



Restaurant
& Catering

3 February 2020

Attn: Director, Apprenticeships Framework Policy
Review of the Australian Apprenticeships National Skills Needs List - Methodology Discussion
Paper
Department of Employment, Skills, Small and Family Business

By Email: nsnlreview@employment.gov.au

Dear Sir/Madam,

Restaurant & Catering Australia (R&CA) is the national industry association representing the interests of more than 47,000 restaurants, cafés and catering businesses across Australia. The café, restaurant and catering sector is vitally important to the national economy, generating over \$37 billion in retail turnover each year as well as employing 450,000 people. Over 92 per cent of businesses in the café, restaurant and catering sector are small businesses, employing 19 people or less.

R&CA delivers tangible outcomes to small businesses within the hospitality industry by influencing the policy decisions and regulations that impact the sector's operating environment. R&CA is committed to ensuring the industry is recognised as one of excellence, professionalism, profitability and sustainability. This includes advocating the broader social and economic contribution of the sector to industry and government stakeholders, as well as highlighting the value of the restaurant experience to the public.

R&CA appreciates the opportunity to provide a submission to the Review of the Australian Apprenticeships National Skills Needs List - Methodology Discussion Paper, following our earlier submission to the earlier Issues Paper.

Restaurant & Catering Australia (R&CA) welcomes the opportunity to provide a submission to the Commonwealth Government's Review of the Australian Apprenticeships National Skills Needs List (NSNL). R&CA believes that a thorough and comprehensive government-led review of the NSNL is a necessary step in reversing worrying declines in enrolments and completion rates of apprenticeships across a wide variety of courses, including those associated with hospitality profession. The successful completion of apprenticeships in key courses is a high priority for R&CA as it forms the priority pathway for finding skilled labour and addressing the crippling skilled shortage currently affected the Restaurant, Café and Catering Sector.

R&CA is committed to working closely and collaboratively with government and industry stakeholders as part of this Review process to ensure that the NSNL is properly targeted and structured to respond to the skilled labour shortages across the Australian workforce.



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As stated in our previous submissions, many of R&CA's previous representations to governments at both a state and federal level have focussed on the chronic skills shortages affecting the ability of hospitality owners to operate sustainably and successfully. The sector already makes a significant contribution to national employment outcomes, one is projected to become even more prominent in future years. In May 2018, the sector employed 630,100 people in Australia which is expected to grow by 11.9 per cent to May 2023. The sector is expected to generate the greatest jobs growth out of any industry subsector of the Australian economy.

In relation to the key discussion questions contained in the methodology discussion paper, R&CA supports some of the proposed changes which encapsulate our recommendations as stated to the issues paper, namely:

1. That a single evidence-based methodology, that stands up to appropriate scrutiny, be used across Government to determine skills shortages across the economy.
2. That extensive industry consultation be utilised, leveraging available industry insights and surveys to ensure the research results and skills shortage lists accurately reflect the prevailing labour market.
3. That industry consultation be prioritised to ensure collection of industry evidence including submissions, forums, one to one meetings.
4. Further labour market research in undertaken by the Department of Skills to better utilise a single evidence-based methodology for determining skills shortages such as Job Outlook and careers information on the Department's website

R&CA continues to support a single approach to identifying skills in shortage based on a range of evidence including industry intelligence and consultation. It should be forward looking. This should be called the national skills shortage list (NSSL), replacing the NSNL and the other lists that the department uses which have a similar name.

The discussion paper proposes a single coherent methodology for the NSNL, AISS payment, priority occupations and trade support loans. As stated in the previous paper, in most of the cases where the NSNL is currently used, the appropriate substitute is for the incentives to be applicable to all trade apprenticeships. The justification for incentives such as trade support loans and adult apprentice additional incentives does not relate to an assessment of skill shortages.

In summary, this submission recommends that there be greater clarity between the supported desire for an improved process for the identification of skills shortages and the specific application of skills shortages data to apprenticeship incentives. We urge the government to draw a more distinct line between these two objectives rather than focus on a specific methodology that relates to apprenticeship incentives.

If you wish to discuss R&CA's views further, do not hesitate to contact Tom Green, Manager – Policy and Government at R&CA by email at tom@rca.asn.au.

We thank you again for the opportunity to make this submission.

Regards

A handwritten signature in black ink, appearing to be 'Wes Lambert', with a stylized, cursive script.

Wes Lambert CPA FGIA MAICD

Chief Executive Officer

Restaurant and Catering Australia