Hospitality Futures

The Hospitality Industry
Skill Development Initiative

Final Project Report

July 2011

Tasmania
Explore the possibilities

Contents

Disclaimer

The information contained in this document has been sourced from various consultations. It does not necessarily reflect the views of Skills Tasmania.

List of Abbreviations

THA	Tasmanian Hospitality Association
THI	Tasmanian hospitality industry
HIGA	Hospitality Industry General Award
RTO	Registered Training Organisation
DEDTA	The Department of Economic Development, Tourism and the Arts

1.0 Executive Summary

In January 2011 Skills Tasmania contracted the Tasmanian Hospitality Association (THA) to undertake workforce planning with sixty enterprises and to prepare this report from the information collected. The project was funded by the Department of Economic Development, Tourism and the Arts under the Hospitality Skills Initiative.

Participating operators were asked a series of questions to identify challenges, constraints and opportunities in the current climate. In addition, a range of other workforce related issues were examined as part of the project.

The Tasmanian Hospitality Association is the peak employer body representing a range of business types across Tasmania. THA members include restaurants, cafes, hotels, accommodation providers and licensed clubs. The hospitality industry services both local and tourist markets. Investment in this industry to assist operators in overcoming skills shortages and other issues is essential to ensure high quality service delivery to both local and visitor markets. The hospitality industry is strategically important to the Tasmanian economy in terms of positively influencing the tourism market. This can be achieved through excellence in service delivery, greater promotion of local products, enhanced visitor experience and increased positive word of mouth advertising for Tasmania as a tourist destination.

The findings of this study are:

- The Tasmanian Hospitality Industry is almost seventy per cent casual due to a range of factors. These factors include but are not limited to employee choice, seasonality, business needs and the industrial award.
- Perceptions of hospitality as a lower status or interim career choice are affecting the size and quality of the labour pool as well as contributing to high staff turnover rates.
- High staff turnover is a major contributor to a lack of investment in employee training and career development initiatives.
- A lack of opportunities for casual employees to access traineeships and apprenticeships is a barrier to development of the workforce.
- Skills shortages are evident across the industry in several roles including Commercial Chefs, supervisory level employees and skilled, experienced food and beverage staff. Many operators also cited a lack of suitably licensed and experienced gaming staff as an issue.
- Few employees employed in the hospitality industry have any formal qualifications in hospitality except Commercial Chefs who generally are required to possess a trade certificate to gain employment.
- Management capabilities have been identified as a key driver of many of these issues listed, with the majority of operators not understanding the benefits of utilising retention and motivational initiatives to improve job satisfaction levels and reduce turnover.

- The majority of operators are experiencing a decline in market share through reduced visitor numbers to Tasmania, conservative consumer spending, the high Australian dollar and rising costs of living.
- Issues have been identified with the work readiness of employees entering the Tasmanian Hospitality Industry who lack basic employability and customer service skills.
- Those individuals who hold qualifications in hospitality often do not demonstrate skill levels congruent with operator expectations.
- The Tasmanian Hospitality Industry lacks strategic direction and would benefit enormously through partnering with the Tasmanian Government to identify tangible goals for the industry over the short and long term.

The significance of these findings are:

- Many assumptions held about the hospitality industry workforce have been proved such as high levels of casualisation and skills shortage areas.
- Opportunities to assist operators to improve profitability have been identified and recommendations put in place to initiate this support.
- Identification of the need to foster relationships with a range of sectors including schools and colleges delivering Vocational Education and Training, as well as Registered Training Organisations.
- Valid and reliable data around common issues and constraints being faced by operators in the hospitality industry. Achievable recommendations to address some of these challenges and constraints are identified.

Limitations of these findings are:

- Sample size of sixty businesses represents less than eight per cent of the hospitality industry.
- Not all respondents answered all questions.
- Workforce information was not available for all businesses and highest qualification level is a minimum representation of the workforce due to limited information retained by employers.
- Employee turnover percentages were not provided for all operators due to poor record keeping.

2.0 Introduction

Skills Tasmania, in association with the Department of Economic Development, Tourism and the Arts, has engaged the Tasmanian Hospitality Association (THA) to undertake the Hospitality Industry Skills Initiative.

This project is in recognition of the importance of the hospitality industry to the Tasmanian economy, representing around 23,000 employees and $1.29 billion in contribution to the State Gross Product.

Importantly the initiative recognises the need to develop a deeper understanding of the skills and training needs of the hospitality industry, along with the barriers and constraints to its growth and development. The outcomes from the initiative will assist the efforts by government and the industry in targeting their efforts, to help ensure the industry grows and continues to support the lifestyle that Tasmanians have come to enjoy, as well as continuing to play a vital role in the growth of the Tasmanian economy.

Hospitality is a labour intensive industry and is heavily reliant on availability of skilled labour to function effectively. It is only logical for both the Government and the industry to seek ways to ensure a continuous supply of suitably skilled people for work. It has long been touted that Tasmania is a tourism and hospitality state and so it is pleasing that the Tasmanian Government has now made this investment in understanding the industry in its current state. Previously the Tasmanian hospitality industry has suffered from the lack of a strong partnership with the Tasmanian Government. This has caused funding and resources to have been sporadic and less able to achieve the maximum return on investment for all stakeholders.

3.0 Terms of Reference

The goal of the project is to increase workforce participation and retention in the Hospitality industry through:

- Increased opportunities to re-skill and up-skill individuals into nationally accredited vocational skill sets and qualifications.
- Increased opportunities to identify jobs and careers of the future
- Participation in developing skills for the future to meet future workforce development needs

The THA worked with small to medium enterprises from the hospitality industry of Tasmania. The project selected enterprises to participate from the north-west, north, east-coast and south of Tasmanian in order to represent the diversity of the sector. The project included a range of enterprises from the café, hotel, restaurant and club sectors and included casual workers as well as permanent.
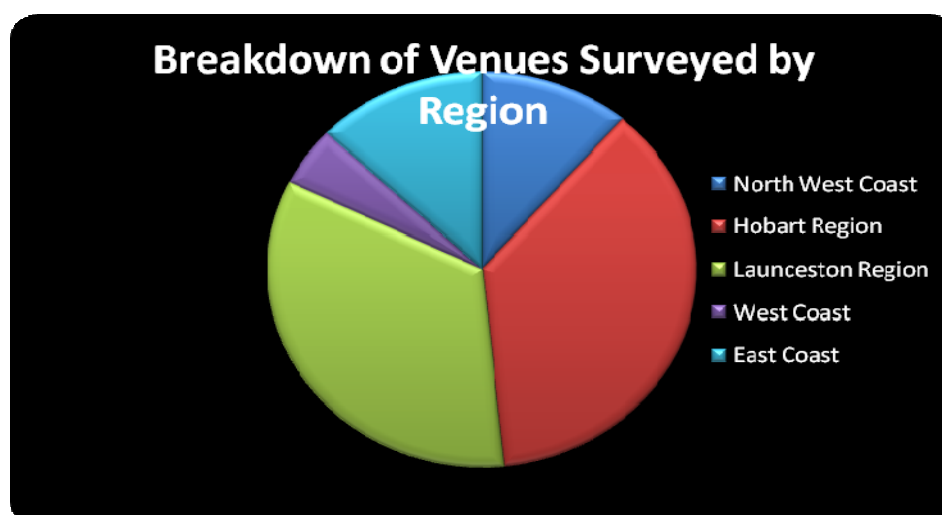
4.0 Methodology

