



AUSTRALIAN HOTELS ASSOCIATION

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The Effectiveness of Employment Services and Programs

Submission by

The Australian Hotels Association

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

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

Ken Henry – Secretary, Australian Treasury

1. Background

The Australian Hotels Association has been invited by the Minister for Employment Participation to (i) comment on the effectiveness of the current number of programmes and services and (ii) make suggestions on how we might achieve the objectives identified in the Government's Social Inclusion and Skills policies.

The Australian Hotels Association (AHA) is recognised as the leading hospitality and tourism industry body in Australia. It represents over 5000 pub-style and 3, 4 and 5 Star accommodation hotels throughout the nation.

The AHA membership employs more than 100,000 employees. Approximately 50% of AHA members have less than 20 employees, and are classified as small businesses.

Demographic and economic challenges mean Australian business will be confronted with continuing skill and labour shortages over the next decade.

The AHA has developed a comprehensive Workforce Development Strategy to provide an overarching framework to address the workforce challenges confronting the tourism and hospitality sector. Implementing strategies to expand the traditional workforce by engaging people not currently in the workforce is a key element of this strategy. (Further detail of the Strategy is found at Attachment 1).

The AHA believes that we must plan for the future if we are to ensure skill and labour shortages are not to derail projected growth in the industry and if we are to improve overall business performance.

The challenge is greater than finding sufficient people to meet a growing market. An increasingly demanding customer will expect higher service levels.

Quality staff will choose to work in the industry over others, and have their choice confirmed by feeling valued through rewarding jobs, offering coherent career paths and competitive salaries.

Solutions will require industry, education and training providers, and Government to act in concert, and individual businesses to examine what they are doing today, and what they can do differently tomorrow.

Employers will need to look beyond traditional workforce issues and consider how they can develop attractive, productive *workplaces*. They will need to introduce recruitment strategies to attract people who are not currently in the workforce such as:

- people who speak languages other than English, particularly for customer service and tour guide positions;
- people with disabilities, parents and welfare recipients returning to the workforce;

- older workers, including those returning to the industry after a period of absence; and
- Indigenous peoples.

Improving workforce participation in the industry by these under-represented groups would ease labour pressures and provide broader benefits to the hospitality and tourism industry, society and the economy.

We need to utilise the industry's 24/7 operating environment as a positive selling point to attract new workers to the industry, especially older workers who do not wish to work full-time, and women returning to the workforce after some time out of paid employment.

These workers potentially bring personal and professional skills and knowledge which would benefit industry operators, whilst the flexibility of work hours in the industry may be an appropriate fit to the employees' lifestyle needs.

The AHA (through the Governments *Employer Demand Demonstration Projects, EDDP*) has undertaken work to identify workforce barriers for welfare recipients entering the Accommodation and Hotel Industry as well as made recommendations, strategies and models to overcome these barriers.

The program has provided an opportunity to (i) work with DEEWR to develop a greater range of training, employment, placement and retention options for use by AHA Members (ii) allowed PAGES to place job seekers into employment and (iii) assess the industry's scope to support individuals returning to the workplace from welfare support. The project in Adelaide led to them employment of over 70 people who had previously by on benefits.

The project identified the need for specific upskilling measures targeted to hospitality industry jobs. The industry needs to be more flexible to support people with disabilities and people with caring responsibilities returning to the workforce. It confirmed that employers need to adopt more flexible working arrangements to accommodate Long Term Unemployed or other disadvantaged job seekers. The industry will need to consider issues such as job design and other adjustments in employment arrangements in order to facilitate increased participation in our workforce. Additional workplace support for new workers and awareness programs to inform management of special needs may also required.

2. Barriers to Employment in the Accommodation and Hotel Sector

Attempts to raise the workforce participation of people on welfare requires an understanding of the *range* of factors influencing current outcomes, as well as the options available for addressing them.

The work undertaken by AHA has shed light on some of the reasons for why people's aspirations for employment are not being met. We have taken a holistic approach to investigating the reasons for non-participation in an attempt to identify and further understand the common barriers to workforce participation in the Industry, and in so doing ascertain the most appropriate interventions for addressing these barriers

As a first step, we have set out some of the commonly identified barriers to workforce participation in the Industry.

