

Destinations Survey for the Services Industries

Overview

Service Skills Australia

June 2013



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Summary

This report provides an overview of the key findings from the project, *Destinations Survey for the Service Industries*. It presents an outline of the employment destinations and other outcomes of people who have obtained a qualification in the service industries. This overview brings together results from the project's several components:

1. a review of the literature
2. analyses of secondary data from:
 - NCVER's 2009 *Student outcomes survey*
 - NCVER's 2010 *Apprentices and trainees destination survey*
 - The *Longitudinal Survey of Australian Youth (LSAY)*
 - The 2006 *ABS Census of population and housing*
 - The *Household income and labour dynamics (HILDA) survey*.
3. a customised survey of recent graduates of VET hospitality and retail programs undertaken for this project. The survey collected information on student background, course and provider characteristics, reasons for enrolling, satisfaction with course, benefits from the course and subsequent employment and study destinations.

Separate reports are available for each of these components.

The *Service industries* include aspects of the *Wholesale, Retail and Personal services* industries, *Tourism* and *Hospitality* and *Sport and recreation*. The report, however, focuses on the outcomes of Certificates 1, 2, 3 and 4 and Diploma and Advanced diploma *qualifications* that are linked to occupations in *Retail* (including *Wholesale and Community pharmacy*); *Floristry*; *Hairdressing*; *Beauty*; *Funeral services*; *Tourism, hospitality and events*; and *Sport, fitness and recreation*. These occupations, although centred in the service industries, are often found right across the Australian economy.



Key Findings

Training completed in the service industries is a major component of Australia's total industry training effort

In 2009, there were 65,800 completions of VET courses based on SSA training packages, which was 16.7% of the total course completions in the VET sector in that year. At the same time, there were 39,188 apprenticeship and traineeship course completions based on SSA training packages, or about 25% of all completions.

SSA courses are particularly important to young labour market entrants and school leavers

Education and training for service industry occupations have broader economic importance. These occupations provide high levels of entry (and re-entry) to the workforce for first-time job seekers, teenagers (15-19 year-olds), young adults (20-24 year-olds), the unemployed and those who have been outside the labour force. 44% of graduates of SSA-related courses were aged 15 to 19 compared with only 21% of graduates of other courses.

This age difference is echoed in other indicators—for instance, 23% of persons who obtained qualifications in the service industries were still at school, compared with only 8% of persons who obtained other qualifications. The pathways provided by service industry training helps lead to stable employment over time and longer-term access to further education and training.

While SSA courses account for 19% of all training activity for the adult population, it accounts for 33% of all training delivered for teenagers. For teenagers, there is a high level of enrolment in Certificate II courses, and SSA courses at this certificate level are important to the skilling requirements of school leavers who need initial or entry level training that can act as stepping stones or pathways to higher level training. This is a vital role played by lower level certificate courses offered in the service industries.

Graduates are very satisfied with the benefits of training

Surveys of recent graduates point to high levels of graduate satisfaction with training courses overall. There is an overwhelmingly high level of satisfaction with the training (90%), with over 90% indicating that they would recommend their study to others and 80% reporting that they had achieved what they were wanting from their study. More impressively, 93% of SSA graduates agreed that they had derived personal benefits from completing their course.

SSA training courses promote improvements in core skills acquisition

The *Destinations Survey for the service industries* revealed that some 83% of *Retail* graduates and 85% of *Hospitality* graduates agreed that at least one of the skills in the Australian Core Skills Framework—reading skills; confidence in writing; learning new things; communicating better with others; and mathematical skills— had improved as a result of their course.

The benefits of training are consistent across SSA courses

The *Student Outcomes Survey* reveals quite consistent results across courses. Overall satisfaction levels are close to or above 90% for all service industry areas. Reported benefits are similar across most courses, however, the type of benefit can vary. *Hairdressing* graduates, for example, report almost



universally high levels of personal benefits achieved from their course (98%), they had gained job-related benefits (81%) and access to further education (33%), while *Hospitality* graduates reported a lower level of job-related benefits (67%), but high levels of personal benefits (91%), and *Sports* graduates reported that they had achieved their reason for study (83%), and the course had led to further study (32%).

The benefits of training apply across levels of certificates

Most graduates report a high level of satisfaction with the benefits they achieve from their training, so much so that the vast majority report that they would recommend the course they did to others. This endorsement from graduates applies across the different qualification or certificate levels. For SSA courses, 90.4% report overall satisfaction with the benefits of their course, but it is even higher for those doing Certificate Level 1 and 2 courses—92.2% of those doing SSA courses reported being satisfied overall with the benefits of the courses they did. Over 95% of graduates of SSA courses at Level 1 and 2 reported that they would recommend the course to others. Similarly, at all certificate levels, over 90% of graduates report that they gained personal benefits from the course they completed—for SSA graduates, 93.4% across all courses, 92.7% for those at Certificate Levels 1 & 2, 94% for those completing a certificate at Levels 3 or 4, and 94.4% for those at diploma level or above.

There are major benefits for those completing apprenticeships and traineeships in service industries

Results from the *Apprentices and Trainees Destination Survey* show that most apprentices and trainees report that the main benefit of completing an apprenticeship or traineeship in the service industries is obtaining a qualification or trade tied to a specific occupation (28%). A similar proportion also reported obtaining new skills (26%) and learning new knowledge (23%) as main benefits. Few apprentices and trainees reported no benefit. The results are consistent with other industry areas.

There were several notable differences in reported benefits of training across service industry areas. Apprentices and trainees who completed courses in *Hairdressing* were more likely to report *Obtaining a qualification or a trade* as the main benefit, while *Other hospitality* and *Retail* graduates were more likely to report *Gaining knowledge* as a benefit. It highlights the fact that those entering particular areas of training, such as hairdressing, do so to work in a specific type of work, but many also see the gaining of skills and experience as major benefits, irrespective of the specific trade.

Employment outcomes linked to attainment vary by industry area

Longer-term employment outcomes for people who complete service industry courses are not well researched and documented. Results from the ABS Census of population and housing that for persons whose highest qualification is a Certificate III or IV or a Diploma or Advanced diploma in the service industries suggest that there are positive employment effects compared with people who have no post-school qualifications. These employment effects offset the mostly lower earnings for graduates of service industry courses, although there are considerable differences among males and females across levels and fields of education.

Training supports employment for graduates

Initial employment outcomes for graduates with service industry qualifications are similar to the average for all VET graduates. Published results from the 2010 *Student outcomes survey* show only slightly lower



level of overall employment six months or so after graduation for graduates with service industry qualifications (74% compared with an average of 76%). Similarly among graduates who did not have a job before their course, 42% of service industry graduates were employed six months after course completion compared with 43% overall. The employment gain (the difference between gross employment levels before and after training) among graduates with service industry qualifications was 2%, compared with the average of 4%.

Female employment in service industries linked to training qualifications is comparatively strong

The employment differences for females in the service industries are stronger than for males. As for males, females with a Certificate III or IV have higher levels of employment (77%) than females without a post school qualification (62%), but employment in all the service industry qualification categories is higher than for females without a post school qualification. Employment levels for females with a Certificate III or IV in *Sales* (85%) and *Sport and recreation* (84%) are higher than the overall average, higher than for many of the other qualification categories, and substantially higher than for females without any post school qualifications.

Level of job satisfaction for graduates in the service industries is high

People in general, are reasonably satisfied with their jobs and workers in service industry occupations record a similar level of job satisfaction with workers in other jobs. Among the service industry occupations, overall job satisfaction is higher for people working in *Personal services* (beauty therapists, funeral workers, gallery, museum & tour guides, tourism & travel advisers, among others) and *Sport and recreation* (fitness instructors, outdoor adventure guides, sports coaches, instructors and officials and sportspersons), but lower for people employed as *Bakers, chefs or cooks* or in *Hospitality* (bar attendants & baristas, cafe workers and waiters, among others).

Level of satisfaction with life is high among those in service industry occupations

Persons employed in service industry occupations are overwhelmingly satisfied with their lives (89%) and, on average, are as satisfied as persons employed in other jobs. This is true for most of the specific service industry occupations as well—differences in life satisfaction among these occupations are modest. Nevertheless overall life-satisfaction is slightly higher for people working in *Personal services* (96%) and *Sports* (93%), but lower for people employed as *Bakers, chefs or cooks* (83%). Similarly, there was little difference in satisfaction for a number of aspects of life, although people working in service industry occupations were somewhat less satisfied than other workers with the neighbourhood in which they lived and their financial situation.



1. Introduction

Service Skills Australia (SSA), an industry skills council, commissioned the University of Melbourne's Centre for Research on Education Systems (CRES) to examine the employment destinations and other outcomes of people who complete a qualification in the service industries. The outcomes of training include a number of important aspects such as gaining employment, working in a relevant occupation, type of employment, levels of pay, perceived improvements in skills, and other work-related outcomes such as promotion and change of career, job satisfaction, life satisfaction and access to further education and training.

The *service industries* covered by this project are reflected in SSA's 10 industry sectors, which can, in turn, be grouped under three broader headings:

1. WRAPS—Wholesale, Retail and Personal Services

- *Retail*—businesses related to the sale of goods and services in the areas of food, personal and household goods. Indicative occupations include store manager, buyer, department manager, retail service assistant and visual merchandiser.
- *Community pharmacy*—the retailing of prescription drugs, other medicines, toiletries and cosmetics. Indicative occupations include dispensary assistant, pharmacy assistant and pharmacy supervisor.
- *Floristry*—retailing of cut flowers and foliage displays. Indicative occupations include florist, floristry studio manager and floristry assistant.
- *Hairdressing*—services such as haircutting, hair design, hair colouring, chemical reformation and trichology. Indicative occupations include hairdresser, salon manager, salon assistant, session stylist and trichologist.
- *Beauty*—services, including complex skin therapies and treatments. Indicative occupations include beauty therapist, nail technician and retail cosmetic assistant.
- *Funeral services*—businesses such as funeral parlours, coffin and casket manufacture, monument manufacture, cemeteries and crematoriums. Indicative careers include crematorium operator, embalmer, funeral director, funeral director's assistant, gravedigger and mortuary assistant.

2. Tourism, Travel and Hospitality

- *Tourism*—a wide range of goods and services provided by transport and tour operators, travel agencies, accommodation providers, theme parks and attractions, tour guides, sporting, entertainment and arts venues, museums and historical sites, restaurants, cafes and clubs. Indicative occupations include tour guide, travel consultant and visitor information officer.
- *Hospitality*—businesses such as hotels, motels, restaurants, cafes, clubs and casinos that provide accommodation, meals and drinks. Indicative occupations include bar attendant, barista, cafe or coffee shop operator, chef, cook, food service manager, gaming attendant, hotel service supervisor, hotel or motel front office clerk, hotel or motel manager, housekeeping attendant, kitchen hand, restaurateur and waiter.



- *Holiday parks and resorts*—covering small parks providing accommodation or camping grounds in natural environments to large parks with substantial accommodation, entertainment and conference infrastructure. Indicative occupations include caravan park attendant and caravan park manager.

3. Sport, Fitness and Recreation

- *Sport, fitness and recreation*—covers community recreation, fitness, outdoor recreation and sport. Indicative occupations include fitness trainer or instructor, community recreation centre manager, team manager, sports coach, sports development officer and outdoor recreation guide.

Although industry skills councils are structured around industry segments, the *qualifications* that are the focus of this study are VET Certificates 1, 2, 3 and 4 and Diploma and Advanced diplomas that result from a course based on one of the seven training packages for which SSA is responsible:

- Retail Services (including Wholesale and Community Pharmacy)
- Floristry
- Hairdressing
- Beauty
- Funeral Services
- Tourism, Hospitality and Events.
- Sport, Fitness and Recreation

The training packages and qualifications, in turn, are linked to target occupations for which the qualification provides appropriate skills. Indicative occupations (listed above with the list of industry segments) are concentrated within the industry segments of SSA, but are by no means restricted to SSA. For instance, a cook (a qualification covered by the Tourism, Hospitality and Events Training Package) could be employed in *Agriculture, Mining, Manufacturing* or any of a number of other industries. Conversely, graduates of qualifications based on other training packages, for instance, *book-keepers*, are employed in SSA industry segments.