A range of data was collected from the sixty businesses who participated in the program. The combination of both qualitative and quantitative data has been synthesised to provide an overview of the Tasmanian hospitality industry at present. The regional cross section of businesses involved enabled the project to identify regional issues as well as issues that are common across Tasmania for hospitality operators.

The project was undertaken over a six month period from January 2011 to June 2011 and has provided a broad range of data that has both supported previous assumptions as well as evidenced new findings. Each participating business engaged in a workforce planning exercise with the THA consultant which resulted in a Workforce Action Plan for that business.
See Appendix I for a copy of the questionnaire

5.0 Business Profile

A broad cross-section of business types, locations and sizes were involved in the program. The chart and table below illustrates the number of venues interviewed by business type and location.

| Business Type	Location								
	North	North East	East	West	North West	Peninsula	South	Derwent Valley	Total
Hotel	8	2	3	3	4	2	15	2	39
Restaurant	6	0	0	0	2	0	10	0	18
Resort	1	0	1	0	0	0	1	0	3
Total	**15**	**2**	**4**	**3**	**6**	**2**	**26**	**2**	**60**

N.B. Derwent Valley and Peninsula have been included in the Hobart Region total and North East count has been included in Launceston Region.

The program's intent was to include a range of business sizes to capture information about the various issues operators face. This data has been analysed to determine if there is a relationship between business size and issues faced. The summary of businesses involved by size and type is illustrated below.

Business Type	Number of Employees				
	1-15	16-30	31-50	50-100	100+
Hotel	10	19	9	2	1
Restaurant	7	5	3	2	0
Resort	0	0	3	1	0
Total	17	22	15	5	1

The rational for the breakdown of total employee numbers has taken into consideration a range of factors including various legislative requirements.

- 0- 14 i.e. a micro to small business as recognised by Fair Work Act 2009.
- 15-50 i.e. once a Tasmanian business has 50 employees increased Workcover obligations apply.
- 100+ employees at this point formal EEO/ Affirmative action reporting requirements apply.

Breakdown of Venues Surveyed by Venue Type
- Café
- Club
- Hotel
- Motel
- Resort
- Restaurant
- Wine Bar
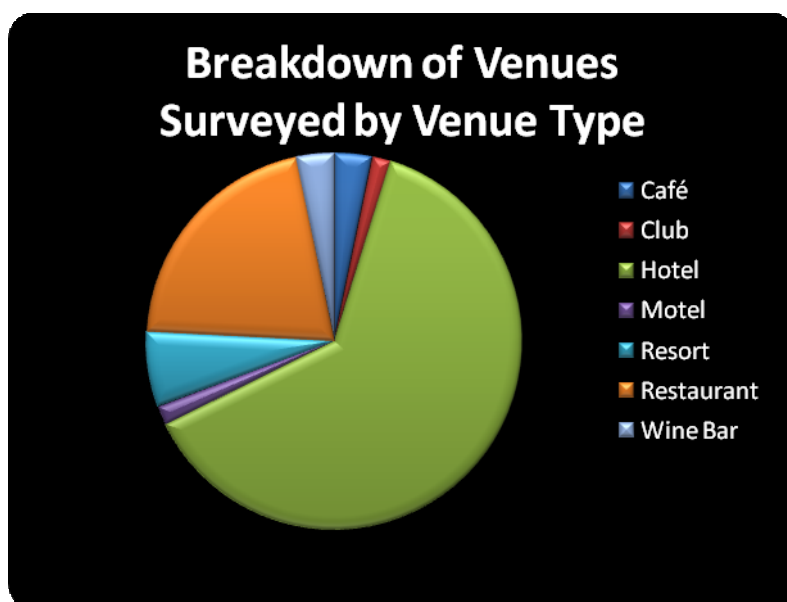
6.0 Summary of Findings

6.1 Opportunities for the Tasmanian hospitality industry

Key opportunities for the Tasmanian hospitality industry during the project include:

- Achieving greater engagement with potential employees;
- Improving recruitment strategies;
- Developing practical employee motivation and retention initiatives;
- Conducting internal training needs analysis to identify skills gaps;
- Increased investment in training and development;
- Improving internal processes e.g. induction, orientation and initial staff training;
- Enhanced operator ability to market and promote business and local areas and
- Diversification into new business areas.

6.1.1   Recruiting

Many operators state a lack of respondents to vacancies advertised and high employee turnover as major issues for them in managing their businesses. There is an opportunity to enhance employer knowledge of effective recruitment strategies and how to advertise positions for maximum exposure. The ability to create appealing advertisements for positions, understanding the various media available and which is appropriate for what position is vital to ensuring the correct potential employees are targeted. Effective recruitment strategies are key to attracting the maximum number of suitable applicants which facilitates more effective recruitment decisions in turn reducing turnover and so heightening productivity. Consideration of implementing strategies to enhance employer recruiting skills may be warranted.

6.1.2   Career Development

Greater investment in training and development of employees as well as fostering industry networks to facilitate career pathways for employees is a significant opportunity for the THI. A common issue respondents raised was that of the THI not being perceived as a valid career choice by prospective and current employees. It is widely agreed by operators that students make up a large proportion of the workforce which is beneficial to both parties.

6.1.3   Student Workforce

Students can obtain valuable employability skills in the workplace including time management, customer service, and problem solving skills, which give them a competitive advantage when graduating over those who have not worked previously. Employers need students in the workforce as they require less working hours per week, are willing to work nights and are generally available during peak trading periods e.g.

over Christmas. Understanding the motivators for this employee group is vital to engage them in the workplace culture and to encourage better performance outcomes.

6.1.4   Training Needs Analyses

A significant number of respondents indicated that a greater focus on training and development was required across the industry to improve skills and service levels. In order to ensure maximum return on investment it is necessary to undertake a formal training needs analysis on a venue's workforce. Accurate identification of training needs enables training dollars to be targeted in a way that leads to optimum outcomes for both the business and the THI. This process helps to identify employees who wish to pursue a career in the hospitality industry. This is crucial to effective motivation and retention of such staff members. To use training and development initiatives as a motivational strategy, employers need to identify those employees who it is important to.