Employer Perceptions: Industry operators are not impartial when making decision on which type(s) of labour to hire. AHA Members have definite views and particular perceptions and preferences about the kinds of attributes and characteristics they desire in potential employees. These perceptions are commonly associated with the perceived productivity of a worker or the presumed cost associated with taking on a particular worker. Where employers have incorrect beliefs about the productivity or cost of potential workers this may cause inequities in the hiring process and result in reduced demand for particular workers. The attitudes and expectations of employers has a substantial impact on the participation in the workforce of carers, mature aged and long term unemployed individuals. It has been found that employers often assume that job-seekers from these groups have redundant skills, have less aptitude for new technologies, are harder to train, are less adaptable, are more likely to have health problems and are therefore a higher risk for worker compensation costs. They often use the work history of an individual as an indicator of their potential productivity and or reliability. A history of unemployment or non-employment tends to be associated with unemployability or bad recruitment risks.

Misconceptions about the 'cost' of employing particularly types of job-seekers have been shaped in the contexts of abundant labour reserves. The end of labour surplus, brought about by population ageing and a strong economy, will force AHA Members to reassess their perceptions of particular types of employees and weigh previous cost concerns against potential production losses due to labour shortages.

Lack of recent or relevant work experience: Many disadvantaged job-seekers often had long periods out of the workforce. As a result, they often don't have up to date technical and other skills and recent experience in paid work. This generally translates to limited work options, often in low paid work that does not have a skills development focus often requiring shift work and unsociable hours. Skills in the Industry are generally learned by formal and informal instruction on the job. People learn to be more efficient and more productive in the process of doing their jobs. They also incrementally learn new skills, either informally or formally, thus increasing the productivity of workplaces. The length of time spent out of the workplace therefore leads to an erosion of skills and the confidence in engaging with increasingly demanding customers.

Education, Training and Skills: The activity requirements imposed on income support recipients do not appropriately support formal skill acquisition through the education and vocational sector. For a person on Newstart to undertake formal education and training, except the entry level training provided by Job Network providers, they must accept financial losses. They cannot combine the activity requirements imposed by Newstart with part time study. This poses a significant disincentive to obtaining the kind of qualifications a persons needs to successfully secure a job in the Industry.

Allowing a person to combine part time job search with part time study should be considered as a possible policy reform. Currently no provision for part time study exists for either Newstart or Austudy. This represents a barrier to education, and therefore workforce participation, particularly for people with health problems and for those with caring responsibilities that prohibit them from studying full time.

The Welfare reform has meant that many more people with caring responsibilities and health problems are now under the Newstart system. The transfer of these individuals on to the Newstart system therefore involves a loss of entitlements available to support education pursuits for this population group.

Expenditure on labour market programs for those in receipt of non-activity tested income support payments is small. The provision of employment services for those currently on non-activity tested benefits has been identified by the OECD as a key policy consideration. Taking account of likely impacts on labour force behaviour is a key consideration for the provision of employment services to the Australian Hotel Industry. Pathways into the Industry for disadvantaged job-seekers are not well developed and will need a consideration of the following:

- AHA Employers often use qualifications as a quick way of screening applicants for positions, so people whose skills are certified through qualifications may have an advantage over people without qualifications when they are seeking work. However, particularly for low-skilled jobs, employers may also value attributes that are not measured through the qualifications system (for example, previous work experience, team-work, reliability, punctuality and honesty). Many jobs in the Industry that do not require formal qualifications do require skills.
- The challenge that low-skilled employees face is increased by the fact that the people with lowest skills are least likely to be trained by Industry Operators
- AHA employers rely heavily on in-house training, particularly for positions such as housekeeping, waiting and customer service positions. Accordingly much of this training falls outside of the vocational education and training system. The provision of training is an essential part of any strategy aimed at recruiting and retaining quality employees. While the links between recruitment, retention and training are clear, many of our employers have not yet made this connection
- Vocational and technical education funding is an issue of concern, particularly for regional and remote employers. Current funding models are 'supply driven'. That is, the providers of training determine how training is delivered. As funding is time-based, training is delivered based on student contact hours rather than the achievement of competencies. This does not fit well in a sector filled with so many transitional workers who are largely achieving competencies through on the job experience and training
- There are barriers to the take-up of recognition of prior learning at the employer, employee and training organisation level and this requires that recognition of prior learning be offered at the commencement of all training courses
- the lack of 'apprenticeships' for persons with few formal labour market skills who have developed an interest in working within the sector. Measures need to be investigated that open up apprenticeship opportunities in regions and occupations that offer largely seasonal

employment. While this may lengthen some apprenticeship terms, it will also expand apprenticeship opportunities to a much wider group.