Consequently relatively little of the analysis discussed here is based on the *industry* in which graduates are employed. Instead, the analyses focus on qualifications categorised by their industry training packages and industry skills councils (where available), field of education of qualifications and the occupations of workers. Additionally the standard statistical classifications of industry, occupation and educational qualification are sometimes only poorly related to the scope of SSA—for instance, *Tourism* is not a discrete industry within any of the standard industry classifications. Even with the more detailed classifications, the correspondence between graduates of SSA and the classification is likely to be imperfect.

Diversity is an important feature of the people who have obtained a qualification in the service industries and their outcomes vary accordingly. Averages for graduates of qualifications in the service industries do not show this variation. Many of the analyses disaggregate results into broad categories by industry sector and sometimes for even finer groups. These analyses can stretch the



ability of sample studies to reliably sustain the analyses, which is why much of the literature is based on highly aggregated results. The supporting documents for this overview supply further information about the sample sizes on which estimates are based and the statistical significance of those estimates.

The effectiveness of the Australian vocational education and training (VET) sector has been a key concern of policy makers for several decades. The sector's efficiency is reflected in the labour market and other outcomes for people completing VET courses and reflects the interests of the sector's partners:

- governments of all jurisdictions that collectively fund a significant proportion of education and training delivery in the sector and that benefit from contributions of the sector to economic activity;
- industry that benefits from the supply of appropriately skilled workers;
- students who can benefit from improved employability from having generic and/or specific skills that are required by industry or from access to further education and training; and
- providers, whose long-term sustainability is underpinned by provision of high quality education and training that is demanded by students and industry.

Despite the long-standing goal of creating an industry-led VET sector, provision of education and training in Australia remains only loosely coupled with the needs of industry for skilled labour. The loose-coupling is underwritten by the dual nature of the sector's clients—students and industry. Immediate demand for education and training is by students who are influenced, in part at least, by personal and strategic interests. They may have an attraction to certain fields of education and training and the associated work almost independently of prospective remuneration. Even when the choices of students are more instrumental, there may be little access to appropriate labour market information that would allow students to make informed decisions about the type of education and training to undertake. Some direction to the nature of VET provision derives from patterns of government funding that may be based on (mostly short-term) labour market projections of varying reliability, the inertia of existing patterns of provision and government fiscal exigency. Provision more closely linked to industry through apprenticeships and traineeships can also be influenced by the preferences of (mostly) young people, government subsidies as well as by employers' needs for skilled labour. There is concern that training subsidies can become wage subsidies.

The loose coupling of the VET sector with the needs of industry (and with the aspirations of students) creates the possibility of less than optimal labour market outcomes for students and in particular for variation in student outcomes across the industry of provision according to the match between the demand and supply of skilled labour. A closer coupling of the VET system to the needs of industry (however determined) produces the risk that students may not be able to enrol in the courses of their choice and result in a poorer match between student interests (and talents) and education and training provision.

Service industry occupations are characterised on average by higher rates of part-time employment, lower levels of pay and higher levels of occupational mobility—all features that are



associated with lower returns to investment in education and training and lower incentives for employers to provide education and training for their workers. Despite this, there are also many people (in some cases a majority) employed full-time in these occupations with expectations of continuing long-term employment.

While the lower incentives for employers to provide training do not indicate market failure, without government intervention, it is likely that education and training for service industry workers—in 2009 nearly 2 million, or about 17% of the workforce—would receive far less training. A range of COAG education targets that underpin national policies to improve labour productivity through raising the skill levels of the workforce would be unattainable. A whole group of often disadvantaged workers would be excluded from Australia's education and training system if access were determined simply by market mechanisms.

Education and training for the service industry occupations has broader strategic importance. These occupations provide, disproportionately, entry (and re-entry) to the workforce for first-time job seekers, the unemployed and those who have been outside the labour force. Education and training delivered as part of these occupations can possibly provide a basis for more stable employment and longer-term access to further education and training.

This overview brings together results from the project's several components:

- A review of the literature on the outcomes of education and training, with special reference to differences across fields of education, levels of qualification, industry and occupation.
- Analyses of secondary data from:
 - NCVER's 2009 *Student outcomes survey*—an annual survey of persons who completed all or part of a VET course in the preceding year and that focuses on the reasons for enrolment, satisfaction with the course and labour market and other benefits to the student from their education and training. The sample is based on NCVER's provider collection and hence includes students who attended public VET providers and students who were enrolled with private providers that received public funding for their enrolment.
 - NCVER's 2010 *Apprentices and trainees destination survey*—an annual survey of persons who completed an apprenticeship or traineeship in the preceding year. The survey focuses on the reasons for enrolment, satisfaction with the course and the labour market and other benefits to the student from completing their apprenticeship or traineeship.
 - The *Longitudinal Survey of Australian Youth (LSAY)*—a series of national panels of school students in about Year 9 or 10 selected every four or five years and tracked annually until about the age of 25. The survey focuses on the education and training and labour force participation of panel members.
 - The 2006 ABS *Census of population and housing*, which has detailed information on the field of education of individuals' highest educational qualification that can be combined with information on their participation in education and the labour force as well as other demographic characteristics.



- The *Household income and labour dynamics (HILDA)* survey. HILDA is a household-based study of the economic and subjective well-being of Australians and of their labour market and dynamics and family dynamics. This longitudinal study that began in 2001. Panel members are interviewed annually and information is collected on all household members 15 years or older. The panel is supplemented to maintain the sample size and ensure its remains representative of the Australian population.
- A customised survey of recent graduates of VET hospitality and retail programs undertaken for this project. The survey collected information on student background, course and provider characteristics, reasons for enrolling, satisfaction with course, benefits from the course and subsequent employment and study destinations.

Separate reports are available for these components.

No single data source provides a comprehensive picture of the employment destinations and other outcomes of people who have obtained a qualification in the service industries:

- The two NCVER surveys of recent graduates focus on near-term rather than longer term outcomes. It is arguable, however, that near-term outcomes are disproportionately important in assessing the outcomes of training. Surveying course completers and non or partial completers provides comparison groups for analysis. The sample sizes vary but can mostly sustain some detailed analysis by field of education. Since the samples are built from enrolment data, rich and accurate information is available on the characteristics of courses, including the training package (if any) and the industry skills council with which it is connected.
- LSAY provides a slightly longer-term perspective than the six or nine months of the two NCVER surveys of recent graduates, but the survey is restricted to the experiences of young people who are at most a substantial minority of all VET course completers. The LSAY panels include comparison groups of individuals who have not commenced or completed VET qualifications. The longitudinal nature of the panels provides scope for detailed study of pathways.
- The *Census* provides population coverage of the life cycle and numbers that will sustain detailed analysis by field of education that can be mapped to service industry qualifications. There are possibly three major reservations. First, the Census collects information on the highest educational qualification only. Persons identified as having (say) a Certificate III in *Sports and recreation* are a subset of all graduates with a Certificate III in *Sports and recreation*—those persons who did not (or have not yet) obtained a higher qualification. No information is available, for instance, about those graduates who went on to obtain a university degree. People who obtain no further qualifications, however, be a group of particular interest. Second, life cycle analyses will inevitably include people who completed their courses several decades ago. Their experience may not reflect current training practices or the labour market circumstances of recent graduates. Third, the quality of the data may not be as good as other sources. The census is based on self-enumeration, variables sometimes have high levels of missing data and the number of relevant variables can be limited.



- HILDA provides both population coverage of the life cycle and a longitudinal structure that allows pathways to be mapped. The sample size, however, is sometimes fairly small for the groups of interest. HILDA does not collect detailed information on the field of education or qualification. Hence the analyses of HILDA data in this project therefore focus on service industry *occupations* rather than service industry *qualifications*. This provides a perspective on the labour market circumstances facing graduates of service industry courses to the extent that they enter (or continue to work in) service industry occupations.



2. The Graduates

Training completed in the service industries is a major component of Australia's total industry training effort

In 2009, there were 65,800 completions of VET courses based on SSA training packages, which was 16.7% of the total course completions in the VET sector in that year. At the same time, there were 39,188 apprenticeship and traineeship course completions based on SSA training packages, or about 25% of all completions. Most but not all of the apprenticeship and traineeship completions are included among the VET course completions.

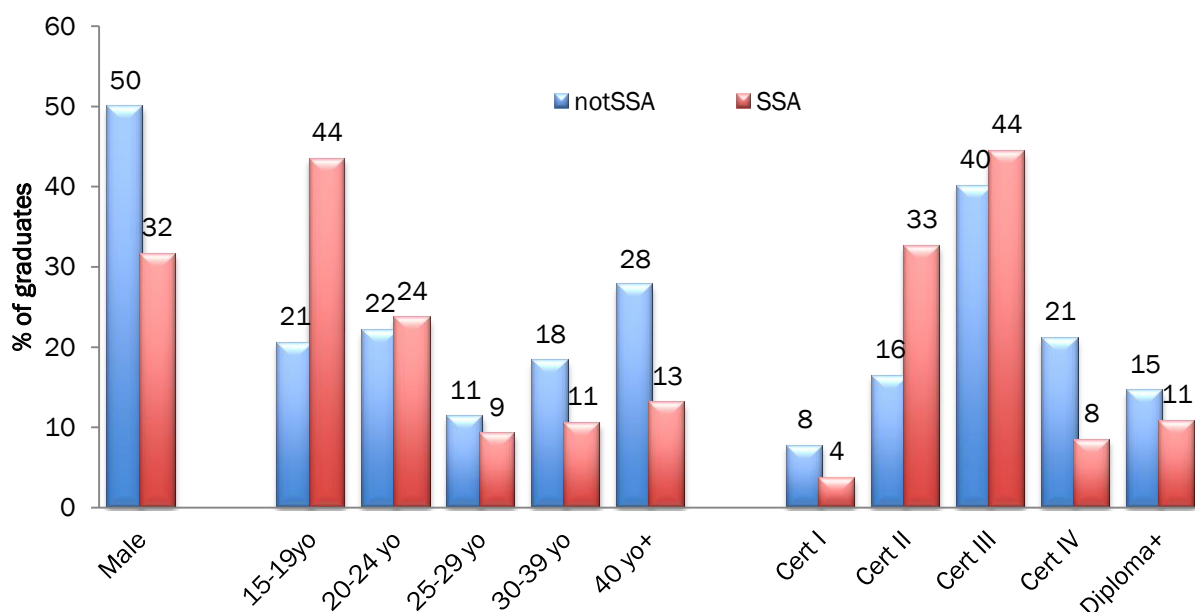
SSA courses are particularly important to young labour market entrants and school leavers

Figure 2.1 shows the differences between the sex, age and qualification-level of persons who completed SSA and other VET qualifications in 2009. Figure 1 shows that graduates of SSA-related courses are substantially more likely to:

- ▶ be **female** — 68% of graduates of SSA-related courses were female compared with only 50% of graduates of other courses.
- ▶ be **young** — 44% of graduates of SSA-related courses were aged 15 to 19 compared with only 21% of graduates of other courses. This age difference is echoed in other indicators—for instance, 23% of persons who obtained qualifications in the service industries were still at school, compared with only 8% of persons who obtained other qualifications.
- ▶ have **completed a Certificate 1 or 2** — 37% of persons completing a qualification in the services industries completed a Certificate 1 or 2 compared with only 24% of persons who obtained other qualifications. Conversely only 8% of service industries qualifications were at Certificate 4 level compared with 21% for other qualifications and only 11% at Diploma or above compared with 15% for other qualifications.

The generally younger ages of persons completing qualifications in the service industries and the often lower levels of those qualifications are also reflected in lower educational attainment before beginning the course—the highest educational attainment of 47% of service skills graduates was less than Year 12 compared with only 35% of other graduates while only 22% of service skills graduates had a highest qualification of Certificate III or IV or Diploma or above compared with 37% of other graduates.

Figure 2.1 Sex, age and qualification level of VET course completers, by SSA and non-SSA courses: Australia, 2009 (%)



Source: Adapted from VOCSTATS, Students and Courses 2009, Qualifications Completed. See *Literature Review*, Table 3.

The characteristics of people who have obtained a qualification in the service industries are typically associated with weaker labour market outcomes, in particular, part-time employment, lower earnings and high level of employer and occupational mobility.