6.1.5   Careers Pathways

Employees who have selected hospitality as their chosen career need to be identified in the workplace and developed within the constraints of the business. This can be achieved through increasing responsibility and offering access to formal training. A large number of hospitality businesses have relatively flat organisational structures. Therefore there is a strong case to develop industry networks to help employees to achieve their potential and to create realistic career pathways. A shortage of middle level managers and supervisors has been identified which may be attributed to a lack of career development options. A variety of relevant THI networks and investment in formal training are two key ways employers can contribute to overcoming this shortfall.

6.1.6   Workplace Induction

A substantial number of respondents indicated inadequate induction, orientation and staff training processes. These internal processes are critical to provide important business information to new staff members to meet both legislative and organisational requirements. Induction and orientation is also critical to new employees developing an understanding of organisational culture and to encourage social engagement with existing workers. Inadequate staff inductions combined with haphazard initial training contributes to staff attrition and inconsistencies in knowledge and service delivery for the business. Augmenting employers' abilities to structure these essential requirements in conjunction with explaining the rationale and benefits of doing so is a necessary step to an overall improvement in both business operations and service levels.

6.1.7   Business Development

Business growth and diversification were both identified as an important opportunity for enterprises that participated in the program. Growth was based on developing underperforming or newly established areas of the business. A significant proportion of respondents indicated an intention to increase their focus on developing particular

business departments or areas. These areas had been identified as having growth potential. Developing operator knowledge of how to market and promote the various aspects of the business is a crucial step to successful business growth. Development of appropriate educational materials and subsidised delivery of this information should be considered.

6.2 Challenges for the Tasmanian Hospitality Industry

The key challenges as identified by interview respondents include:

- Lack of strategic direction;
- High staff turnover;
- Declining visitor numbers;
- Poor regional dispersal and seasonality;
- High Award wages;
- Casualisation and limited funding for training and
- Poor training outcomes.

6.2.1   Need for a Strategic Plan for the Hospitality Industry

Many of the challenges highlighted could begin to be resolved or minimised through a strategic partnership with the Tasmanian Government. Identification of industry goals and the benchmarks to achieving these are critical to ensure any investment is targeted and achieves maximum return on investment. A strategic plan endorsed by the Tasmanian Government will lead to greater support for operators and contribute to changing negative perceptions around working in the THI.

6.2.2   Staff turnover

High staff turnover has been identified as a common challenge faced by the Tasmanian Hospitality Industry. As discussed previously this issue has a range of causes, some that can be addressed by building the knowledge base of operators in such areas as recruitment, retention and motivation of employees. Other more deep-seated causes of turnover, including the general perception of hospitality as an interim career choice, need to be addressed at a higher level.

6.2.3   Reduction in Visitor Numbers

Declining visitor numbers are a significant challenge for many operators who rely on this market to sustain their business. Many external factors are at play including the high Australian dollar, which is resulting in more Australians travelling overseas as well as deterring overseas travellers from coming to Australia. Consumer confidence and discretionary spending is down, which leads to less travel and expenditure on non-essential activities such as hospitality services. These factors have created a challenging environment across Australia with regard to attracting visitors. This decline in visitor numbers leads to a reduction in revenue for business operators and as such decreases spending on employee training and development initiatives. Additionally, declining

revenue leads to uncertainty of future employment for individuals which is a motivator to seek work in alternative industries contributing to attrition from the hospitality industry.

6.2.4   Communication with Tourism Industry

Poor communication between stakeholders previously has been cited as a constraint on achieving synergies between the tourism and hospitality industries. It is hoped that in future all relevant bodies can work together to maximise shared workforce development opportunities, as well as visitor numbers and spending across Tasmania.

6.2.5 Seasonal Nature of the Industry

One of the major challenges for accommodation providers in Tasmania is the seasonal nature of visitor numbers. This impacts both on accommodation and workforce capacity. During the peak season Tasmania needs greater accommodation and workforce capacity but there is still a significant proportion of the year that experiences inadequate occupancy levels to sustain the same level of workforce. In order to encourage investment in hospitality within Tasmania there needs to be an increased focus on reducing the effects of seasonality on visitor numbers.

Regional dispersal and seasonality were identified by respondents as ongoing concerns particularly for those operators located in regional areas. Properties located in Hobart as well as those that cater primarily to the local market are not as vulnerable to these factors. Seasonality is experienced somewhat by hotels that rely on accommodation revenue for profitability but is mainly felt by those regional areas where businesses rely on the tourist market to sustain all aspects of operations. Greater promotion of Tasmania as a holiday destination regardless of season could alleviate this issue somewhat. Regional dispersal is a concern for all operators not based in Southern Tasmania. Occupancy rates at an average of approximately forty per cent[1] which is the lowest occupancy averages in seven years of data available through the THA records[2]. This issue has been acknowledged and is being addressed by Tourism Tasmania with future marketing campaigns seeking to encourage regional dispersal of visitors across Tasmania.

6.2.6   Industry Awards and Conditions

The most commonly cited challenge for operators is wage expenses and compliance with the relevant Hospitality Industry General Award (HIGA). Penalty rates are described as excessive, especially on public holidays as the average staff member must be paid in excess of forty dollars per hour. Hospitality is a labour intensive industry and is expected to trade seven days per week by the general public and the tourism industry. Employers find this difficult and many businesses reported opting to close on public holidays and in some instances Sundays. Business closures can affect visitor experiences by limiting choices and leading to negative word of mouth advertising about Tasmania as a tourist destination.

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[1] THA Occupancy Statistics May 2011
[2] THA Occupancy Statistics May 2004

The inflexibility of the HIGA is also described as being problematic in permanent part time working arrangements with regard to employees working hours that reflect customer demands i.e. nights, weekends and public holidays. Demand levels are unpredictable in many areas of hospitality and as such employers require some level of flexibility to extend or finish shifts in order to meet this demand. Under current arrangements this is not possible as exact working hours must be specified for permanent part time staff and any additional time worked automatically attracts overtime penalties.

6.2.8   Casual Nature of the Workforce

These research results demonstrate what has been widely assumed in the THI - that almost three quarters of the workforce is casual. This casualisation is a consequence of operational requirements, seasonality, Award conditions and employee choice. Given the current economic climate, which is reducing patron numbers and average spend as well as driving up the cost of goods, business profit margins are being continually eroded. Businesses must have high numbers of casual employees to reduce wage expenses.

Casualisation results in limited funding opportunities for traineeships and apprenticeships, with many smaller operators not being able to afford the full cost of a qualification. Recent Productivity Places Programs have been well received and taken up by many operators.