The AHA has also raised concerns about the current quality control of Registered Training Organisations delivering industry vet qualifications. Additional resources to support pre employment training of disengaged workers may be required. However, there is a need to ensure that we do not return to the bad old days of churning unemployed people through continuous labour market programs.

Any additional support for pre employment training must be integrated with the case management activities of a Job Network provider, linked to a specific job outcome and delivered by an RTO that has the confidence of the industry.

Caring responsibilities: many sole parents are more constrained for time than dual parent households. For low income sole parents, arranging sustainable care for children, particularly school aged children, when they enter the workforce is often difficult and expensive. This is compounded by the hours required by many of the entry level positions in the Industry. A key determinate of the participation of women with dependent children in the labour market is the availability of affordable and accessible childcare

Transport difficulties: Many job-seekers rely on public transport because they cannot afford to maintain the running costs of a car. Public transport however, in our experience is often inadequate for disadvantaged job-seekers. Access to reliable public transport is often a barrier to staying in employment, especially when jobs are far from home and include night or early morning shifts.

Costs of securing a job: There are numerous costs associated with starting employment including clothing, shoes, transport and childcare. A significant initial outlay is often required, one which many low income simply cannot afford. Initial 'training' or 'try out' shifts have been required in some instances , usually unpaid, also add to the overall cost of starting employment.

Health and Physical Capabilities Many people are limited by a pre-existing health condition, and are unable to physically participate in jobs in the Industry that could accommodate their health needs.

3. Responding to the Government Objectives in the Social Inclusion and Skills Policies

i. Employment Services are relevant to the circumstances and needs of the job-seeker and prospective employers

The AHA has undertaken a highly successful project to increase the scope of the industry to expand its traditional workforce by increasing the participation of disadvantaged population groups. This has demonstrated the potential to develop strategic partnerships with DEEWR and PAGES at the national and local level to:

- deliver improved services to Industry Operators, by making the most of the strategic partnerships to offer a wider choice and greater control over how recruitment needs are met,
- develop a highly detailed understanding of the skill and labour needs of the sector through partnerships with employers and sector bodies, enabling PAGES to target resources at areas of greatest need,
- provide flexible solutions to the problems AHA Members face
- improve PAGES understanding of the Sectors' business needs, and increasing their ability to quickly and consistently match the right people to the right job
- tailor PAGES services to meet the needs of AHA employers and support the increased workforce participation of disadvantaged job-seekers in the industry
- help the clients of PAGES to develop the skills and attitudes that Industry Operators need
- provide employers with an effective aftercare service to help keep people in work, and
- share knowledge and deliver comprehensive recruitment solutions

This approach needs to be underpinned by:

- **A demand led approach which engages employers and delivers effective packages of recruitment and training services; and**
- **A routeway of personalised assistance to disadvantaged job-seekers that promotes employment in the industry, with subsequent support for retention, up-skilling and progression**

A demand led approach which engages employers and delivers effective packages of recruitment and training services

Working in Partnership in a 'Demand-led' approach will better align the efforts of the Industry Sector and PAGES behind shared priorities, and tailored services in response to local need. i.e.

A recruitment solution for Hotels; to get access to jobseekers who are ready for work, with a minimum of hassle, risk and cost through a quality service that benefits their business.

For this to be achieved, *Employer Engagement* strategies need to be nurtured in the following key areas;

Encouraging PAGES to develop closer relationships with AHA Members;

The work of AHA in EDDP has demonstrated that where JN Members have developed a relationship with Hotels, there is a better understanding of business and recruitment requirements; i.e.

- JN provision is more attuned to the needs of local Hotels
- There is a better understanding of business and recruitment requirements.
- There is greater success in ensuring job-seekers gain the skills and attributes they need to access the particular jobs that Hotels need to fill
- There is greater provision of high-quality and demand-led services to Hotels, which help fill job vacancies quickly and effectively with well-prepared and motivated employees

Based on this, there needs to be greater incentives for PAGES to work in partnership with the Industry Sector to:

- identify genuine ongoing employment opportunities for JN clients
- grow JN members share of vacancies and job placements in the industry and
- enhance how the industry can use JNs to assist with meeting their recruitment needs and improving recruitment strategies
- engage and support employers– by providing a local contact to work in partnership with them
 - to open up job opportunities to disadvantaged groups of job-seekers
 - Improve relationship and management processes to support Hotels
 - to understand their business and recruitment requirements, and find the right candidates with the right attitude

Encouraging PAGES to work with Industry Operators to understand local

skills needs; The jobs available, the skills needed and the skills of the people looking for work vary between regions and these variations can be even greater at the local level. One consequence of this local variation is that linking skills provision to local labour market needs is of critical importance. To effectively help people gain sustainable employment requires local employment service providers to work closely with local employers to meet labour market needs.