For school leavers in transition from school to work and further study, VET courses have a particularly important role to play. Over the long-term there has been a decline in the number of full-time job opportunities and an increase in part-time work. For those young people who have not completed Year 12 qualifications or do not want to pursue higher education, VET has a particularly important role to play in providing skills training to help young people become equipped to enter the labour market, to take advantage of available opportunities. SSA courses stand out as a key source of training for young people in this situation. While SSA courses account for 19% of all training activity for the adult population, it accounts for 33% of all training delivered for teenagers. For teenagers, there is a high level of enrolment in Certificate II courses, and SSA courses at this certificate level are important to the skilling requirements of school leavers and those still at school who need initial or entry level training that can act as stepping stones or pathways to higher level training. This is a vital role played by lower level certificate courses offered in the service industries.



3. Reasons for Enrolling

Most entrants enrol for job-related reasons

Students enrol in VET courses for a variety of reasons, but mostly because they want a job or have been asked (or want) to enrol to up-grade their skills as part of their existing job. The reasons students enrol in service industry courses differ with the types of questions asked. The *Student Outcomes Survey*, for instance, provides respondents with a choice 12 reasons for enrolling. The levels of response to the most frequently given reasons are shown in Table 3.1. They reveal that employment-linked motives are important. Getting a job (22%), it was a requirement of the job (21%) and to gain extra skills for my job (18%) were the most frequently cited reasons for study.

The reasons completers of service industry courses give for enrolment are similar to those given by completers in other VET areas. For instance, 22% of service industry course completers said that they enrolled because it was a job requirement, compared with 21% of all completers, while 21% said that they enrolled in order to get a job, compared with 22% of all completers. The next most important reasons are likewise fairly similar—the levels at which service industry course completers enrolled to obtain extra skills (18%) or to obtain general skills (13%) are fairly similar to the total. The differences were mostly small for the remaining reasons.

Table 3.1 Main reason for starting a VET course by selected courses, completers, Australia, 2010

	Total	Tourism	Sports	Retail	Hosp- itality	Hair- dressing	Floristry	Comm. Pharmacy	Beauty	All services
Get a job	21.5	32.9	18.4	15.8	20.5	39.9	6.1	11.6	30.1	21.3
Develop business	2.1	0.9	2.1	0.9	2.0	0.5	1.8	0.0	3.1	1.7
Start own business	2.7	1.2	3.2	0.4	2.3	2.4	10.1	0.0	15.2	2.5
Different career	9.5	14.1	11.6	2.8	5.4	17.0	37.0	8.5	24.5	7.7
Better job /promotion	5.7	3.6	1.7	9.1	4.0	2.3	0.0	1.9	1.2	4.6
Job requirement	21.2	7.5	13.9	20.0	28.4	22.8	15.2	26.3	4.1	22.0
Extra skills for job	17.6	9.1	14.3	31.7	15.3	5.4	16.4	41.2	12.0	18.3
Another course	4.3	7.0	7.7	0.9	1.9	3.5	0.0	0.0	2.2	2.7
General skills	10.6	20.3	17.8	16.4	11.1	2.9	4.3	9.5	6.4	12.8
Confidence	1.8	0.3	2.2	1.2	1.8	2.1	9.0	0.0	0.3	1.6
Community/volunteer	1.9	1.7	1.8	0.4	6.4	0.6	0.0	1.0	0.2	3.5
Other	1.1	1.4	5.5	0.2	0.9	0.3	0.0	0.0	0.7	1.3

NCVER's *Student Outcomes Survey*, 2009. See Section 2—*Student Outcomes Survey*, Table 7. Several reasons with low responses omitted.



Entering training to get a job is critical in some service industries, while career building is prominent in others

There are, however, some substantial differences among service industry courses (see Table 3.2). Completers of courses in *Retail* were more likely to have enrolled in order to obtain extra skills for their job (32%) or general skills (16%) while *Hospitality* completers are more likely to have enrolled because it was a job requirement (28%). People who completed courses in *Hairdressing* (40%), *Tourism* (33%) or *Beauty* (30%), however, were more likely to be interested in getting a job. Developing general skills was more important for Sports graduates and a career change for Floristry graduates. Several reasons not included in Table 3.2 because of the low overall level of response were important to particular service industry segments—skills for volunteering were relatively important for *Hospitality* (6%), building confidence for *Floristry* (9.0%) while 6.0% of the responses of *Sports* graduates fell into the category of *Other* reasons.

The corresponding questions in the *Apprentices and Trainees Destination Survey* are different and reveal another side of enrolments in some service industry courses. The reasons listed in Table 3.2 allowed respondents the freedom of multiple responses rather than simply asking for a main reason, but even so the overwhelming majority gave only one reason for their enrolment. Again there is a broad parallel between the overall pattern of responses of completers of service industry and completers in other industry areas—the employer recommended or offered their employee an enrolment (28%), wanting a job (23%) or an opportunity to obtain further knowledge and skills (15%).

Table 3.2 Reasons for starting an apprenticeship or traineeship by selected courses, completers, Australia, 2010

	SSA	Retail	Bakers, chefs, cooks	Other hospitality	Hairdressers	Non-SSA
Wanted that type of job	19.1	6.6	61.2	10.7	87.0	22.1
Wanted a job (any type)	4.4	3.6	6.8	4.8	3.1	7.9
Wanted qualification/certificate	22.2	23.4	15.2	24.6	3.0	17.7
Requirement of my job	11.0	10.4	6.0	16.0	2.3	14.2
Good job prospects	4.2	6.1	11.1	1.5	0.0	3.2
Further knowledge/skills	14.8	16.4	4.8	18.2	4.7	12.0
Employer recommended/offered	27.6	37.4	2.5	27.0	0.0	26.2

Source: NCVER's *Apprentice and Trainee Destinations Survey*, 2010. See Section 3 - Apprentices & Trainees Destinations Survey, Table 6. Multiple responses permitted. Several reasons with low responses omitted.

Wanting a recognised qualification or certificate is asked only in the *Apprentices and Trainees Destination Survey* and was endorsed by about one in five course completers.



Apprentices and trainees who completed courses in *Retail* or *Hospitality* were more likely to report that they enrolled because their employer recommended or offered the course, that they wanted a recognised qualification or certificate, or that it was a requirement of their job. Interestingly 'good job prospects' was a reason for enrolling in their course for only a small minority of services industry or other course completers (4% and 3% respectively), though in some service areas this was more critical. About one in ten of those doing training related to the work of bakers, chefs and cooks did so with a view that the area of training would help provide good job prospects.

Many do training to get a specific job, while others view the transfer of skills more broadly

In the *Apprentices and Trainees Destinations Survey* respondents are given the opportunity to indicate whether they enrolled in the course because they were 'really wanting that kind of job' linked specifically to the training or whether they enrolled in the course because they were 'wanting any job'. Doing courses because they are linked to specific jobs was cited much more often as a reason for doing their course than because they were doing it because they wanted any job. About one in five of those doing SSA courses reported doing so because of the specific jobs that the training was associated with, while only one in twenty five said they did the training with a view to getting any type of job.

Quite strikingly, those who completed courses in hairdressing (87%) and as training to be bakers, chefs and cooks (61%) entered their courses because they wanted jobs related to that specific area of training. This stands out especially of people who completed courses in *Retail* or *Hospitality*. This feature of enrolments of people wanting to become *Hairdressers* or *Bakers chefs and cooks* is reflected in results from the HILDA survey that show the high level of satisfaction in the work of people who are *Hairdressers and Bakers, chefs and cooks* (and in personal services, mostly Tourism). Analyses of the labour market outcomes for *Hairdressers and Bakers chefs and cooks* that focus on their employment and earnings miss an important part of their motivation for study and their relationship with their work.

A particular attraction to the nature of the work in some service industries by course completers is also evident in some of the open responses to similar questions in the SSA destinations survey. A number of respondents reported that they "wanted to get a job in the hospitality or retail industry". Some reported that theirs was more than a wish to just get a job—they had a passion or calling for their chosen career. For instance, one respondent noted that "since I was 5 years old all I wanted to be was a pastry chef". Others explicitly referred to their passion for the industry, being passionate about their work or their course providing a pathway to their dream job.



4. Initial Training Outcomes

The *Student Outcomes Survey* and the *Apprentices and Trainees Destination Survey* provide information about a number of measures of outcomes for completers some six months or so after course completion. These initial training outcomes cover aspects such as satisfaction with training, access to further study, personal benefits, whether or not they achieved their goal in undertaking the study, and whether or not they would recommend the course to others.

Graduates are very satisfied with the benefits of training

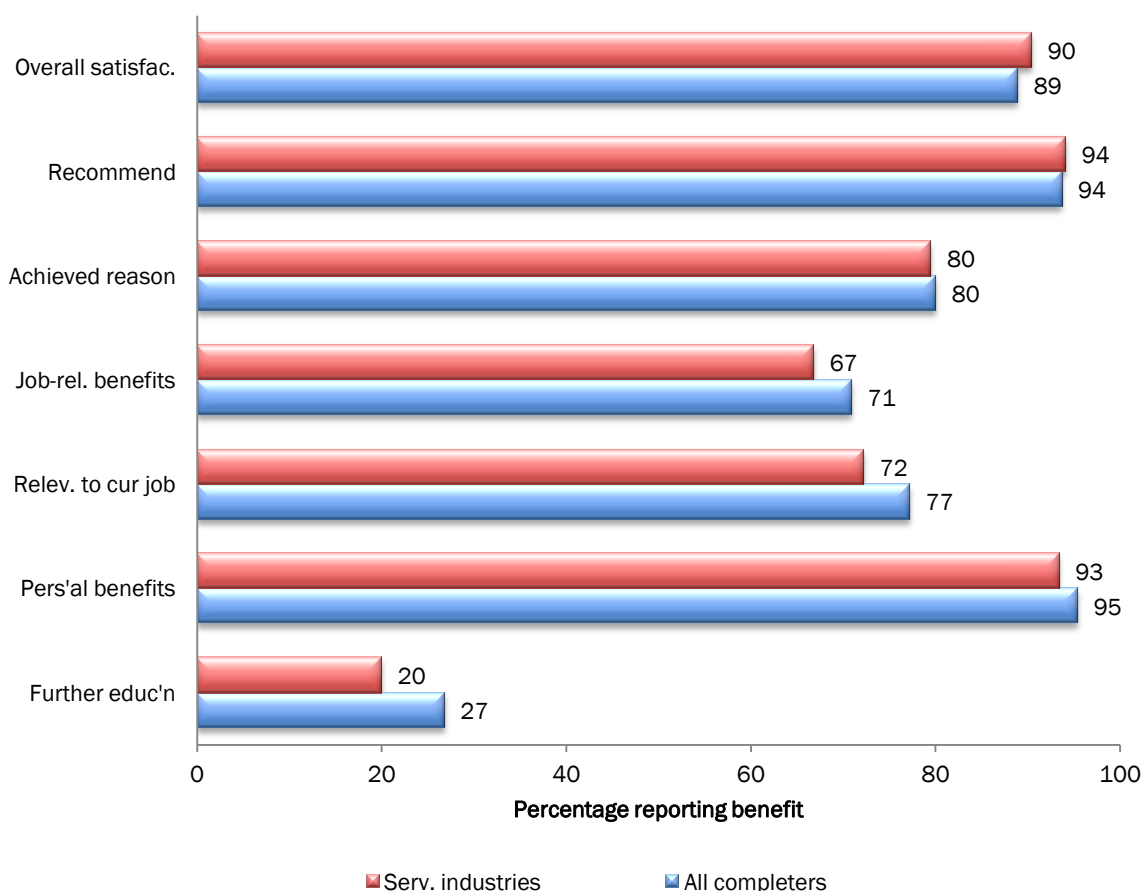
Figure 4.1 provides an overview of some of these measures by comparing the outcomes of all completers of training packages in the service industries with the corresponding outcomes for all completers. There is an overwhelmingly high level of satisfaction with the training (90%), with over 90% indicating that they would recommend their study to others and 80% reporting that they had achieved what they were wanting from their study. More impressively, 93% agreed that they had derived personal benefits from completing their course.