Many employees prefer to remain casual given a significant proportion of workers are under twenty five. The additional loading incurred on casual rates is preferred by younger employees as it equates to more dollars immediately instead of holiday or sick leave which is not overly relevant to them at present. Respondents have explained that permanent roles were once adequate motivational and retention initiatives and are no longer as effective with the current employee demographic. This demonstrates a lack of knowledge among operators about how sources of motivation vary between individuals. This information is essential to effective management of employees in a service based industry. It is important to note that not all hospitality industry employees want career pathways or training opportunities. This is why Managers need to become more familiar with motivational theory in order to offer employees optimum job satisfaction through employee motivation and retention initiatives.

6.2.9 Training Outcomes

Respondents have highlighted inconsistencies in training outcomes for front of house employees. Cases of employees with skill levels that are incongruent with qualifications held are causing employers to questions the benefits of these qualifications. As more potential candidates possess these qualifications this issue is increasing. An example of this is an applicant for a Food and Beverage Supervisor position who held an Advanced Diploma of Hospitality Management issued in 2010 who was unable to operate an espresso coffee machine despite holding the unit *Prepare and Serve Espresso Coffee.*

This is just one example of the many that were relayed as part of the data collection process. Competency based training is structured to ensure that all individuals with the same qualification have the same minimum level of competency. One of the most important aspects of this training is that those that undertake it develop industry relevant skills. Action needs to be taken on this issue immediately before Competency Based Training loses its credibility with hospitality employers.

6.2.10 Attracting Apprentices

Several respondents highlighted challenges in attracting and retaining Apprentices given the low wages and working hours. It has been suggested that reintroducing prevocational cookery courses will provide more realistic job previews and reduce attrition rates in this role. There is a strong argument to review past systems to identify if they are workable in today's environment.

6.3 Constraints to Growth for the Tasmanian Hospitality Industry

6.3.1 Current Economic Climate

The current economic climate as mentioned previously is affecting business growth with consumers are becoming more conservative in their spending. Poor consumer confidence not only reduces the number of tourists in Tasmania but also reduces the average dollar spent per person locally. The two pronged reduction in revenue is an issue that is preventing any thoughts of growth in many businesses. As one operator explained it is "time to batten down the hatches" as only strong businesses will be able to survive the economic downturn.

Visitor numbers are declining across Tasmania partially as a result of the economic climate in Australia but also due to the issues cited previously. The high Australian dollar and reduced consumer spending in addition to funding for new tourism initiatives being limited are all contributing to this trend.

6.3.2 Shortage of Skilled and Experienced Supervisors and a Need for Industry Leadership

A shortfall of suitably skilled and experienced supervisory level employees is a significant constraint on growth for many businesses. Without stable leadership businesses tend to falter as supervisors bear responsibility to ensure front line operations run smoothly and employees work within organisational guidelines. Without effective supervisors venues struggle to maintain standards of service, presentation and even cleanliness. It might be argued that this shortage of skilled incumbents is a result of poor pay, unattractive working hours and the perception of limited career development opportunities. Investigation of strategies to improve retention and offer career pathways may be warranted to address this.

6.3.3 Shortage of Qualified and Competent Chefs

Qualified and competent commercial chefs are another key role that employers are struggling to fill. Some operators have had ongoing vacancies for up to six months and

others have been forced to temporarily close parts of their business as a result of this shortfall. Commercial chefs are in short supply in all areas of Tasmania and this issue is amplified in regional areas with limited labour pools to draw from. Those businesses with strong industry networks and that are relatively prominent do not experience as much hardship as others when seeking to fill vacancies. Several respondents explain how these issues have driven them to recruit internationally with positive result in nearly all cases.

6.3.4   Limited Availability of Qualified Serving Staff

Food and beverage attendants who possess some experience and technical skills are difficult to recruit in many instances. While most operators receive numerous applications for positions few meet Managers' expectations resulting in limited choices. The same issue occurs when venues seek licensed gaming operators due to stringent licensing requirements. Suitably skilled and experienced licensed gaming staff are in short supply and are often transient moving from one venue to another.

While skills shortages have been globally evident for some time, issues are exacerbated in Tasmania as a result of seasonality and outbound migration. These external factors are elements in the skills shortage issue which is much more complex than several external factors. It merits investigation as to why an industry with more than twice the representation at a Vocational Education and Training (VET) level than the next highest industry[3] has skills shortages. I.e. 28.3% of 15-19 year olds in VET Tourism, Hospitality and Events qualifications compared with 12.1% in Business Services VET programs. The question is what is happening to the throngs of students that enter the industry at this level and leave before reaching the rank of supervisor or commercial chef.

6.3.5   Stakeholder Relationships

Review of current VET Hospitality systems and their relationships with hospitality businesses is warranted to identify any areas for improvement. Pinpointing areas that could be creating dissatisfaction and driving attrition could help retain greater proportions of these individuals in the industry. Engaging with potential employees at this level whilst driving improved management practices at a workplace level may help to alleviate several causes of employee turnover. Investigating potential relationships with other organisations such as The Beacon Foundation to look at strategies to help improve issues employers have with individuals lacking appropriate employability skills when coming to the workplace through school placements, the VET system or when applying for work warrants consideration.

6.4 Improving the Overall Hospitality Experience in Tasmania

Responses to this question included improving product knowledge and increasing the focus on training and development of hospitality industry employees in Tasmania. A major issue with service delivery across Tasmania has been the proliferation of inexperienced operators who are affecting the overall reputation of the industry.

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[3] NCVER VET in schools collection 2009

6.4.1   Improving the Standards Across the Industry

Currently there are no mechanisms in place to determine operator capabilities regarding service delivery, staff management and service of alcohol responsibilities. Several operators explained how they were left to defend Tasmania as a tourist destination after complaints about unprofessional operators. A greater push to equip new operators with appropriate levels of skills and knowledge required to operate a business in the hospitality could lead to improved standards across the industry. One option it to set minimum standards for entering the hospitality industry as a deterrent to potentially unprofessional operators. There is a strong argument to review approaches taken in other states to encourage better capabilities for new operators entering the industry.

6.4.2   Local and Regional and Product Knowledge

A greater focus on improving product and local knowledge has been highlighted by respondents as a key strategy in improving overall experiences of customers. Many front line employees have insufficient local knowledge which is a significant issue, particularly in regional areas which experience high numbers of both inter-state and international visitors. If those employees who live in the area are unable to suggest interesting attractions to visitors they are unlikely to experience the side of Tasmania that marketing activities allude to.

Respondents indicated an understanding of the importance of developing employee knowledge of local products where included. Support for inclusion of local products was mixed and greatly depended on the target market demographics. High value products were only supported by businesses catering to a more affluent customer base. Some regional properties excelled at this while others did not even stock Tasmanian wine as customers would not pay for it. Where the inclusion of local products was endorsed by operators the majority had mechanisms in place to develop employee knowledge.