Increased collaboration between PAGES and AHA employers is seen as fundamental to success by.

- Developing a better understanding of the skills, aptitudes and attributes needed in the sector, then help jobseekers to gain those economically useful skills.
- identify vacancies and the competencies needed by successful candidates and help job-seekers to access training for the skills they need to take up the vacancies
- improving demand & supply analysis from employer engagement to identify employer needs with a focus on the operators entry-level employment opportunities

Some key points identified in the work of AHA that need to be considered in the review of employment services are that;

- Work experience and training programs appear to be the most suitable approaches to improving the employment outcomes for medium and long term unemployed people, particularly when the two are combined,

- Training programs have the most impact when they are targeted at the labour demands in particular regions,
- For short time unemployed people job matching appears to work well,
- Post placement support services are particularly useful in both engaging employers to employ disadvantage job seekers and ensuring lasting employment outcomes for unemployed persons

Encouraging PAGES to work with Industry Operators to identify and action vacancies: Initial consultations with AHA Members reported varying levels of satisfaction with the recruitment methods they use, with satisfaction with the Job Network being by far the lowest. It was reported that 'in the absolute majority of cases' there was great difficulty in attracting suitable candidates through the Job Network. Research in the AHA EDDP in SA has indicated that Job Networks have not always been able to match the right person to the right job, primarily because of a mismatch between vacancies and candidates with appropriate skills, characteristics and attitudes. Learning from this experience, it will be advantageous for JNs to separate the client adviser role from the employer engagement role, and have dedicated staff whose role is to engage employers, identify the vacancies and competencies needed by candidates and the training needed to take up the vacancies This Labour Market Recruitment Advisory role can consult with employers to;

- confirm job locations and job structure;
- develop a profile of the skills needed and
- identify employer needs with a focus on the operators entry-level employment opportunities

This will also allow JN Members to actively manage the process to ensure they screen the widest possible range of quality applicants and refer to Hotels only the most suitable candidates matching vacancies. JNs could also provide a local contact to work in partnership with Hotels to help fill future vacancies, provide local information about available people and other details of the local labour market and offer specialist help and advice.

The sharing of vacancies with other agencies (or indeed with other sites within their organisation) is an issue that needs to be addressed. Under the current Job Network contract there is little or no incentive for Job Network Members to share vacancies. This behaviour has a negative impact on employer perception of the Job Network and ultimately reduces the opportunities for Long Term Unemployed and otherwise disadvantaged job seekers. Although there is an incentive for listing vacancies on the national vacancy database (Job Placement fees are paid when vacancies listed on the national database, Australia Job Search are filled by eligible job-seekers).the sharing vacancy information across organisations can lead to problems of free-riding. If the regular JN devotes resources to vacancy acquisition and filters job referrals in order to retain employer goodwill, but other employment services are given access to the same information and repeatedly send weak candidates, the vacancy management strategy is undermined The sharing of vacancy information will permit the best match for each vacancy, and should be encouraged. A centralised management of vacancy information can avoid such problems. In addition it is also suggested that a national marketing campaign be undertaken to Industry promoting the direct lodgment of vacancies on Australian Job Search by employers.

Encouraging PAGES to work with Industry Operators to improve the match between people and jobs: It has become harder and harder for good job matches to occur as the unemployment rate has fallen and skill shortages have increased. Some job seekers may actually have skills relevant to a particular employer, but each are not aware of each other. The AHA EDDP in SA can provide examples of employment providers working with employers and job-seekers in various ways to prepare people for the realities of working life, and to help people into jobs that offer a career path. Activities have included:

- offering work trials in the Industry to a number of local benefit claimants;
- designing pre-employment training programs that meet employers' needs, and guarantee interviews to local benefit claimants who complete the training; and
- encouraging their employees to mentor long-term benefit claimants to help prepare them for work.