In comparison with other industries, the results show:

- those completing courses covered by the service industries are just as likely as those in other industries to be very satisfied with the quality of training:
 - similar percentage agreed or strongly agreed that, overall, they were satisfied with their course (90% for SSA courses compared to 89% for all courses).
 - same percentage (94% for SSA courses and 94% for all courses) would recommend their course to others.
 - same percentage (80%) after being asked their reason for enrolling, agreed that they had achieved that reason.
- the outcomes for all service industry course completers were slightly lower than for all completers for the percent who reported:
 - a job-related benefit (getting a job, change of job, promotion, etc.) as a result of completing their course.
 - that their training was highly or somewhat relevant to their current job.
 - a personal benefit (access to further study; improved skills; gained confidence; feeling of achievement; made new friends; etc.) as a result of completing their course.
 - reported gaining access to further study as a result of completing their course.

While there were small differences in the reported job-related and personal benefits between completers of SSA courses and those for all courses, more importantly graduates with service industry qualifications were just as likely to judge the outcome of their course as positively as were other graduates, with 80% reporting that they had achieved their reason for study. Given the lower average qualification levels of service industry graduates (the higher proportion of Certificate IIs and lower proportions of Certificate IVs and Diploma or higher qualifications), the relative outcomes are really quite strong.

Figure 4.1 Selected benefits for service industry course completers and all completers: Australia, 2009



NCVER's *Student Outcomes Survey*, 2009. See Section 2—*Student Outcomes Survey*, Table 3. Several benefits with very low responses omitted. Multiple responses permitted.

SSA training courses promote improvements in core skills acquisition

The *Destinations Survey for the service industries* produced similar positive outcomes. Some 83% of *Retail* graduates and 85% of *Hospitality* graduates agreed that at least one of the skills in the Australian Core Skills Framework—reading skills; confidence in writing; learning new things; communicating better with others; and mathematical skills— had improved as a result of their course.

Students are very satisfied with the quality of training

High proportions of graduates were satisfied with the quality of various teaching and learning elements of their course:



	Retail	Hospitality
	%	%
Overall satisfaction	97	94
The course materials provided (e.g. books, workbooks online resources)	94	83
The teaching style of the teachers and trainers	93	88
The knowledge of the course teachers and trainers	95	92
The cost of the course	94	73
The location of the training	96	94
The topics covered in this course	94	87
The assessment of my skills and learning	95	87

Over 90% of graduates were *Satisfied* or *Very satisfied* with all aspects of their retail course and overall. Graduates were slightly less satisfied with some aspects of *Hospitality* courses, particularly with the *cost of the course*. This reflects the often substantially higher fees paid by international students, which was identified in the CRES survey of retail and hospitality graduates (see Stage 3 Report). Nevertheless, 94% were satisfied with their course overall.

The benefits of training are consistent across SSA courses

The NCVER destination surveys also allow an assessment of differences in outcomes among service industry courses. The Student Outcomes Survey (Table 4.1) reveals some variation, but the differences are mostly small and the results are quite consistent across courses:

- *Hairdressing* graduates had above-average results for job-related and personal benefits from their training, as well as the relevance of their training to their current job and entry to further education.



Table 4.1 Selected benefits for service industry course completers and all completers, by industry area: Australia, 2009

	<i>Further education</i>	<i>Personal benefits</i>	<i>Relevance to current job</i>	<i>Job-related benefits</i>	<i>Achieved reason for study</i>	<i>Recommend to others</i>	<i>Overall satisfaction</i>
All service industries	20	93	67	67	80	94	90
Beauty	38	100	76	76	73	93	91
Hairdressing	33	98	81	81	79	95	88
Hospitality	14	91	67	67	81	94	91
Retail	19	95	66	66	79	94	89
Sports	32	95	63	63	83	97	93
Tourism	24	96	59	59	64	90	90
All completers	27	95	71	71	80	94	89

Source: NCVER's *Student Outcomes Survey*, 2009. See *Section 2—Student Outcomes Survey*, Table 3. Several benefits with very low responses omitted. Multiple responses permitted.

- Graduates of courses in *Beauty* had positive outcomes similar to those of *Hairdressing* graduates, but scored somewhat lower-than-average on the percent of course completers who reported that they had achieved their goal.
- People who completed courses in *Hospitality* had about average outcomes for all measures apart from entry to further education, which was markedly lower than for other service industry segments.
- Graduates of courses in *Sport, fitness & recreation* have mixed outcome measures—slightly higher than average for being willing to *Recommend their course to others*, for having achieved their reason for enrolling and for access to further education, but markedly lower on *job-related benefits* and the *relevance of their training to their current job*. The poorer job-related benefits point towards training that is possibly unrelated to their main job but may be more oriented towards voluntary or near-voluntary activities in the field of community recreation and sports.
- People who complete service industry courses in *Retail* have about average results for most measures apart from slightly lower levels of job-related benefits and relevance of training to their current job and markedly lower levels of access to further education as a result of their course.
- *Tourism* graduates fared worse on most of these outcomes and had especially low levels of achieving their reason for enrolling, job-related benefits and the relevance of their training to their current job. They had near-average outcomes for personal benefits and access to further education.



The benefits of training apply across levels of certificates

Table 4.2 presents graduates perceived benefits of training by level of certificate. The results compare figures for SSA courses against those for all graduates.

Most graduates report a high level of satisfaction with the benefits they achieved from their training, so much so that the vast majority report that they would recommend the course they did to others. This endorsement from graduates applies across the different qualification or certificate levels. For SSA courses, 90.4% report overall satisfaction with the benefits of their course, but it is even higher for those doing Certificate Level 1 and 2 courses—92.2% of those doing SSA courses reported being satisfied overall with the benefits of the courses they did. Over 95% of graduates of SSA courses at Level 1 and 2 reported that they would recommend the course to others. Similarly, at all certificate levels, over 90% of graduates report that they gained personal benefits from the course they completed—for SSA graduates, 93.4% across all courses, 92.7% for those at Certificate Levels 1 & 2, 94% for those completing a certificate at Levels 3 or 4, and 94.4% for those at diploma level or above.

Table 4.2 Selected benefits for service industry course completers and all completers, by level of study: Australia, 2009

	Overall satisfaction	Recommend to others	Achieved reason	Job-related benefits	Relevant to current job	Personal benefits	Further education
All courses							
All	88.9	93.7	80.0	70.9	77.2	95.4	26.8
SSA	90.4	94.1	79.5	66.8	72.2	93.4	20.0
Certificate 1&2							
All	90.5	94.3	78.0	62.7	66.6	94.7	24.8
SSA	92.2	95.2	78.1	63.3	67.0	92.7	20.0
Certificate 3&4							
All	88.7	93.8	81.9	74.2	81.0	95.3	25.9
SSA	89.7	93.8	81.9	69.9	76.9	94.0	18.6
Diploma & above							
All	86.0	91.7	75.6	71.3	79.5	97.8	36.3
SSA	83.0	90.2	73.4	67.3	71.6	94.4	28.5

Source: NCVER's *Student Outcomes Survey*, 2009. See Section 2—*Student Outcomes Survey*, Table 3.
Several benefits with very low responses omitted. Multiple responses permitted.

Some studies in the returns to qualifications literature suggest that Certificate courses at lower levels do not deliver measurable gains on earnings or employment. However, graduates of SSA courses at these levels are highly satisfied with the benefits they gained from completing the course (92.2%), would recommend it to others (95.2%), and at the same rate for all courses

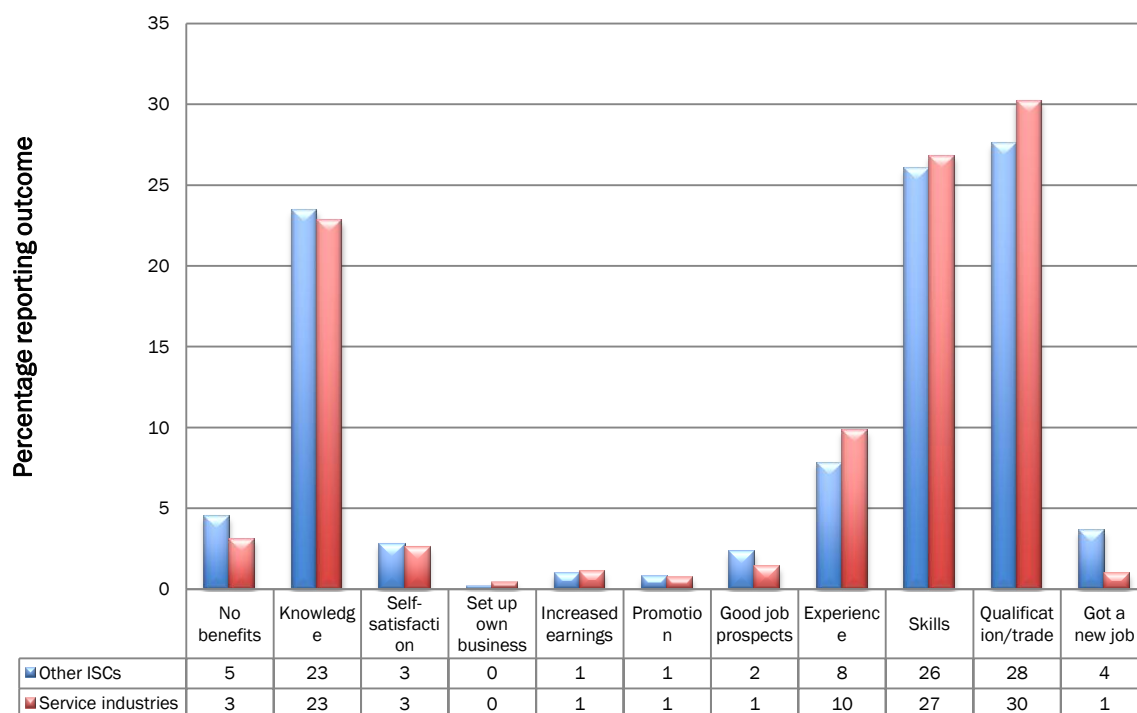


reported it as leading to further study (20%). Graduates were less positive about job-related benefits (63.3%) and the relevance to their current job (67%), but most reported that they had achieved what they aimed to get from the study (78.1%).

There are important benefits to completing apprenticeships and traineeships in service industries

Figure 4.2 uses data from the *Apprentices and Trainees Destination Survey* to show the distribution of main benefits reported by completers of apprenticeships and traineeships for service industry qualifications and those completing apprenticeships and traineeships in other industries. The use of main benefit rather than multiple benefits means that the frequencies are generally lower than in Figure 4.2. It also means that care needs to be taken about displacement of one reason by another. For instance, high responses to *I got a qualification or trade* could displace other responses such as increased earnings, making interpretation less straightforward.

Figure 4.2 Main benefits for service industry apprenticeship and traineeship completers and other apprenticeship and traineeship completers: Australia, 2010



Source: NCVER's *Apprentices and trainees destination survey*, 2010. See Section 3—*Apprentices and trainees destination survey*, Table 4. Several benefits with very low responses omitted. Values rounded to nearest whole number.

Most apprentices and trainees report that the main benefit of completing an apprenticeship or traineeship in the service industries is obtaining a qualification or trade tied to a specific occupation (28%). A similar proportion also reported obtaining new skills (26%) and learning new knowledge (23%) as main benefits. Few apprentices and trainees reported no benefit.



The results are consistent with other industry areas.

Results for *Hairdressers, Bakers, chefs and cooks, Other hospitality* and *Retail* were identified separately in the analyses of the survey. The results are presented in Table 4.3.