Issues with a reliable supply of Tasmanian products were raised by a number of operators. Seafood caught fresh in Tasmania that is exported to Victorian and New South Wales markets to be re-imported by Tasmanian businesses was a prime example of this. Supply and demand problems with some beverages were also cited as problematic with operators expressing frustration at unpredictable supply.

Poor industry and product knowledge is problematic for operators as insufficient knowledge leads to missed sales opportunities as well as reducing the likelihood of enhancing customer experiences within the organisation.
See Appendix II for individual responses to these questions.

6.4.3   Low Level of Industry Investment in Training

A lack of training and development is one aspect of the issues faced in the Tasmanian Hospitality Industry. A recurring cycle of little investment in training and development is attributed to high turnover of employees. This high turnover is the result of poor perceptions of hospitality as a career choice. This perception of hospitality not being a valid career choice is driven in part by a lack of training and development in the industry

and hence limited career pathways. It is clear to observe how each of these issues drives the other and has built a vicious cycle for the industry and its workforce.
See Appendix III for individual responses to this question.

7.0 Qualifications Summary

7.1 Existing Educational Attainment

Qualification_Desc	F	M	Total
Masters		2	2
Postgraduate Degree	3	2	5
Undergraduate Degree	2	3	5
Diploma	4	5	9
Bachelor	9	2	11
Certificate II	9	4	13
Certificate IV	17	19	36
Responsible Service of Alcohol	37	17	54
Certificate III	45	50	95
Not Provided	97	66	163
No Previous Qualifications	128	138	266
High School Certificate	223	106	329
Total	574	414	988

The preceding chart and table illustrate the existing qualification levels obtained from supplied workforce information. This information is somewhat limited due to challenges in procuring employee details from some participants. Where employee information has been provided qualification information is a combination of what is known by the venue operator and the results from Apprenticeship Centre funding eligibility checks. Consequently these qualification levels are a minimum and could possibly be more extensive than illustrated.

7.2 Employment Status Summary

The employment status summary highlights the hospitality industry is reliant on casual labour. Few respondents used seasonal staff specifically but simply relied on natural attrition towards the end of the peak tourist season. This attrition is generally a result of a transient workforce and a reduction in available working hours. Full time roles are often in management positions given the flexibility provided with salaried agreements, hence the overrepresentation of males in full time roles. It is important to note the small number of part time positions which supports previous comments about the practicality of this employment type.
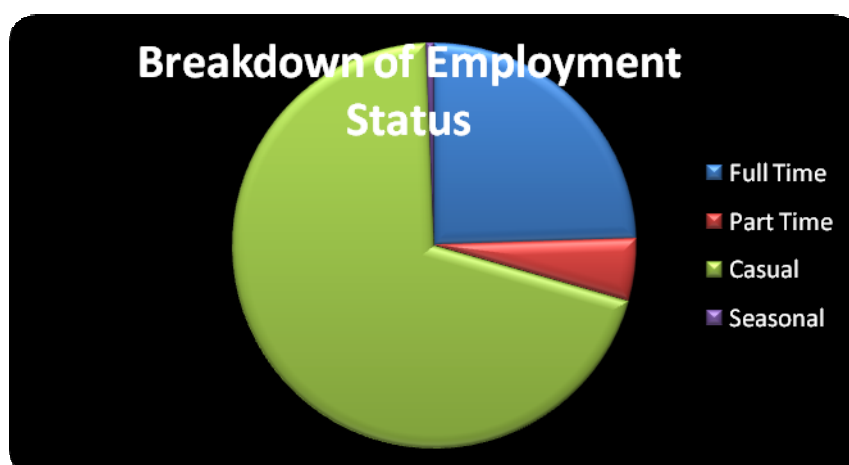
Employment Type	Male	Female	Total
Full Time	231	122	**353**
Part Time	30	41	**71**
Casual	372	636	**1008**
Seasonal	2	7	**9**

7.3 Current Industry Training Needs Recommendations

As identified in the workforce employment status summary approximately seventy per cent of employees are casual. Whilst some of these employees choose to be casual it must be recognised that some of these staff members seek permanent positions and career development opportunities. Most businesses are small businesses that are experiencing reduction in both revenue and profit margins due to external factors. These operators do not have adequate cash flow to cope with the expense of training for staff. This includes both certificate based and short course training to enhance employee skills and service.

Appendix III provides a spread sheet illustrating training needs identified by employee. This is not a comprehensive number as a significant proportion of venues were unable to provide workforce information. The table below provides a summary of skill development areas as identified by respondents. This table provides a clear picture of the skills gaps that the THI is currently experiencing.

Training Requirement Requests by Skill

Based on the above table and Appendix III the recommendations for closing skills gaps are to provide access to subsidised Certificate and short course training. Prior to undertaking any training initiatives with front line staff it is crucial to develop employer knowledge of the benefits of training in skill development, improved service and hence improved bottom line results. Employer support for training initiatives will enhance its effectiveness as employees will be empowered to improve current practices to provide enriched customer experiences.

Encouraging business operators to develop employee skill sets by offering access to training services at reduced cost, but not free of charge, overcomes the first identified barrier to training, cost. The second barrier is a lack of time which can be overcome by making access to these initiatives simple by using effective marketing and streamlined enrolment systems combined with local or onsite training delivery where practical.

The current training structure, whilst effective in some cases, is not providing reliable outcomes or consistently meeting industry needs. As mentioned previously operators have expressed frustration with qualifications as it is no guarantee of skill levels. Training funding requires trainers and Registered Training Organisations (RTOs) to assess competency. This results in less than satisfactory outcomes if the training organisations measure of competency is incongruent with the expectation of THI employers.

A workshop for RTO's conducted by an independent facilitator would be an ideal starting point for working through these issues. Raising awareness of these issues in formal manner improves awareness and provides RTO's an opportunity to voice their challenges and constraints when working in this sector.

See Appendix IV for individual training recommendations

7.4 Forecast Industry Training Needs

Sustained growth in tourism sector combined with changes in visitor expectations will lead to a greater focus on the quality of products and service delivery being required. In order to meet customer expectations the THI needs to repair its image as a low status, interim occupational choice. If the negative image of hospitality can be changed to one offering a dynamic and exciting career path with numerous opportunities more people would be attracted to and retained in the THI.

Reviewing the structure and effectiveness of the former "Drysdale Institute" is a primary recommendation given the number of respondents who want the Skills Institute to revert to that training facility. Significant proportions of respondents discuss the importance of reviving the high standards from the previous facility to redeem training outcomes for the THI.

