crucial role in creating new opportunities for Queensland. Tourism stimulates growth in sectors including agriculture, construction, manufacturing, transport, retail, education, and training, circulating an additional 86 cents in the economy for every dollar spent (2022-23).<sup>1</sup> The industry is also relevant to many, if not all, government portfolios and involves all three levels of government, contributing \$1.5 billion in net taxes to federal, state, and local revenue.<sup>2</sup> Tourism is a vital contributor to national, state, and local economies, with international and domestic travellers generating \$34 billion in Overnight Visitor Expenditure (OVE) in the year ending December 2023.<sup>3</sup> The visitor economy accounts for 6.3% of total GSP (directly and indirectly), ranking as Queensland's fifth largest export.<sup>4</sup>

Beyond economic impact, tourism serves as a cornerstone of social cohesion, uniting communities and fostering cross-cultural exchange. In addition, tourism serves as a catalyst for environmental education and fosters responsible stewardship of our natural resources. Moreover, it offers a platform for empowering First Nations peoples through sharing of rich cultural stories and traditions.

## FUTURE WORKFORCE NEEDS

The Queensland tourism industry constitutes 8.4% of total state employment, comprising 260,000 direct and indirect jobs.<sup>5</sup> Looking ahead, projections indicate employment in accommodation and food services will have the third fastest growth of all industries in Queensland by 2025-26.<sup>6</sup> However, looming challenges put pressure on the success of the state visitor economy:

- Challenges related to housing availability, affordability, and the rising cost of living.
- An inadequate supply of skilled workers and future workforce pipeline, compounded by an inadequate housing supply, making it difficult to attract and retain staff.
- *Brisbane 2032 Olympic and Paralympic Games* delivery expectations, including bold targets aiming for \$44.4 billion OVE by 2032, necessitating the removal of obstacles related to construction delays, materials shortages, infrastructure requirements, and workforce concerns.

In March 2024, the youth unemployment rate for Queensland sat at a concerning 9.3%, compared to 4.1% for the state overall.<sup>7</sup> A rapid response to disengagement is critical to young people's active engagement in work-readiness programs and training opportunities. Removal of barriers hindering progress and the attraction, retention, and development of a skilled workforce is essential to leveraging future opportunities and facilitating sustainable business growth.

---

<sup>1</sup> Tourism Research Australia 2024, [State tourism satellite account – Queensland summary](#), Australian Trade and Investment Commission, viewed 23 April 2024.

<sup>2</sup> *Ibid.*

<sup>3</sup> Tourism and Events Queensland 2024, [Queensland tourism economic key facts](#), viewed 22 April 2024.

<sup>4</sup> Tourism Research Australia 2024, [State tourism satellite account – Queensland summary](#), Australian Trade and Investment Commission, viewed 23 April 2024.

<sup>5</sup> *Ibid.*

<sup>6</sup> Jobs Queensland 2023, [Anticipating Future Skills Series](#), Queensland Government, viewed 24 April 2024.

<sup>7</sup> Australian Bureau of Statistics 2024, [Labour Force, Australia, Detailed - April 2024](#), viewed 17 May 2024.



## RESPONSE TO CONSULTATION PAPER

### EFFECTIVENESS AND EFFICIENCY OF THE INCENTIVE SYSTEM

Vocational Education and Training (VET) is an essential pathway for a skilled tourism workforce and well-supported industry. The Queensland Government's User Choice program fully subsidises seven traineeships and four apprenticeships within the SIT Training Package for tourism and hospitality, classifying them as priority one. Completion rates for hospitality apprenticeships and traineeships are notably low, averaging 39.5% in 2020-21, 42.6% in 2021-22, and 37.3% in 2022-23, compared to an overall 57% average over the past three years.<sup>8</sup> This underscores the need for increased support and incentives for both employers and apprentices to improve completion rates.

#### Recommendations:

- Payments to apprentices and trainees should be made earlier and more frequently, i.e., splitting quarterly as opposed to every six months. Assessments should also be factored in to determine whether increases are necessary.
- Convert loans to direct financial assistance, including the current Trade Support Loan.
- Separation of expenses should distinguish between necessary tools of the trade and other expenses, such as transportation.

### COST OF LIVING PRESSURES

Rising costs and housing pressures present a significant threat to industries reliant on a skilled workforce, such as tourism. Rental prices have soared, and vacancies have plummeted to a catastrophic 0.9% statewide, reaching 0% in some regions, far below a 'healthy' market.<sup>9</sup> This exacerbates workforce shortages, displaces local workers, jeopardises destination reputation, and compromises service quality, requiring swift, decisive action on all fronts.

#### Recommendations:

- Incentives have remained stagnant for years and should be adjusted to keep pace with the cost of living as a matter of urgency. These increases should extend to maintaining and increasing regional travel and accommodation subsidies.
- Coordination across departments and with state government to establish an interdepartmental housing group focusing on reporting actions and opportunities, assessing current circumstances, and ensuring sufficient future housing ahead of the *Brisbane2032*.