Table 4.3 Main benefits for service industry apprenticeship and traineeship completers, by industry area: Australia, 2009 (%)

	<i>All service industries</i>	<i>Hairdressing</i>	<i>Cooking</i>	<i>Other hospitality</i>	<i>Retail & wholesale</i>	<i>Other ISCs</i>
Got a new job	1	1	4	2	1	4
Qualification/trade	30	48	33	30	29	28
Skills	27	29	30	21	31	26
Experience	10	6	13	12	9	8
Good job prospects	1	2	4	1	1	2
Promotion	1	1	0	0	1	1
Increased earnings	1	2	5	2	0	1
Set up own bus.	0	3	0	1	0	0
Self-satisfaction	3	2	3	3	2	3
Knowledge	23	5	8	26	23	23
No benefits	3	1	0	4	4	5
Total	86	96	92	84	89	89

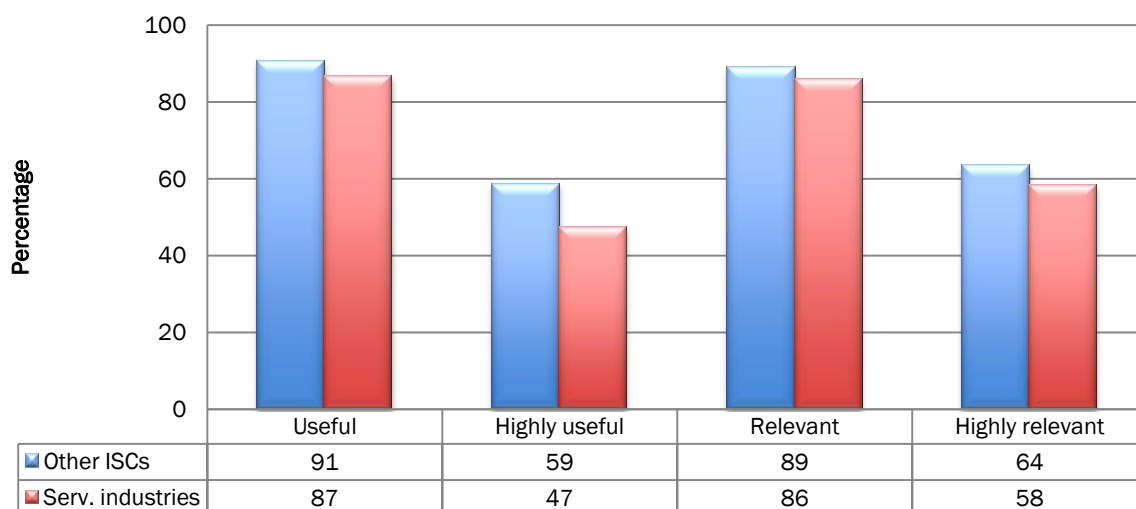
Against a background of overall similarity, there were several notable differences in reported benefits of training across these categories. Apprentices and trainees who completed courses in *Hairdressing* were more likely to report *Obtaining a qualification or a trade* as the main benefit, while *Other hospitality* and *Retail* graduates were more likely to report *Gaining knowledge* as a benefit. It highlights the fact that those entering particular areas of training, such as hairdressing, do so to work in a specific type of work, but many also see the gaining of skills and experience as major benefits, irrespective of the specific trade.

Relevance of training to current job varies by industry area

Apprentices and trainees were asked separately about the relevance of their course to their current job as well as the usefulness of the skills they learned to their current job. The results are shown in Figure 4.3 for completers in service industry and other ISC courses. Those who completed apprenticeship or traineeships in service industries reported a roughly similar level of relevance and usefulness of their training to the job they do or have, compared to those who did an apprenticeship or traineeship in another ISC industry.

Differences were larger, though, for those reporting that their training was ‘highly relevant’ or ‘highly useful’ to their current job. The largest difference is for the proportion responding *highly useful*. Nevertheless, the absolute levels of respondents reporting at least some relevance or usefulness of their course is quite high.

Figure 4.3 Relevance and usefulness of training, service industry apprenticeship and traineeship completers and other ISC apprenticeship and traineeship completers: Australia, 2010



Source: NCVER's *Apprentices and trainees destination survey*, 2010. See Section 3—*Apprentices and trainees destination survey*, Table 6.

Table 4.4 Relevance and usefulness of training, by industry area: apprenticeship and traineeship completers, Australia, 2010 (%)

	Highly relevant	Relevant	Highly useful	Useful
Service industries	58.2	85.9	47.4	86.7
Hairdressing	83.6	96.1	82.8	98.6
Cooking	88.6	92.4	71.9	92.4
Other hospitality	52.7	84.4	50.8	84.4
Retail & wholesale	54.4	88.8	39.1	89.8
Other ISCs	63.5	88.9	58.7	90.7

Source: NCVER's *Apprentices and trainees destination survey*, 2010. See Section 3—*Apprentices and trainees destination survey*, Table 6.



Relevance and usefulness to current job varies substantially by industry area (see Table 4.4). The level of perceived relevance and usefulness of training to current job for apprentices and trainees who completed a course that qualified them as a *Hairdresser* or *Baker, chef* or *cook* was substantially higher than other SSA industry areas and much higher than other ISCs.

Over 80% of those completing an apprenticeship or traineeship in hairdressing or as a chef, cook or baker viewed their training a highly relevant to their current job, and over 70% viewed it as highly useful. On this measure, the rates were lower for graduates of *Other hospitality* courses and retail and wholesale.



5. Job Mobility

Job mobility—across occupation, industry and employer—is an important consideration for training policy, the graduate and employers. The benefits of training for graduates and society overall are likely to be higher if graduates work in a job in which they can use their skills—and for apprentices and trainees this is likely to be in the same or similar occupation in the industry in which they did their training. The benefits of training for employers are (probably) higher if graduates stay with the same employer with whom they did their training. Conversely, the value of training is diminished if graduates move to jobs in which they are not able to use their skills.

High job mobility, particularly, where that mobility takes the graduate away from the occupation and industry for which their training was relevant, raises questions about the value of both public and private investment in the training. The slightly lower levels of relevance and usefulness of training for graduates with service industry qualifications reported in the previous chapter may reflect their higher occupational mobility as well as non-vocational motivations of some graduates (for instance, of recreation courses) and the failure of survey questions focused on the main job of the graduate to capture outcomes related to second jobs.

Initially many graduates remain in the same industry of training

Some of the characteristics of graduates of service industry qualifications—young people in particular—might be expected to predispose them to greater job mobility, as they enter the workforce, complete further study and begin careers. Figure 5.1 shows the extent to which people had the same occupation, industry and employer nine months or so after completing their apprenticeship or traineeship.

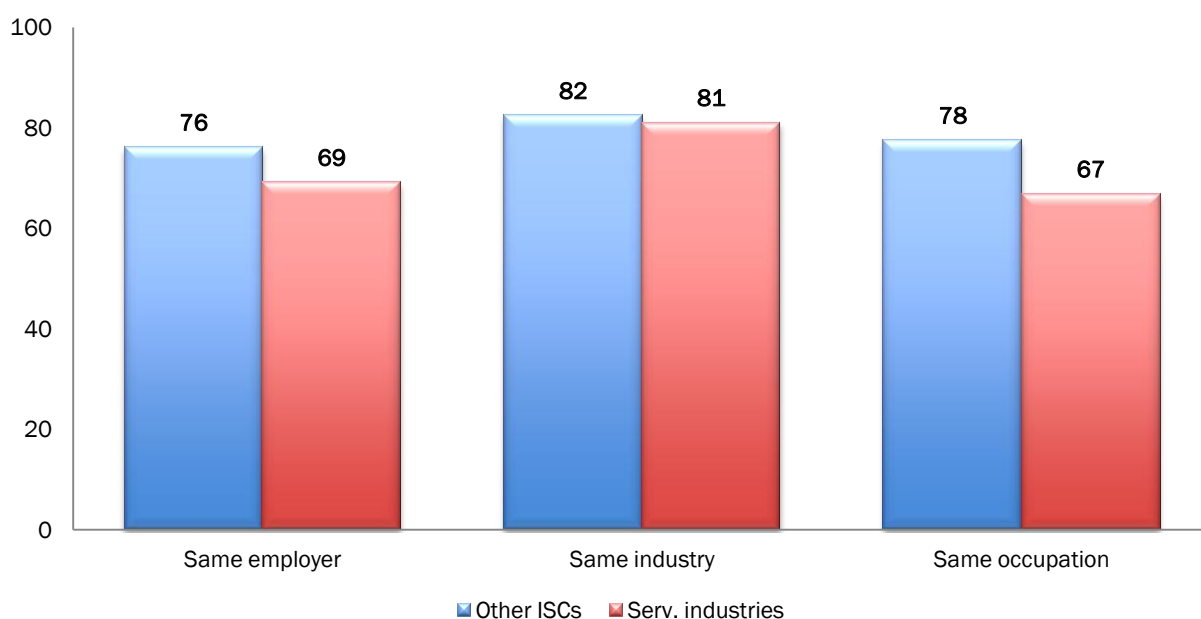
Estimates of mobility between occupations and industries depend on the level of detail used to record changes—broader occupation or industry categories will provide lower estimates of mobility than narrower categories. ‘Same occupation’ in Figure 5.1 results when an apprentice or trainee remains within the same four digit ANZSCO category while ‘Same industry’ results if the apprentice or trainee remains within the same two digit ANZSIC category. The measured level of mobility reported in that figure could be increased or reduced by using more broadly or narrowly defined categories.

Comparisons, however, are less subject to arbitrary definitions of mobility. Figure 5.1 shows apprentices and trainees in the service industries have greater job mobility in the first nine months or so after completing their course than apprentices or trainees who completed other courses—lower proportions were in the same occupation and with the same employer, although the proportion of service industry graduates employed in the same industry was similar to that of other apprentice and trainee completers. Within the service industries, however, there is substantial variation:

- *Hairdressers* have high levels of occupational (90%) and industry (94%) stability, but lower levels of employer stability (50%).
- *Cooks* have slightly higher-than-average levels of industry stability (87%), but lower-than-average levels of occupational stability (69%) and much lower levels of employer stability (39%).

- Graduates of *Other hospitality* courses have lower-than-average levels of occupational stability (70%) but about average levels of industry stability (82%) and employer stability (75%).
- *Retail* graduates have lower-than-average levels of occupational stability (64%) but about average levels of industry (81%) and employer (76%) stability.

Figure 5.1 Occupation, industry and employer change by service industry and other apprenticeship and traineeship completers, Australia, 2010



Source: NCVER's *Apprentices and trainees destination survey*, 2010. See Section 3—*Apprentices and trainees destination survey*, Table 6.

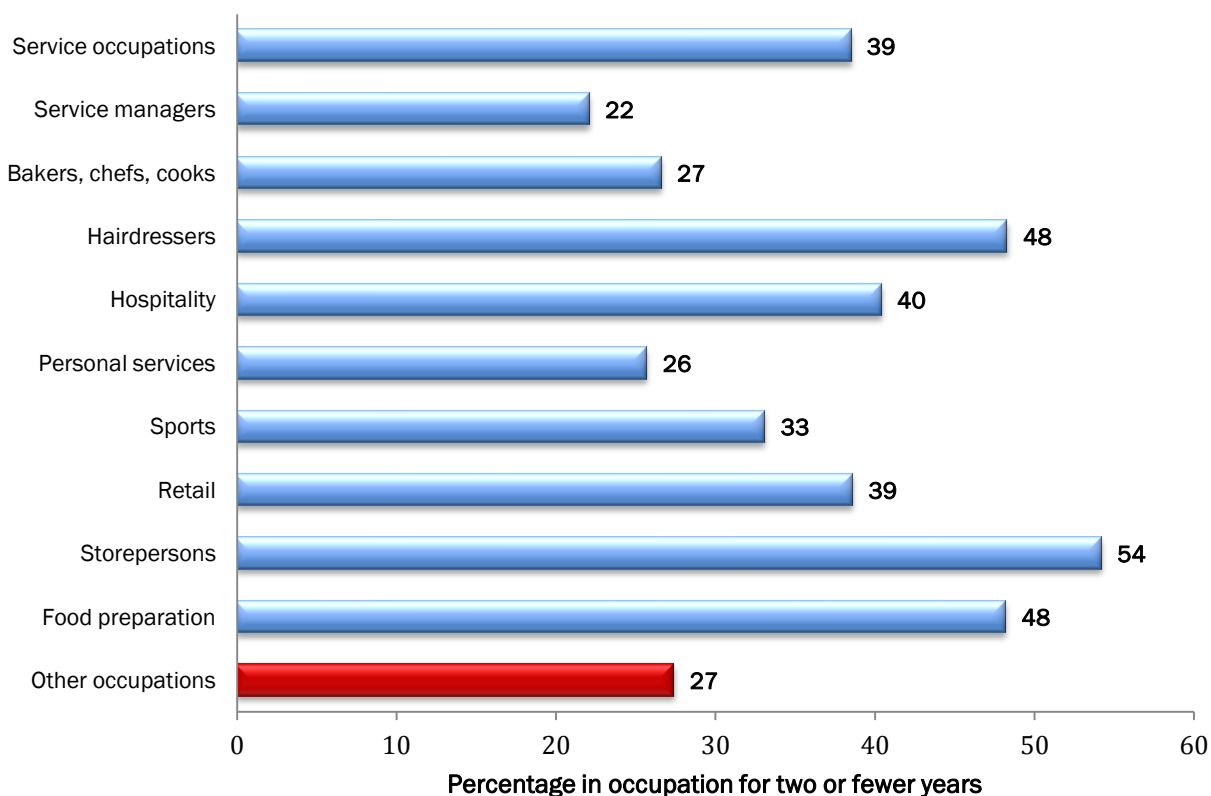


A related study based on the 2007 *Apprentice and trainee destination survey* examined the correspondence between the occupation of the graduate's training and their occupation at the time of interview some nine months later. The correspondence is lower for some categories of service industry training—*Hospitality, Sport and recreation* and *Personal services* worker. The apparently higher initial mobility of graduates of service industry courses probably explains the lower proportions of service industry graduates who reported that their training was *highly relevant* or *very useful* some nine months after completing their course.