The two key elements that have emerged from this work, aimed at improving job-matches is the use of;

- *A Customised Screening Process;* aimed at identifying the most appropriate candidates for vacancies by assessing the skills and attitude that is suitable to the types of businesses that job-seekers would be going into and identifying pre-employment programs for basic skills which may be necessary in order to fill vacancies. The process should be made available across the entire industry and assist Job Network providers in recruiting appropriately to the Hotel Industry
- *Indivisualised pre-employment training and support* The focus has been on designing and delivering targeted work-preparation assistance matched to the identified employment opportunities. As part of this activity, the programs have prepared candidates for the challenges they will face in the job and give a clear picture of what it will be like working in the industry. The programs aim to ensure that participants are job ready or almost job ready. Packages of training and work experience specifically tailored to meet Hotel's needs can be developed in collaboration between JN members, Hotels, GTCs and training providers to provide a menu of support measures (programs and short courses to make participants more readily employable and provide the required certification to work in certain areas within the industry) that can be customised to individual participant needs, identified through the screening process. These programs can focus on;
 - Work Related Skills
 - Customer Service Skills
 - Personal Development Skills
 - Basic work experience/sampling within the hospitality industry
 - Literacy or Numeracy Skills

(B) A routeway of personalised assistance to disadvantaged job-seekers that promotes employment in the industry, with subsequent support for retention, up-skilling and progression

The work in AHA's EDDP in SA identified a number of forms of support disadvantaged jobseekers require to help overcome barriers to employment and learning. These included;

- **Relevant Skills assessment** including help in identifying: existing and transferable skills, aptitudes and experience, and relating these to the current labour market; previously unrealised potential; and preferred learning styles.
- **Accessible, personally relevant, up-to-date and sufficiently detailed information** to assist in identifying career pathways in the sector; to identify suitable local opportunities (jobs, training); and to locate local organisations that can help.
- **Advisers who are prepared to listen and motivate** and offer help and support in regaining lost confidence and self-esteem and provide motivation and encouragement
- **Adviser continuity and feedback** that include 'tracking' of progress
- Help with such areas as **personal presentation, writing CVs, interview techniques, job-search and self-advocacy.**
- **Training opportunities** that provide them with skills required by the local labour market, and which they can afford.
- **Work trials, work sampling and work experience** so that they can try out their skills, find out about unfamiliar occupations and prove themselves to employers.
- **In-work support** particularly at transition points in their employment (e.g. when they start working and when financial incentives are withdrawn).
- **Work with employers** to confront and overturn perceptions of employers.

The current Job Network arrangements aim to help people move into work as quickly as possible. JN members help people to adopt jobsearch strategies that will maximise their chances of finding work. This approach has been successful in helping people into work, and short term or low-wage work can be an important entry point to the Industry for many people. To date though, mainstream employment services have placed limited emphasis on sustainable employment and consideration whether the job is likely to meet job-seekers long-term needs. The work of AHA has demonstrated the need to develop a more effective model of employment assistance, particularly for the 'hardest to place', by taking a longer-term or developmental approach to job placement, that recognise the importance of integrated strategies that simultaneously seek to improve employment and other outcomes. To ensure greater links between work preparation, job placement and in-work support AHA proposes an approach to employment services that include the following key elements;

Pre-employment training and support: services that encompass a mix of advice, training, support and other assistance, including work experience/sampling that;

- Seek to prepare job-seekers for employment in the industry by identifying and breaking down the barriers that are preventing participants from moving into employment.
- Develop the appropriate skills and characteristics so that participants will be in a position to compete more effectively in the labour market.
- Help disadvantaged job-seekers access the training for the skills they need to take up the vacancies identified in the industry through the delivery of;
 - Hard and soft skills training: Training in basic skills; Vocation-specific and general employability skills training to help individuals with little work experience prepare for the challenges of a work environment.
 - Help and support in regaining lost confidence and self-esteem.
 - Help with such areas as personal presentation, writing CVs, interview techniques, and self-advocacy
 - Training opportunities that provide them with skills required by the local Hospitality labour market.
 - Work trials, work sampling and work experience to try out their skills, find out about unfamiliar occupations and prove themselves to employers.
 - Support to provide motivation and encouragement.
 - Development of personal vision for the future that includes engagement in productive work

Given provision of such assistance needs to be determined by a variety of personal factors relating to the individual job seeker and by the nature of the job that they are filling there needs to be greater awareness of how the following could be better utilised;

- *Employment Preparation Program* that provides a tailored service to parents, carers and mature age job seekers, including assistance such as assessment of current skill levels, updating of skills and/or qualifications, addressing self esteem or self confidence issues
- The *Job Seeker Account* to purchase appropriate services and products for individual job seekers

Supported Transition into Work- This focuses attention to the quality of the initial job placement. The processes focus on building capability – through Orientation/Induction/Settling/Training processes and providing in-work follow-up support to help ensure a smooth transition from benefits to work in the immediate period after job placement. Help also needs to be provided in dealing with difficulties that can arise in the first few weeks or months of work.