The sector is interested in investigating the feasibility of a School of Excellence for Hospitality to address skills shortage and high attrition rates in the industry. Such a School of Excellence would complement existing training options and focus on appealing to those working in the industry. Using a recognised brand that represents excellence in achievements would be ideal as this would establish the values that the School and its students could aspire to. Focussing on Certificate IV in Commercial Cookery and Hospitality Supervision and higher qualifications a School of Excellence could provide an incentive for hospitality employees to remain in the industry whilst helping to alleviate identified skills shortages.

Utilising existing key staff within the business to act as Training Coordinators to promote and facilitate training and skill development is a recommendation with dual benefits to both the business and the wider industry. Training Coordinators would be given responsibilities to induct and train new staff as well as continue to develop existing staff ensuring consistency across the workforce. Encouraging businesses to include this role, which could be performed simultaneously with other duties to reduce costs, is another strategy to encourage staff retention by broadening responsibilities and making a difference within the business whilst improving the workforce across the THI.

8.0 Conclusion

The THA – Hospitality futures program has provided a comprehensive overview of the Tasmanian Hospitality Industry (THI) workforce, challenges, opportunities and constraints. Several important issues have been identified in conjunction with an enhanced understanding of skills gaps in the workforce.

The issues identified require focus at several levels. Firstly engaging with the VET sector to regulate the quality of students' workplace experiences will detect gaps in the placement process. Reviewing current best practice to identify a functionable framework that could be implemented across Tasmania is a study that merits consideration.

At the workplace level it is recommended that operators are required to demonstrate minimum levels of management standards and industry experience before being granted a "license to trade". Evaluation of initiatives used in other states to identify best practice and what would be suitable for Tasmanian business conditions would be a valuable undertaking to raise standards across the THI.

Engaging existing operators and offering access to workshops based on identified deficiencies could contribute to driving improvements in job satisfaction, motivation and retention initiatives. Many venue operators have insufficient people management skills which are essential in a service industry. As employees are the source of competitive advantage for most businesses it is imperative that there is a basic understanding of how engaging and motivating employees can improve profitability.

The perception of working in the hospitality industry as a low status career choice is a substantial issue for industry. As discussed there are ample numbers of students entering at a VET level and leaving before attaining any formal qualifications. Whilst recommendations have been made for reviewing issues at a VET and workplace level there needs to be a big picture focus on what can be done to create incentives to stay in the THI. Investigation of the feasibility of a Hospitality School of Excellence focussing on key skills shortage areas could contribute to finding a solution.

A strategic plan for the industry over a specified time period would be of great benefit for all stakeholders. In order to provide a point of reference for any government funding or new initiative the planning process would include identifying a range of activities the industry would need to implement in order to achieve identified goals. A strategic plan supported by the Tasmanian Government would offer a blue print for future initiatives and investments and eliminate haphazard funding which would lead to greater synergy in the future for the industry.

The labour intensive nature of the hospitality industry and its overall contribution to the Tasmanian economy means it is essential to invest in the future of the workforce. This program has only reviewed sixty of the one thousand four hundred licensed premises in Tasmania such a small percentage of operators provides us with a mere snapshot of the

industry. Continuance of the workforce development program would result in a larger sample size as well as enabling any changes to be monitored. Over the long term, a review of participants would be beneficial to measure the success of the program and any recommendations implemented to identify changes that have occurred as a result of increased investment in skill development for the Tasmanian Hospitality Industry.

9.0 Summary of Recommendations

It is recommended that:

1. The Tasmanian Government in partnership with the hospitality industry develop a Strategic Plan to help guide the growth and development of the industry into the future. Skills Tasmania contribute to a complementary Skills and Workforce Plan which informs the Strategic Plan.

2. Skills Tasmania and the THA work together to:

   a. identify ways in which the benefits of both Australian and state government funded programs are maximised for training for hospitality industry employees, including casuals
   b. organise free workshops for the Hospitality Industry to further build management capability through developing knowledge of existing training system and how to access it to maximise benefits
   c. bring together an industry reference group to:
      * participate in ongoing forums with VET providers for the industry to develop a deeper understanding of the training system and to share training needs with the providers
      * further develop relations with VET providers to establish best practice through identifying effective programs and
      * explore and validate ideas including the value of prevocational courses for apprentices.

3. The Tasmanian Government considers additional investment in offering free workshops to the Hospitality Industry to further build management capability through developing knowledge of;

   a. effective recruitment and selection processes;
   b. comprehensive induction, motivation and retention strategies;
   c. marketing and promotion of hospitality business enterprises and
   d. regional issues and needs.

4. The Tasmanian government and the hospitality industry investigate initiatives in place elsewhere in Australia and internationally, that promote minimum capability standards for those managing hospitality businesses.

5. A Scholarship Fund be developed with support from industry, to provide scholarships to employees in the hospitality industry including incentives for casual employees to seek higher qualifications.

6. The Department of Economic Development, Tourism and the Arts, in consultation with Skills Tasmania, consider ways in which Tasmania's international reputation for producing high quality hospitality graduates could be re-established, bearing in mind that collaborative relationships between Industry & RTOs is the key to lifting the standard & quality of training outcomes.

7. The hospitality industry examine options for improving communications between the hospitality operators and producers of Tasmanian produce/products used by the industry, to improve knowledge about these products, use and availability.

8. The THA schedule a review of participants in the Hospitality Industry Skills Development Initiative program participants in 18-24 months to measure any changes or improvements as a result of participating in the program.

9. The THA investigate the feasibility of acting as a broker for training organisations to help close the gap between industry expectations and actual training outcomes.

10. The THA and Skills Tasmania explore options to provide training subsidies for participants in the Hospitality Industry Skill Development Initiative program.

11. The THA offer the Hospitality Industry Skill Development Initiative program on a fee-for-service basis.

12. The THA research pre-industry training courses to encourage a minimum standard for employees entering the hospitality industry including customer service, workplace health and safety, and basic industry knowledge.

13. The hospitality industry considers ways in which to raise its image and profile including holding a series of events that recognises the hospitality industry as an attractive place to work and seek a career.

14. The THA investigate strategies to address inconsistencies between industry expectations and actual skills and attitudes of those entering the industry. This includes working with the schools and colleges delivering Vocational Education and Training, as well as engaging with organisations such as the Beacon Foundation. Collaboration with such organisations contributes to addressing image issues and employability skills gaps identified by employers.

15. That the business planning and business management workshops funded by DEDTA include introduction to workforce development and workforce planning concepts, and RTOs who deliver in this area attend and inform participants about further training options.