Training in SSA courses supports job mobility and re-employment

The HILDA survey provides information about the number of years in which people had worked in their current occupation. Although workers in an occupation are not the same as people with occupational-specific qualifications, the results in Figure 5.2 point to higher levels of occupational mobility in service industry occupations—39% of workers in service industry occupations have been in their occupation for two years or less compared with only 27% in other occupations. *Storepersons* (54%), *Hairdressers* (48%) and people working in *Food preparation* (48%) appear to have the lowest duration of occupation, while *Service managers* (22%) and people working in *Personal services* (26%) have the highest duration.

Figure 5.2 Percent in occupation for two or fewer years by selected occupations: Australia, 2009



Source: HILDA survey 2009. See *HILDA analyses*, Table 6.



The panel structure of the HILDA survey allows the occupational mobility of its participants to be mapped over time. Comparing the occupations of panel members in 2004 with their occupations in 2009 showed several important results:

- The service occupations are a pathway into employment for the unemployed and those not in the labour force. Respondents who were unemployed in 2004 and were working in 2009 were more likely to have found that work in service occupations. Service workers were 8% of all respondents in 2009, but accounted for 13% of all the respondents who were unemployed in 2004 but employed in 2009. Similarly panel members who were not in the labour force in 2004 but were employed in 2009 were disproportionately more likely to have found that work in a service industry occupation.
- Only about one in ten workers in Food preparation jobs in 2004 were working in Food preparation jobs in 2009—a high level of occupational mobility. Some of this movement was associated with pathways into related occupations—*Service managers* and *Bakers, chefs and cooks*,
- A surprisingly high proportion (67%) of panel members who were *Hairdressers* in 2004 were also *Hairdressers* in 2009, a result that is not consistent with other findings of high occupational mobility among hairdressers.

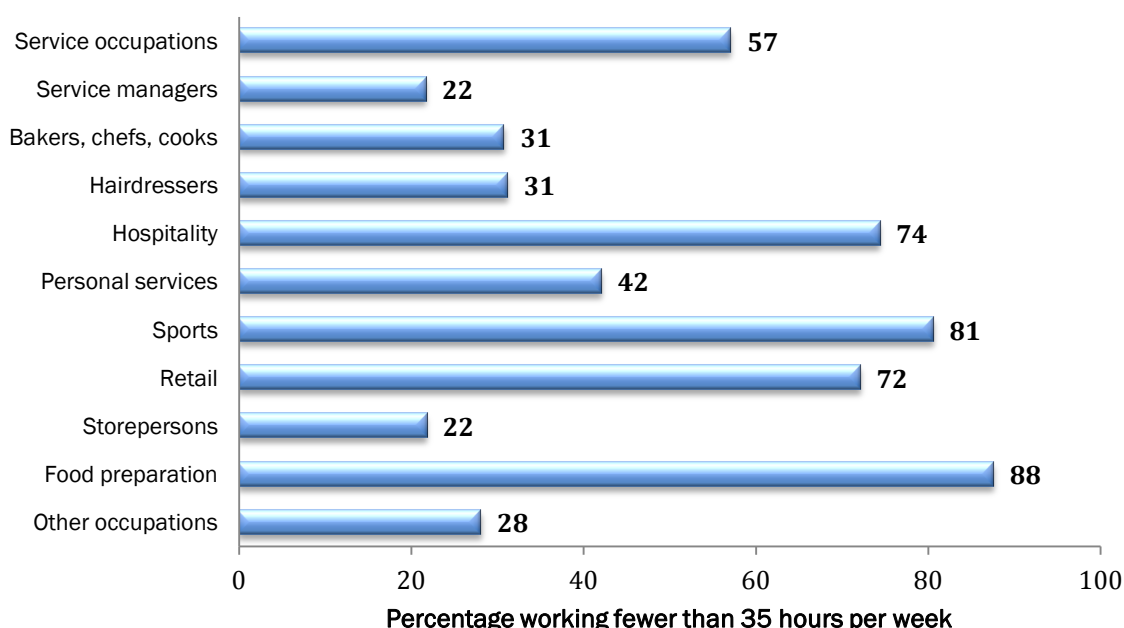
6. Employment

Employment is a central concern of VET and of people completing service industry qualifications—more than one in five enrolled in order to get a job (Figure 5.4). When added to the various job-related reasons for enrolling provided by course completers, employment-related concerns dominate enrolment decisions. Much of the focus on outcomes from education and training is on differences in earnings—but even small differences in employment levels can sometimes produce more important changes in overall benefits.

Part-time work a key feature of employment in the service industries

Service industry occupations are characterised by relatively high levels of part-time work—57% compared with 28% for other occupations (see Figure 6.1). The level of part-time work, however, varies across particular occupations. It is particularly high in *Food preparation* (88%), *Sports* (81%), *Hospitality* (74%) and *Retail* (72%) but modest for *Bakers, chef and cooks* (31%) and *Hairdressers* (31%) and lower still among *Service managers* (22%). It would be surprising, then, if education and training qualifications for occupations with high levels of part-time employment were associated with high levels of full-time work—and high levels of part-time employment almost invariably lead to estimates of lower economic returns for training for these occupations.

Figure 6.1 Percentage working part-time by selected occupations, employed persons: Australia, 2009



HILDA survey 2009. See *HILDA analyses*, Table 4. Part-time is defined as fewer than 35 hours per week.

In population studies based on the HILDA survey and ABS data collections, estimates of the employment effects of education and training vary substantially by sex and level of qualification. The results, while mostly positive for VET qualifications overall, are patchy and usually stronger for comparisons with school non-completers than completers.



Similarly, youth transition studies based on LSAY report positive effects of VET qualifications on levels of full-time employment, although outcomes vary with the level of qualification. Some of these studies have highlighted the positive outcomes from apprenticeships and traineeships and of VET overall for the employment of young people.

Few population studies distinguish qualifications by the field of education and then only at a highly aggregated level, so that the categories are unable to distinguish service industry qualifications. A study that identified *Business and administration* qualifications (including *Retail and wholesale*) found that it had the highest probability of full-time employment for males and among the highest for females. On the other hand, graduates with qualifications in *Society and culture* (including *Recreation*) and *Miscellaneous* (including *Hospitality and personal services*) had among the lowest levels of full-time employment for both males and females.

Training supports employment for graduates

Initial employment outcomes for graduates with service industry qualifications are similar to the average for all VET graduates. Published results from the 2010 *Student outcomes survey* show only slightly lower level of overall employment six months or so after graduation for graduates with service industry qualifications (74% compared with an average of 76%). Similarly among graduates who did not have a job before their course, 42% of service industry graduates were employed six months after course completion compared with 43% overall. The employment gain (the difference between gross employment levels before and after training) among graduates with service industry qualifications was 2%, compared with the average of 4%.

The report of the 2010 *Apprentices and trainees destination survey* provides post training employment levels for two categories of workers that provide a partial correspondence to service industry graduates—*Community and personal service workers* and *Sales workers*. Post training employment levels for *Community and personal service workers* (90.8%) are similar to those of other categories of workers, but employment levels for *Sales workers* are lower (84.5%). Part-time work is substantially higher than the overall average (20.7%) for both occupation categories (41.0% and 41.2%).

Table 6.1 shows estimates from the 2006 Census of population and housing of the employment levels of males and females whose highest qualification is a Certificate III or IV, which is the category with the most graduates. Results for other qualification levels are available in the supporting documents.



Table 6.1 Standardised mean employment levels by sex and selected fields of education, persons with a Certificate III or IV: Australia, 2006

	Males			Females		
	Full-time employment	Part-time employment	All employment	Full-time employment	Part-time employment	All employment
<i>All Certificate III or IV</i>	76	9	90	39	33	77
<i>No post school qualification</i>	60	12	77	29	29	62
<i>Hospitality</i>	65	15	85	37	32	73
<i>Food & beverage service</i>	56	16	78	31	29	65
<i>Baking & pastry-making</i>	74	10	89	45	25	74
<i>Cookery</i>	70	12	87	43	27	75
<i>Beauty</i>	45	20	70	31	34	69
<i>Hairdressing</i>	68	14	86	35	33	72
<i>Sport & recreation</i>	59	22	86	32	48	84
<i>Hospitality management</i>	69	11	84	44	28	76
<i>Sales</i>	80	8	92	48	31	85
<i>Tourism</i>	61	16	85	45	29	78

Source: ABS 2006 *Census of population and housing*. See Section 5—*Census of population and housing*, Tables 5 and 6. Values have been standardised to the age and school attainment (Year 12/not Year 12) distribution of females with a Certificate III/IV. *All employment* includes some persons who could not be classified as working either full or part-time.

Most of the categories correspond to service industry qualifications with the exceptions of *All Certificate III and IV* and *No post school qualification*, which are provided for comparison. The estimates are standardised across categories for age and school attainment to remove any differences in employment levels associated with these characteristics. Because the results are based on a person's highest qualification, they are for a subset of Certificate III and IV graduates—those who have not obtained a higher qualification.

Employment outcomes linked to attainment vary by industry area

Employment levels of males with a Certificate III or IV (90%) are higher than the employment levels of males with no post school qualifications (77%). The employment levels for the various service industry qualifications mostly lie between these two values, apart from the relatively low level of employment for the small number of males with qualifications in *Beauty* (70%) and the relatively high value for males with qualifications in *Sales* (92%). While on average the employment levels of industry skill qualification categories are less than the average for all males with a Certificate III or IV, the differences are mostly small—apart from males with qualifications in *Beauty*, only *Food and beverage service* (78%) seems to have no employment premium.

The pattern is similar, though perhaps less pronounced, for *Full-time employment*. Again there is a clear difference in full-time employment between males with a Certificate III or IV (76%) and males without a post school qualification (60%). Levels of full-time employment for males with service industry qualifications are higher than those of males without any post school qualifications. *Beauty* (45%), *Food and beverage service* (56%) and *Sport and recreation* (59%) are exceptions.



The level of part-time employment is, however, stronger for these three qualifications, especially *Sports and recreation*. The level of full-time employment for *Sales* (80%) is relatively strong and above the average for all males with a Certificate III or IV.

Female employment in service industries linked to training qualifications is comparatively strong

The employment differences for females in the service industries are stronger than for males. As for males, females with a Certificate III or IV have higher levels of employment (77%) than females without a post school qualification (62%), but employment in all the service industry qualification categories is higher than for females without a post school qualification. Employment levels for females with a Certificate III or IV in *Sales* (85%) and *Sport and recreation* (84%) are higher than the overall average, higher than for many of the other qualification categories, and substantially higher than for females without any post school qualifications.

The pattern is possibly even stronger for full-time employment. The average level of full-time employment for females whose highest qualification is a Certificate III or IV is 39% compared with only 29% for females without a post school qualification. Many of the categories of service industry qualifications have levels of full-time employment higher than the average for females with a Certificate III or IV—*Sales* (48%), *Tourism* (45%), *Baking and pastry-making* (45%), *Hospitality management* (44%) and *Cookery* (43%). All of the remaining categories of service industry qualifications have levels of full-time employment higher than that of females without any post school qualifications.



7. Earnings

Levels of employment are one of the two major financial benefits from obtaining an education and training qualification. The second is the earnings that an individual receives by virtue of that employment. While higher levels of employment and higher earnings are often related, they can also be somewhat independent. An individual can benefit materially from their education and training from either or both sources.

The words *low paying* frequently precede *service jobs* whenever they are mentioned in the media—and, on average, there is some truth to this. While in many occupations it is possible to find high-paying individuals—chefs and hairdressers who are very well paid—the analyses here focus on average returns.