In- Work Support for Placements to enhance Retention and Progression- The ‘work-first’ approach has helped many people into work, however there also needs to be a focus on helping people stay in work, to complement effective services for finding work.

Closer working relationships between PAGES and Industry Operators can not only improve understanding of the skills and qualities employers are looking for, it can also encourage employers to take action to improve retention and help their employees progress via training, mentoring and access to flexible working opportunities.

There is a need to work with employers to raise their awareness of the benefits of employing a diverse workforce. A major impediment to this is the general level of understanding among employers (including all levels of management) of the work culture of these job seekers and of the range of factors that can mitigate against direct assimilation into the workforce. The attitudes and expectations of employers have a substantial impact on the participation in the workforce of carers, mature aged and long term unemployed individuals

It is therefore an opportune time to embark on initiatives aimed at changing employer attitudes and perceptions, concurrent to promoting the capacities of disadvantaged job seekers. There is a real opportunity for AHA and DEEWR to develop a greater range of training, employment, placement and retention options for use by Employers and PAGES. This is particularly important when you consider the need for employers to adopt more flexible working arrangements in terms of accommodating disadvantaged job seekers. This could include:

- AHA/DEEWR to develop a range of management aids for Industry Operators that will:
 - effectively explain the needs of long term unemployment and other barriers to employment; and
 - identify a range of problems commonly experienced by job seekers in transitioning to work and suggest strategies for dealing with these.
- AHA/DEEWR to actively promote management aids to employers and to resource regular best practice workshops instructing practitioners (employers, trainers and PAGES) in their use and eliciting best practices for further promotion.
- Permit Job Network members to fund professional mentoring support (through JSKA) for employers and/or LTU or otherwise disadvantaged job seeker to assist them through the early stages of employment. This task is considered beyond the skills and resources of Job Network in terms of their current contract
- Management aids and advice on Job Carving/Multi-skilling as a means of maximising the use of skilled resources within enterprises and creating lower skilled and more easily filled vacancies for LTU and otherwise disadvantaged job seekers

ii. Incentives for Training which will improve the employability of job seekers (including incentives for long term training and education to address labour market needs)

The people most likely to face recurring unemployment are low-paid workers in low-skilled jobs with few opportunities for progression. Helping low-paid, low-skilled workers improve their skills is recognised as crucial to helping them to stay in work and advance. Raising skill levels is also fundamental in helping people adapt to a changing employment market and helping to improve national productivity.

Programs to raise skills should seek to increase the participation of employers in training low-qualified staff; Improving skills is essential to achieving sustainable employment. The challenge that most low-skilled employees face is increased by the fact that the people with lowest skills are least likely to be trained by employers. Funding employer-focused training can look to offer;

- free skills brokerage service aimed at, targeted at hard to reach employers (employers who do not have a record of training their workforce), to source any training they need at all levels;
- fully subsidised training for low-skilled workers up to a Certificate 2 qualifications and with support for progression to Certificate 3;
- access to specialist information, advice and guidance for employees, accessible through the workplace; and
- for SMEs, wage compensation for the time employees spend in training.
- links between pre-employment and in-work provision to build a more skilled and productive workforce, and support individuals to gain the skills they need for longer term sustainable employment
- job vacancies that allow the provision of on-the-job training and appropriate post-employment training.
- Use of apprenticeships to provide work.
- Partnerships with Group Training Companies

Increasing flexibility and responsiveness of learning is a key requirement of employers and individuals; Employment services have to be supported by flexibility in the learning and skills system. Employers want the courses their employees undertake to fit in with work patterns, and individuals are more likely to take up and continue learning if it fits with their life and other demands on their time. A range of reviews have demonstrated the importance, to both employers and individuals, of learning being flexible in terms of the time of day, location and mode of learning. Employers value training providers who understand the constraints on businesses, want training for economically useful skills, not necessarily qualifications, and modules of courses that can be accumulated as credits with the aim of supporting learning that is more relevant and up-to-date. Changes need to be made. as part of an integrated skills and employment service which can provide more tailored employment and skills opportunities to meet the needs of low-skilled and unemployed adults, by giving choice over their learning and access to training that will support a return to work.