### ROLE OF EMPLOYERS, TRAINING ORGANISATIONS AND INDUSTRY

Employers, training organisations, and industry play crucial roles in fostering tourism, hospitality, and events apprenticeships and traineeships. VET programs bridge the skills gap by providing industry-specific knowledge while enhancing local workforce capabilities. Strengthening partnerships and integrating exceptional tourism experiences into VET curricula attract and nurture talent, particularly for students lacking proper guidance. Addressing misalignments between competencies, training, and industry expectations can eliminate barriers and facilitate seamless transitions into the workforce.

QTIC notes that the Queensland tourism industry is predominantly comprised of micro, small and medium businesses, with 9 out of 10 classified as small.<sup>10</sup> Considering the difficulties faced at both individual and industry levels, tourism operators are already at full capacity focusing on day-to-day activities, which leaves little time to explore strategic opportunities or undertake long-term workforce

---

<sup>8</sup> Queensland Apprenticeship and Traineeship Office 2024

<sup>9</sup> Real Estate Institute of Queensland 2024, [Dangerously low vacancy rates persist in Queensland](#), accessed 17 May 2024.

<sup>10</sup> Tourism Research Australia 2023, [Tourism businesses in Australia - June 2017 to 2022](#), Australian Trade and Investment Commission, viewed 24 January 2024.



planning. To this end, education and support is required to access information about subsidies and training providers, particularly in regional areas.

### Recommendations:

- Reevaluate the traditional apprenticeship model, with consideration given to alternative models delivered in partnership with industry, supported by regional consultation that engages Jobs and Skills Councils, including Service and Creative Skills Australia.
- Expand financial incentives for employers taking on apprentices and trainees, including increasing to account for the higher wage costs of adult apprentices and ensure the system is fit-for-purpose. QTIC supports the incentive program proposed by the Australian Chamber of Commerce and Industry in their submission.<sup>11</sup>
- Dedicate annual funding to support individuals transitioning to new industries, leveraging their previous training to attract a diverse workforce and promote skill adaptability. There is an opportunity to develop awareness and retraining among mining sector redundancies and connect to green, local, and sustainable tourism roles.
- Partner with schools, industry stakeholders, and training organisations to support Trade Training Centres, especially in regional and remote areas.
- Explore strategies to actively engage, incentivise, and support Group Training Organisations (GTOs) in the cookery field, with the aim of enhancing cookery apprentice completions.
- Assess whether incentive timings align with apprentice and employer needs, and mitigate risks associated with employer sign-off. Consider tying incentives to modules completed by apprentices, using a streamlined, standardised progress measure applicable across delivery methods, ensuring tangible outcomes for both parties.

## SUPPORTING UNDERREPRESENTED AND MARGINALISED GROUPS

The VET sector boasts inclusivity as a significant asset, with its workforce dedicated to assisting students from diverse backgrounds and varying educational levels. While VET aims to be inclusive and accommodate all individuals, it frequently does not meet this expectation in practice. Enhancements in support, such as increased assistance to RTOs in identifying potential barriers and accessing relevant support services, could prove beneficial.

### Recommendations:

- The Queensland tourism industry faces low integration of young First Nations people in the workforce, despite growing demand for First Nations tourism.<sup>12</sup> If this trend persists, there will be a dearth of skilled workers to sustain sector expansion. QTIC proposes implementing incentives to encourage greater participation.
- Increase regional travel and accommodation subsidies for those in rural and remote areas.
- Encourage diversity and inclusion in the workforce by implementing programs that support underrepresented groups in accessing tourism-related employment opportunities, including employer guidance on creating inclusive workplace cultures.

## STRATEGIC ALIGNMENT

It is essential that the review of the apprenticeships incentive system is aligned with other strategies relating to the visitor economy workforce, including:

- [\*Towards Tourism 2032: Transforming Queensland's visitor economy future\*](#)
- [\*Queensland Workforce Strategy 2022-2032: Good people, good jobs\*](#)
- [\*Thrive 2030 revised: The re-imagined visitor economy strategy\*](#)

---

<sup>11</sup> Australian Chamber of Commerce & Industry 2024, [\*Strategic review of apprenticeship incentives\*](#), p.8, viewed 30 April 2024.

<sup>12</sup> Tourism & Events Queensland 2019, [\*Queensland Indigenous tourism trends\*](#), viewed 17 May 2024.



# OUR CORPORATE NETWORK



QUEENSLAND  
TOURISM INDUSTRY  
COUNCIL

## CORPORATE NETWORK



## EVENT SPONSORS

Accor  
Alchemy Restaurant & Bar  
ARAMA  
Australian Adventure Tourism Group  
AVIS  
Brisbane Racing Club  
Caravanning Queensland  
Channel 7  
Destination Gold Coast  
EarthCheck  
Emporium Hotel  
Ernst and Young

Fun Over 50 Holidays  
Gallagher  
Gold Coast Convention and Exhibition Centre  
Griffith  
Ingenia Holiday Parks  
Isentia  
K&L Gates  
Lion Group  
Local Tickets  
Matchworks  
Queensland Airports Limited  
Queensland Government  
Queensland Performing Arts Centre

RACQ  
Recap Media  
ReviewPro  
SKAL  
Situ  
TAFE Queensland  
Tourism Australia  
Tourism and Events Queensland  
The Star Entertainment Group  
The Tourism Group  
University of Queensland  
Westpac