Comparative earnings are complex because of the detail involved—the levels and fields of education and training, the occupations and the differing characteristics of people across the levels and fields of education. Results for males and females are usually measured separately because of the different labour markets. Sample constraints often mean that detailed analysis is either omitted or estimates have larger than desirable relative standard error.

The literature review considered four recent population-level studies of earnings and education. Although results varied somewhat with the data source and the statistical methodologies, these studies suggested that at the general level, controlling for many personal and background characteristics:

- A *diploma or advanced diploma* provides earning benefits compared with school non-completers and school completers for both males and females.
- A *Certificate III or IV* provides earning benefits compared with school non-completers but possibly not when compared with school completers for both males and females.
- A *Certificate I or II* may provide small earning benefits compared with school non-completers, but there may be no benefits compared with Year 12 completers for both males and females.

One of these studies included three highly aggregated fields of education (business, engineering and other—with graduates of service industries courses in both Business and Other, but probably a minority in both) and found some positive labour market effects (including employment effects) for all three fields of study compared with early school leavers, especially for diploma or higher qualifications, but also for Certificate III and IV. Results for Certificate I and II were less clear.

Earnings linked to qualifications vary by service industry area

The ABS 2006 *Census of population and housing* provides the opportunity to examine people's gross weekly income by the level and field of their highest qualification. While *income* isn't the same as *earnings*, it is probably a reasonable guide to the financial outcomes from education and training. *Highest educational qualification*, however, doesn't reflect the outcomes of all people with a service industry qualification. Instead it reflects the outcomes only of those people who did not obtain a higher education qualification or a higher VET qualification in another field of education. Given the relative youth of people who complete industry skill qualifications, this is an important caveat.



Nevertheless, the outcomes for those who don't go onto further study are interesting in their own right. Population profiles, such as those provided by the Census, include many individuals who completed their education and training many decades ago.

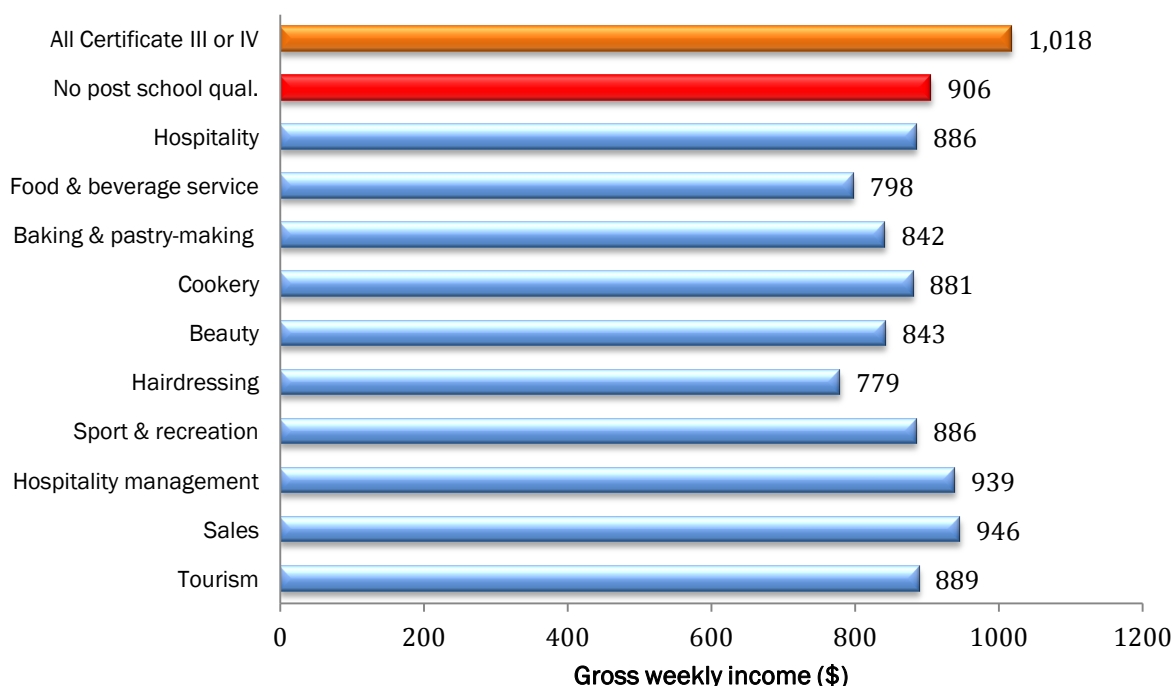
Figures 12, 13 and 14 all show standardised estimates of the mean weekly income of people with a Certificate III or IV overall and by field of education for service industry courses and for persons without any school qualifications. The figures are for males in full-time employment, females in full-time employment and females in part-time employment respectively. Certificate III or IV is the largest qualification category for completers of service industry qualifications. Details for other broad qualification categories are available in the supporting documentation.

The values are standardised to the overall age and school attainment (Year 12/not Year 12) distribution of the scope of each table to remove the effects of age and schooling on earnings and any characteristics strongly related to these. The standardisation mostly increases the estimates for all service industry estimates as well as for persons without any post school qualifications.

The standardised estimates of the mean weekly gross income of males with a Certificate III or IV in a service industry course and in full-time employment are below the average of all males with a Certificate III or IV and in full-time employment (\$1,018) for all the fields of education identified in Figure 7.1. Indeed only workers with qualifications in *Hospitality management* (\$939) and *Sales* (\$946) have standardised mean weekly incomes higher than those of full-time workers with no post school qualifications.

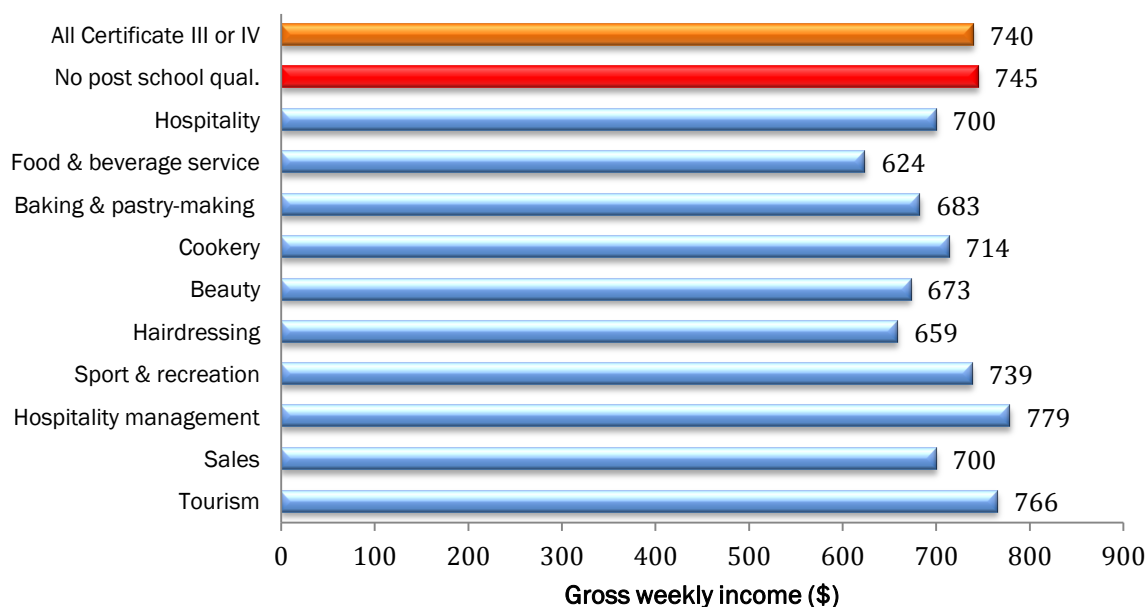
The standardised mean weekly gross incomes of females in full-time employment show a slightly different pattern (Figure 7.2). There appears, on average, to be no income advantage for females with a Certificate III or IV (\$740) compared with females without any post school qualifications (\$745). Some of the service industry qualifications have incomes below the average, with the exception of *Tourism* (\$766), *Hospitality management* (\$779) and *Sports and recreation* (\$739).

Figure 7.1 Adjusted mean gross weekly income by selected fields of education, males in full-time employment with a Certificate III or IV: Australia, 2006



Source: ABS 2006 Census of population and housing. See Section 5—Census of population and housing, Table 9. Values have been standardised to the age and school attainment (Year 12/not Year 12) distribution of males with a Certificate III/IV.

Figure 7.2 Adjusted mean gross weekly income by selected fields of education, females in full-time employment with a Certificate III or IV: Australia, 2006

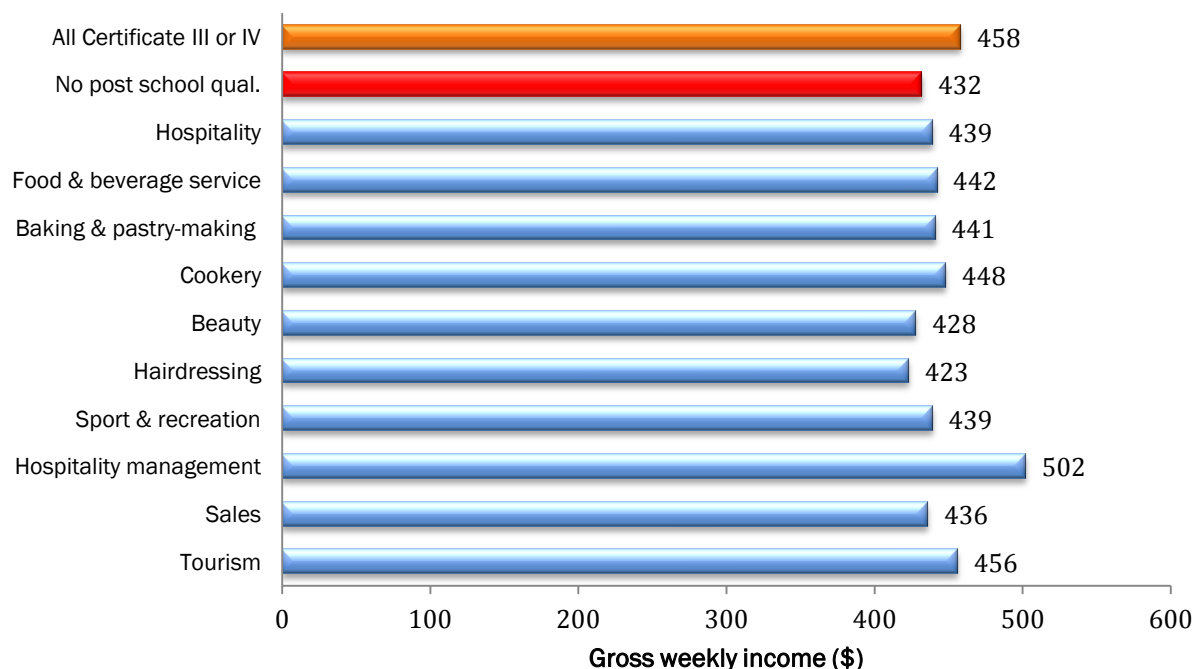


Source: ABS 2006 Census of population and housing. See Section 5—Census of population and housing, Table 10. Values have been standardised to the age and school attainment (Year 12/not Year 12) distribution of females with a Certificate III/IV.



Consistent with some other analyses, the incomes of females with a Certificate III or IV working part-time work are relatively stronger than for full-time employment with the overall average weekly income (\$458) somewhat higher than females without any qualifications and working part-time (\$432) (Figure 7.3). The average incomes of females with service industry Certificate III or IV qualifications are mostly higher than those of females in part-time employment and with no post school qualification. The differences, however, are not large, with the mean incomes of Beauty (\$428) and *Hairdressing* (\$423) graduates with a Certificate III or IV still very slight less than the incomes of females without post school qualifications and working part-time. Only the incomes of female part-time workers with qualifications in *Hospitality management* (\$502) exceed the average for all females with a Certificate III or IV working part-time while the incomes of those with Tourism qualifications (\$456) are close to this average.

Figure 7.3 Adjusted mean gross weekly income by selected fields of education, females in part-time employment with a Certificate III or IV: Australia, 2006



Source: ABS 2006 Census of population and housing. See *Section 5—Census of population and housing*, Table 10. Values have been standardised to the age and school attainment (Year 12/not Year 12) distribution of females with a Certificate III/IV.