Once people are in work, raising skills is best done through close involvement with Industry Operators. Research shows that for low-skilled Job-seekers, gaining vocational qualifications in the workplace brings the greatest improvement to earnings and productivity. The challenge that low-skilled employees face is increased by the fact that the people with lowest skills are least likely to be trained by their employers. Over 35 per cent of employers in the Industry do not invest in training and many employers are reluctant to invest in basic skills such as literacy and numeracy. Given that skill development and training opportunities for those outside of employment are commonly delivered via labour market programs through the, Job Network system, we need to provide greater incentives for PAGES to work with AHA employer to develop pathways for individuals to make transitions to employment within the Industry. Such pathways would be mutually beneficial given the current shortage of workers and

the ability to provide for family-friendly working arrangements and pathways for training and development.

There needs to be greater flexible in the use of Job Seeker Account to facilitate the development of labour force skills and competencies through more targeted responses to needs of jobseeker & employers to improve skills/training and Measures which could be considered include;

- greater recognition of prior learning and skills in formal qualifications and a system of recognition of new competencies gained by adults through training and work experience;
- an emphasis on short courses, self paced learning and online learning opportunities,
- improved articulation from RPL and short course to higher level certificate and degree qualifications
- the inclusion of courses and worksampling as meeting current 'activity test' requirements; and
- the creation of 'apprenticeships' for persons with few formal labour market skills who have developed an interest in working within the sector through their personal involvement and expanding the scope of apprenticeship contracts by allowing flexible compensation arrangements;
- ensuring that training is more demand-driven and responds effectively to Industry Operators changing skill requirements, and encouraging greater quality of training provision, including through performance monitoring of providers;
- supporting training programs/schemes that help workers alternate between work and training

iii. Job-Seekers with higher levels of disadvantage receive intensive assistance

Under current arrangements:

- for the first 12 months, Job Network services for the unemployed basically involves job matching. This means both assisting eligible job seekers into jobs through the provision of labour exchange services and providing job search facilities, such as the collection of resume details and placement of these on the Australian Job Search database.
- Intensive assistance is nominally available for people who remain unemployed for 3 months or more. Intensive assistance primarily involves providing 15 days of job search training and support, with participants receiving help with résumés, presentation skills, interview preparation and identifying new work areas where their experience may also be applicable.
- Customised assistance commences when a person has been unemployed for 12 or more months. Customised assistance typically provides up to 6 months of personalised, intensive assistance to disadvantaged job seekers.

Within this framework, JN Members have a great deal of flexibility in the type and amount of assistance provided to individual job seekers, which may include special training to prepare for work, counseling and work experience. **In reality**

however, it has been found that the shift to the system of outcome-based payments has limited Job Network provider's investment in training and work subsidies. Instead Job network providers are taking a rational commercial decision and only spending money when they are pretty much guaranteed of a return from a job placement.

Given the performance management framework for employment services rewards only relatively short-term employment outcomes, AHA is proposing a more effective model of employment assistance, particularly for the 'hardest to place', by taking a longer-term or developmental approach to job placement that includes a focus on improving job retention and advancement (described earlier in the submission) This will require striking a balance between targeting assistance to individual need, providing incentives for self-reliance and taking account of likely impacts on labour force behaviour. Such an approach could be supported by adopting modular constructions to participation payments:i.e.

- Standard base rate of payment for all recipients
- *Plus* add-ons for various additional needs to overcome workforce barriers, eg parenting, location, accommodation
- *Plus* Participation Supplement to cover some costs associated with participation in employment, education or training.

iv. Performance Management Principles (including star ratings and business reallocation) that support sustainable outcomes and promote quality service delivery

Revision of the Active Participation Model (APM) The Active Participation Model (APM) was introduced to address long term unemployment and increase participation of jobseekers into authorised activities to enhance employment prospects. The current labour market has now changed with an increase in employment opportunities available to jobseekers. In view of this an APM revision should be considered, particularly approaches on how to better link work preparation, job placement and in-work support.

To date, monitoring of employment services has paid limited attention to the sustainability of jobs. Under current arrangements Job Network Members are required to monitor whether jobs are retained up to 13 weeks after placement, and their payment system provides incentives to keep people at work to this point. However, 13 weeks is a short period and should be reviewed with a need to gather data on whether jobs are sustained. The performance framework for Job Networks focuses on job outcomes, without an emphasis on whether jobs are sustained. While 'work first' should remain the approach to service delivery, the desired outcome is to help people into sustainable employment Accordingly, management frameworks should take into account the need to build a stable future for them. In practice JN Members should be encouraged to consider whether a vacancy will suit a client's long-term needs, and whether they have the skills to sustain the position in the long term, or if they may be better off delaying entry to work to increase their skills.