TASMANIAN HOSPITALITY ASSOCIATION

HOSPITALITY FUTURES CLIENT MEETING GUIDE
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Record ID _____

Business name:
(incl ABN:)
Trading name:
Address:

Contact name:

Mobile:

Email:
Meeting conducted by:

Section: Company Name

Company Profile

Business Commencement date ……………………………..

Type of Business: Sole Trader, Partnership, Company, Trust, Association, Cooperative

Type of Venue: Hotel, Club, Café, Restaurant, Accommodation, Wine Bar, RSL

Key Products/Services:

How many venues does the business have?

Who is the overall manager for the business?

Number of employees:

Address:

Suburb:

Postcode:

Section: Company Profile

<div style="background-color:green">

SECTION 1 – Company Background

</div>

1. **Can you please give me an overview of the history of the business?** (Eg any history significant changes made to the business over time)

2. **What is the mission or aim of the business?**

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SECTION 2 – Financial Information

</div>

3. **What are some of the key indicators of success for your business and how are they tracking?**

	Willing to answer Y/N	Amount ($)
New Capital Expenditure 2009		
New Capital Expenditure 2010		
Sales Turnover 2009		
Sales Turnover 2010		
Training/Development Expenditure 2009		
Training/Development Expenditure 2010		
Profit 2009		
Profit 2010		

<div style="background-color:green">

SECTION 3 – Organisation Structure

</div>

4. **Describe structure of the business (who reports to whom).**

Key Managers

5. **Are there any Key Managers?**

Name	Department	Job Title	Venue Location

Staff Employed

6. How many staff are employed?

Venue	Total

Employee Breakdown

7. What is the breakdown of employees?

	M	F	Total
Full-time			
Part-time			
Casual			
Seasonal			
Other			

Non Managerial Roles

8. What are the main job roles of your non managerial staff?

	M	F	Total
Gaming attendants			
Food and beverage attendants			
Kitchen hands			
Function staff			
Commercial Cooks			
Reception and administration			
Training coordinators			
Housekeeping			
Bottle shop retail attendants			
Accounts/Bookkeeping			
Other			

SECTION 4 – Workforce Information

The aim of this section is to add all existing employees to the table, including the CEO/owner/manager. Please add all ongoing full time and part time employees. Also add any sub contract and casual employees that the business would like to enrol in formal training.

Number	Surname, First name	Gender M/F	Position	Highest Qualification level obtained and subject	Date of Birth	Status (FT, P/T, casual)	Date employment commenced	Reports to	Training Y/N	Training recommendation
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										

Calculate percentage of training recommendations

Total Staff	Total Training Recommendations	% of Training Recommended
E.g. 50	10	10 divided by 50 multiplied by 100 = 20%

Staff Turnover

9. To calculate staff turnover, you need to collect the following information.

	a. Closing 2009	b. Staff Leaving 2010	c. Closing 2010	Staff Turnover b/a x 100 Rate %	Growth Rate c/a-100
E.g.	150	18	160	12%	6.7%
Gaming attendants					
Food and beverage attendants					
Kitchen hands					
Function staff					
Commercial Cooks					
Reception and administration					
Training coordinators					
Housekeeping					
Bottle shop retail attendants					
Accounts/ Bookkeeping					
Apprentice Chefs					
Managers/Supervisors					
Other					

Key Areas

10. What are the key issues effecting your business?

Issues	Y/N
Age	
Tenure	
Experience	
Location	
Employees Turnover	
Recruitment Processes	
Training Processes	
Literacy & numeracy issues	
Skills shortage	
Information Communication Technology	

Hiring & Retaining Employees

11. **Are there any issues hiring and keeping good people in the following roles, and how do you address this?**

Use the following legend with regards to addressing those issues:

Issue	code		Action	code
Not skilled enough	01		Training existing staff	21
Limited applicants to choose from	02		Use of recruitment agency	22
Not enough industry experience	03		Approach industry body for assistance	23
Age of applicants	04		Develop relationship with Job Networks	24
Language proficiency	05		Spread the word	25
Low wages	06		Advertise	26
Poor attendance	07		Attract new staff	27
Poor attititde	08		Additional pay	28
Literacy /numeracy issues	09		Other staff incentives	29
Employability skills	10			30

Position	Issue	Issue	Issue	Issue	Issue	Action	Action	Action	Action	Action	Action
Eg waiter	**08**					**21**	**23**				
Managers											
Gaming attendants											
Food and beverage attendants											
Kitchen hands											
Function staff											
Commercial Chefs											
Apprentice Chefs											
Reception and administration											
Training coordinators											
Housekeeping											
Bottle shop retail attendants											
Accounts/ Bookkeeping											

Further Skills Development

12. What areas do you feel your employees require further skill development?

Skill Development Area	Yes/No	Skills Available Y/N	Training Required Y/N
IT & Computers			
Accounts/Bookkeeping			
Supervision			
Cocktails			
Customer Service			
Bar skills			
Gaming			
Recruiting			
Venue Management			
Wine Knowledge			
Housekeeping			
Communication			
Literacy			
Numeracy			
Local Supplier liaison/knowledge			
Knowledge of local products (particularly high value products)			

Vacancies

13. What job vacancies do you have at the moment?
14. How long have they been vacant?
15. When do you expect to fill?

Vacancy	Period vacant	When expect to fill

Recruitment Issues

16. What issues have you experienced in recruiting people for jobs?

17a. How crucial is each? (1=Very Low 2= Low 3= Moderate   4= High   5= Very High) **& why?**

Issue	How crucial	Comment
Not skilled enough		
Limited applicants to choose from		
Not enough industry experience		
Age of applicants		
Language proficiency		
Other list		
Other list		

17b.   How do you go about hiring new people?

17c.   Does your business use a labour hire organisation during periods of high demand? If so, who and how often?

Staff Management Issues

18. If the business is having any particular issues managing staff, what are they? (Eg: sick leave, performance issues, etc).

19. How crucial is each (1=Very Low 2= Low 3= Moderate   4= High   5= Very High) **& why?**

Issue	How Crucial	Comment
Sick Leave		
Attendance		
Punctuality		
Personality conflict		
Lack of Industry knowledge		
Lack of Job skills		
Communication Skills		
Language barriers		
Appearance/dress		
Other		
Literacy/numeracy		

Issues Affecting Business
20. How do these issues affect your business?

Retention
21. What incentives are used to encourage retention of staff?

Literacy & Numeracy

22. a) Has literacy or numeracy issues affected your business or your workforce? If so, how has it affected it?

22. b) Would you or your employees benefit from assistance? If so, what sort of assistance would be most beneficial?

22. c) What role do you see for yourself in addressing these issues?

23. a) If funding were available for literacy and numeracy support for your workers, would you take up this offer for assistance? What benefits to your business would you see?