Under current arrangements there is a relatively light-touch approach to in-work support in employment programs and services: The current framework

aims to help people move into work as quickly as possible. Job Network providers helps people to adopt jobsearch strategies that will maximise their chances of finding work, and individuals make the decision on whether the job is likely to meet their long-term needs. This is typically what people want, and has helped many into employment. However, there is evidence from work undertaken by AHA that taking 'any job' – without making sure they are suitable for the work, that the job meets their needs and that they have (or will have the opportunity to gain) the skills necessary to stay in work and advance – can lead to a cycle of moving on and off benefits. Although short term or low-wage work can be an important entry point to the Industry for many people, the rates of return to benefit suggest for some people, help in finding work is only part of the solution.

In addition individual workplaces need assistance to review job functions and redesign job opportunities in a way that maintains productivity but better suits the needs and capacity of an individual job applicants.

This approach reflects the weak evidence base on what actually works in achieving sustainable employment including, the potential cost and the need to allocate resources to helping workless clients, rather than those in work. **There is a need to continue to test new approaches to making employment more sustainable**, particularly how to better link work preparation, job placement and in-work support. Better integration is needed to help disadvantaged jobseekers to find work, and help to improve their skills so that in the longer term they can stay in work and advance. Linking pre-employment provision and in-work support for skills can help people get into work quickly while continuing to improve their skills. Performance management frameworks should encourage greater integration of current programs to improve the links between pre- and in-work programme provision. For example;

- Both JPET and PSP providers deliver services to jobseekers with multiple barriers to employment. PSP/JPET programs are currently delivered over a lengthy time frame i.e. up to 2 years. This time frame allows for addressing of these barriers with a view of returning these jobseekers to the workforce via Job Network. Currently, PSP/JPET providers are unable to access the JSKA to overcome barriers and therefore unable to provide a tailored approach to returning these jobseekers to the workforce. Allowing for the PSP/JPET providers access to the JSKA will allow for funds to be used to assimilate these jobseekers back into the workforce and individualise training to address their barriers
- Work for the Dole has proven effective in breaking the routine of unemployment by redeveloping the skills, and instilling a more disciplined work culture in VLTU job seekers. As well it has provided many participants with accredited training and much needed employment references. With the lower flow of job seekers into Intensive Support, Job Networks are increasingly reluctant to refer their participants onto a 13 week programme such as WfD when they may be able to refer them to other short-term employment. Similarly WfD providers are reluctant to move people off their program prematurely as this may effect their star rating.

v. The minimisation of time and money spent on administration

If JN clients, who are referred to job vacancies in the Australian Hotel Industry, consistently have good work skills and motivation, employers will find that employing them is profitable and a trend increase in the employment rate can continue as long as the supply of new, relatively employable, client groups continues. A wide range of measures and strategies – for example one-stop shops, adequate resources for case management, effective information systems, performance management arrangements, etc.–can contribute to JN effectiveness and efficiency. How these measures might improve sustainability and improve the cost-effectiveness of programs need to be reviewed as part of the evaluation of employment services.

4. Conclusions

The Australian Hotels Associations believes that many of the key elements required for a responsive employment support system are in currently in place.

However, the structure of the Australian labour market over the next decade will require a more holistic approach to labour force planning and support.

Greater effort is required to ensure government, industry and the community has a clearer picture of the current and future employment needs of a region or town. The education systems needs to ensure young people leave school with the capacity to live productive lives and services for the unemployed need to provide a broader range of support to assist people to find and retain employment.

We look forward to working with the Government to develop strategies that allow all Australians to have access to sustainable employment.

Workforce Development Strategy -
Attracting and Keeping Good People
In the
Hospitality Industry

Strategic Framework

The Strategic Directions of the Strategy will underpin the Industry's overall aim:

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

The Goals of the Strategy include;

GOAL 1

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

GOAL 2

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

GOAL 3

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

GOAL 4

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

GOAL 5

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

The Strategy will be underpinned by the following key interrelated priority areas;

- the creation of *A Highly Skilled Workforce*;
- *Access to Quality Workplaces* and
- shaping the future through *Better Workforce Planning*
- *Expanding the Traditional Workforce*

WORKFORCE DEVELOPMENT: A STRATEGIC FRAMEWORK