23. b) What would make it easier for you to take up these grant programs? Eg advice, help applying for grants

24. Would you be prepared to contribute either financial support or in kind support (e.g. paid time release during work hours) to support literacy and numeracy assistance to employees?

25. What type of literacy support would work in your workplace? For example, direct literacy support on a one- to one basis with employees, small group work, assistance making documents easier to read.

Business Development

26.What has worked well in the business over the last twelve months?

27. What hasn't worked so well?

28.What initiatives have fostered growth the past 12 months?

29. Is anything in particular holding the business back from further growth? If so, what?

Workforce Management

30. How does the business motivate and retain staff?

31. Is there anything you'd like to do better in managing staff?

32. What current training and development activities are available to staff ?

What would you like to be able to offer that you haven't been able to?

33. Is there anything different you do for seasonal and casual employees?

33a What suggestions do you have for meeting the training needs of seasonal and casual employees?

Competition
34. Who are your main competitors?

35. How do you think they are performing?

36. In what respect does your business have any advantages/disadvantages over these competitors?

Factors affecting Customer Retention
37. Describe the business' major customers and what percentage do they make up of the business? (Individuals, Companies, functions, diners, gaming, etc)
38. How do you retain these as customers (e.g. quality of hospitality experience, knowledge of local products)?

Customer type	Business Percentage	Factor	Factor	Factor

Factor	Code	Factor	Code
Experience	01	Customer service	08
Knowledge of customer preference	02	Variety	09
Price	03	Opening hours	10
Ambience	04	Menu	11
Entertainment	05	Wine list	12
Cleanliness	06	Website	13
Staff attitude	07	Communication	14
		Level of service	15

Other

39. Are there any other current issues impacting on the business?

SECTION 6 – Workforce Strengths Weaknesses Opportunities Threats (SWOT)

Internal – Strengths   Summarise from other inputs

Insert Table

Strengths	Weaknesses
Opportunities	**Threats**

Planning Forward

This section should provide specific examples of what the business needs to do in the future and how it will be achieved.

40. How far can you plan forward? (circle)

Period	
<1 month	1
1-3 months	2
3-6 months	3
6-12 months	4
12 months +	5

Products

41. Will there be any changes to your products/services in the future? Would you consider inclusion of local products particularly high value products? Do you believe it is necessary to develop employee knowledge of such products where offered?

Profits

42. What opportunities are there to increase turnover/profitability?

43. Do you think the overall market is growing?   Yes   No

44. What do you estimate it grow/shrunk by last year. _____%

Market Share

45. How will the business expand its market share?

Customer Service

46. How could customer service and the overall quality hospitality experience be improved in the future?

Critical Roles

47. What roles/positions will be critical to the business in the future?

48. How crucial is each? (1=Very Low 2= Low 3= Moderate   4= High   5= Very High) **& why?**

Role	How crucial	Comment
Managers/Supervisors		
Gaming attendants		
Food and beverage attendants		
Kitchen hands		
Function staff		
Commercial Chefs		
Apprentice Chefs		
Reception and administration		
Training coordinators		
Housekeeping		
Bottle shop retail attendants		
Accounts/Bookkeeping		
Other		

Workforce New Skills
49. What new skills are needed to meet future business requirements? (e.g. promoting local products)

Administration
50. How will the future direction of the business affect business administration?

Staff Management Focus in The Future
51. What key activities will management concentrate on in the future for the business?

Focus
52. How crucial is each? (1=Very Low 2= Low 3= Moderate 4= High 5= Very High) & why?

Activity	How crucial	Comment
Staff issues		
Marketing		
Business Growth		
Customer relations		
Finance		
Premises/Location		
PR/Publicity		
Wages		
Other list		
Other list		

Recruitment
53. What changes do you currently foresee in your recruitment practices in the future?
 (eg wider advertising, use labour hire company)

Staff Retention

54. Have you had to offer higher than normal (average for the sector) wages to attract or retain staff? If so, which roles?

Role	Yes /No	Comment
Gaming attendants		
Food and beverage attendants		
Kitchen hands		
Function staff		
Commercial Cooks		
Reception and administration		
Training coordinators		
Housekeeping		
Bottle shop retail attendants		
Account/Bookkeeping		
Other		

Standard Wages

Award   YES [ ]

Or

55. What are your standard wage rates for the following roles:

Role	Rate per hour	Comment
Gaming attendants		
Food and beverage attendants		
Kitchen hands		
Function staff		
Commercial Cooks		
Reception and administration		
Training coordinators		
Housekeeping		
Bottle shop retail attendants		
Account/Bookkeeping		
Other		

Attracting Staff

56. Do you believe it is hard to attract staff in particular areas / occupations within the Hospitality Industry? If so, which roles?

Role	Yes /No	Comment
Managers/Supervisors		
Gaming attendants		
Food and beverage attendants		
Kitchen hands		
Function staff		
Commercial Chefs		
Apprentice Chefs		
Reception and administration		
Training coordinators		
Housekeeping		
Bottle shop retail attendants		
Accounts/Bookkeeping		
Other		

Staff Turnover

57. Do you experience high staff turnover in a particular occupation (employee category) in your business?

Role	Yes /No	Comment
Managers/Supervisors		
Gaming attendants		
Food and beverage attendants		
Kitchen hands		
Function staff		
Commercial Chefs		
Apprentice Chefs		
Reception and administration		
Training coordinators		
Housekeeping		
Bottle shop retail attendants		
Accounts/Bookkeeping		
Other		

Employment Trends

58. Is it easier or harder to fill permanent vacancies now, as opposed to 6 – 12 months ago?

59. Is it easier or harder to fill seasonal vacancies now, as opposed to 12 months ago?

SECTION 8 – Relevant Programs

60. What information do you require to assist in running your business?

Information	Yes/No
Government training support	
Government Grants/incentives	
Training providers	
Recruitment providers	
Business Mentoring	

When adding a link, you need to put the following at the start of the internet address: **http://**

Title	URL (internet address)

SECTION 9 – Strategic Actions

61. I'd like to take the opportunity to wrap up our discussion about the business by agreeing to some strategic actions. What are the activities that you believe the business needs to implement over the next three to six months?

Strategy/reason	Activity	Action	Status	Priority	Responsibility	When
EXAMPLE: Upgrade skills	*Hire more staff*	*Advertise on Seek for additional staff*	*To commence*	*Medium*	*Manager*	*By end June*

Appendix II – Training Needs Summary

Certificate III in Hospitality	58
Certificate III in Comm Cookery	14
Certificate IV in Comm Cookery	6
Certificate IV in Hospitality	36
Certificate IV in Business	6
Diploma of Management	8
Cook The Books	2
Cert IV Business or Hospitaliy	3
Enrolled in a Training Contract	
Cert III Comm Cookery, (Undertaking)	7
Cert III Business	1