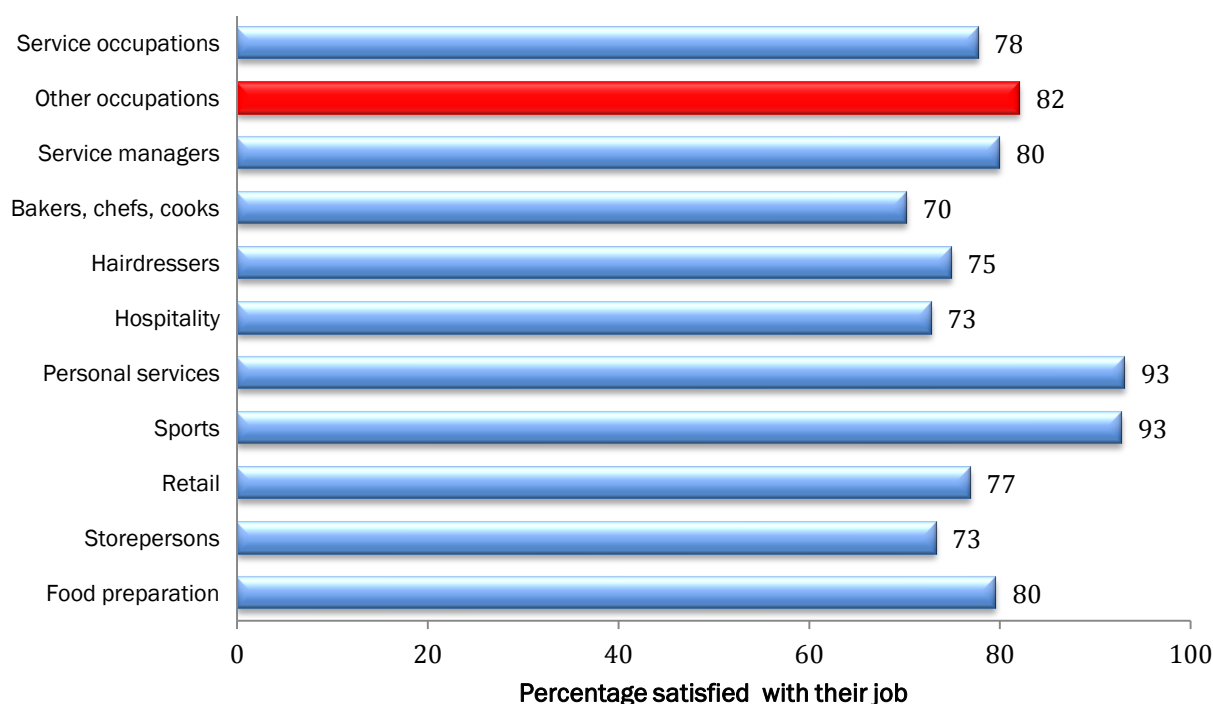
8. Job Satisfaction

Level of job satisfaction for graduates in the service industries is high

Workers in service industry occupations record a similar level of job satisfaction with workers in workers in other jobs. Figure 8.1 shows the responses of participants in the 2009 HILDA survey to the question ‘*All things considered, how satisfied are you with your job?*’ Responses were from 0 (totally dissatisfied) to 10 (totally satisfied) and the values in Figure 15 are the percent who responded with a seven or higher.

The extent to which people working in service industry occupations are satisfied with their job is not the same as the extent to which people who have obtained a qualification in the service industries are satisfied with their jobs—as described earlier, some people with qualifications in the service industries do not work in those industries while some people working in service industry occupations will have no qualifications or qualification relevant to other ISCs. Nevertheless the extent to which people are satisfied with their work can help to understand why people may seek to work in those jobs or seek jobs elsewhere.

Figure 8.1 Satisfaction with job overall by selected occupations, Australia, 2009



Source: HILDA survey 2009. *Satisfied* is a response of between 7 and 10 on an integer scale from 0 (totally dissatisfied) to 10 (totally satisfied). See *HILDA analyses*, Table 6.



Perhaps contrary to popular views, people in general, appear to be reasonably satisfied with their jobs. People working in the service industry occupations (78%) were only slightly less likely than people working in other occupations (82%) to be satisfied with their job. Figure 8.1 also shows the variation in overall job satisfaction across the service industry occupations. Overall job satisfaction is higher for people working in personal services (beauty therapists, funeral workers, gallery, museum & tour guides, tourism & travel advisers, among others) (93%) and sports (fitness instructors, outdoor adventure guides, sports coaches, instructors and officials and sportspersons) (93%), but lower for people employed as bakers, chefs or cooks (70%) or in hospitality (bar attendants & baristas, cafe workers and waiters, among others) (73%).

The same survey asked respondents about their satisfaction with specific aspects of their job. The pattern of responses to these questions provides some insight into the details that underlie levels of overall job satisfaction. Compared with people in other jobs, workers in service industry occupations were, on average:

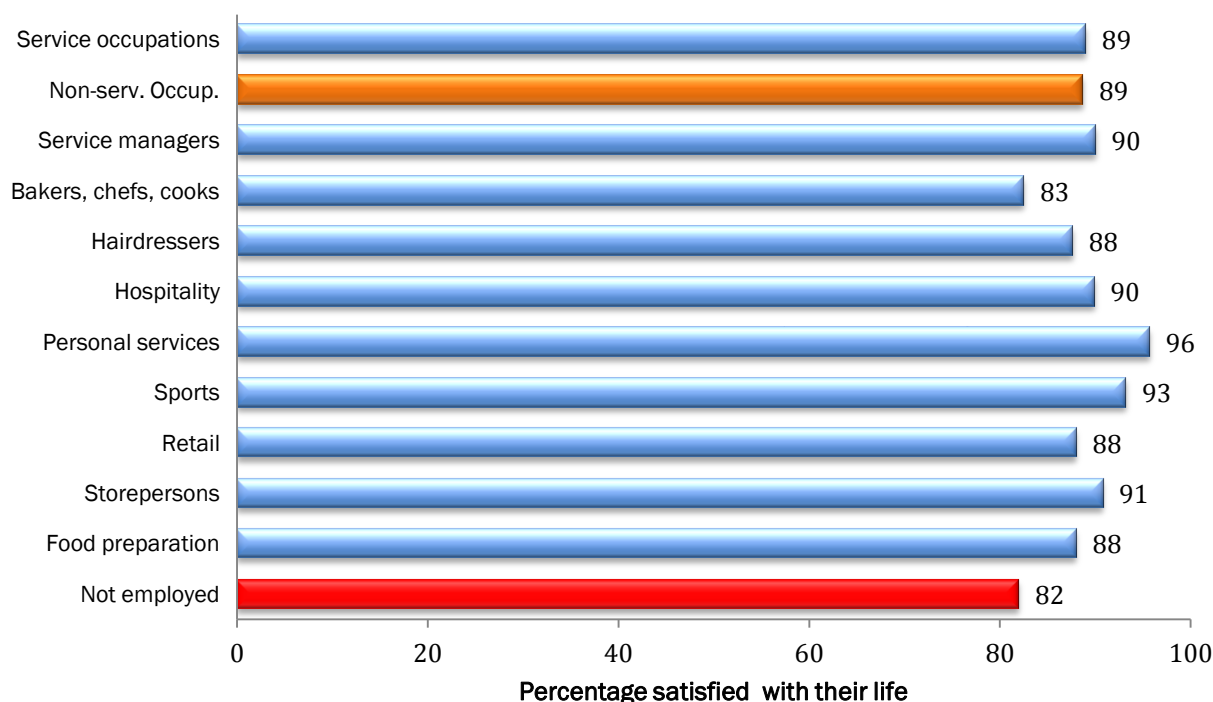
- ▶ slightly more satisfied with their *job security* (84% compared with 80%), possibly because job security is less important to these workers—42% compared with 23% reported a 50% or greater probability of leaving their job in the next 12 months.
- ▶ slightly less satisfied with *the flexibility their job gave them to balance their work and non-work commitments* (71% compared with 74%), despite part-time work being more common. This somewhat unexpected result may be because the work itself attracts people with more non-work commitments. The relatively low overall satisfaction of bakers, chefs and cooks with their job may be due to their very low level of satisfaction with the flexibility to meet other commitments permitted by their job (53%).
- ▶ slightly less satisfied with *the work itself* (75% compared with 79%), although workers in sports (96%), hairdressers (92%), workers in personal services (88%) and bakers, chefs and cooks (84%) reported high levels of satisfaction with the work they did. This satisfaction probably reflects personal interests and talents and may offset lower levels of remuneration.
- ▶ less satisfied with *their pay* (62% compared with 70%). Hairdressers stood out as having particularly low levels of satisfaction with their pay (54%).
- ▶ less satisfied with *their hours of work* (64% compared with 72%). The nature of the dissatisfaction is difficult to identify, but may be associated with the timing (hospitality workers (55%) have a particularly low level of satisfaction with their hours of work) or with the number of hours of work available (a higher than average percentage of service industry workers who are working part-time would like to work more hours).

9. Satisfaction with Life

Level of satisfaction with life is high among those in service industry occupations

The HILDA survey asks questions about participants' satisfaction with their lives—*All things considered, how satisfied are you with your life?* The values in Figure 9.1 show that the percent of persons employed in service industry occupations satisfied with their lives (89%) is the same as that of persons employed in other jobs (89%), and life satisfaction is lower for persons who are not employed (82%). As with the job satisfaction questions, *satisfied* corresponds to a response of seven or greater on a scale from 0 (totally dissatisfied) to 10 (totally satisfied). And as with the job satisfaction questions, while life satisfaction measures for persons employed in service industry occupations do not necessarily correspond perfectly with the same measures for persons completing service industry qualifications, they are nevertheless germane to the outcomes for that group.

Figure 9.1 Satisfaction with life, by selected occupations, Australia, 2009 (%)



Source: HILDA survey 2009. *Satisfied* is a response of between 7 and 10 on an integer scale from 0 (totally dissatisfied) to 10 (totally satisfied). See *HILDA analyses*, Table 8.

People appear to be more satisfied with their lives than with their jobs—or else they have lower expectations of their lives than their jobs. Figure 9.1 shows the level of overall life-satisfaction of persons working in the various service industry occupations. The extent of variation is fairly modest, possibly because there is little scope for substantially higher-than-average scores.



Nevertheless as for job-satisfaction, overall life-satisfaction is higher for people working in personal services (96%) and sports (93%), but lower for people employed as bakers, chefs or cooks (83%).

Respondents were asked about their satisfaction with specific aspects of their life. There was no difference between persons employed in service industry occupations and persons in other occupations for the majority of these aspects:

- the home in which they lived (85% compared with 83%).
- their employment opportunities (74% compared with 77%).
- how safe they felt (90% compared with 91%).
- feeling part of their local community (58% compared with 60%).
- their health (79% compared with 80%).
- the amount of free time they have (51% compared with 50%).

Workers in service industry occupations were, on average, less satisfied than workers in other occupations with:

- the neighbourhood in which they lived (82% and 86%)
- their financial situation (55% compared with 62%).

Satisfaction levels vary by service industry occupation

There was some variation across service industry occupations in the level of satisfaction of respondents with aspects of their lives. Compared with average satisfaction for all workers, people employed as:

- ▶ *service managers* were less likely to be satisfied with the amount of free time they had.
- ▶ *bakers, chefs and cooks* were less satisfied with many aspects of their lives—their employment opportunities, their financial situation, how safe they felt, their feeling of being part of the local community and the neighbourhood in which they lived, sentiments which might reflect the unsociable hours associated with this job.
- ▶ *hairdressers* had very mixed levels of satisfaction—more satisfied with their employment opportunities and connection with the local community, but less satisfied with their home, their financial situation, their feeling of safety, their health and the neighbourhood in which they lived.
- ▶ *hospitality workers* were more satisfied with their health, but less satisfied with their financial situation, employment opportunities, feeling part of the local community and the neighbourhood in which they lived.
- ▶ *personal service workers* were mostly more satisfied with aspects of their life—their home, employment opportunities, financial situation, being part of the local community and the amount of free time they had.
- ▶ *sports workers* were substantially more satisfied with their employment opportunities, connections with the local community, the neighbourhood in which they lived and the amount of free time they had, but less satisfied with their health, which may only reflect their higher aspiration for health and fitness.



- ▶ *retail workers* had similar levels of satisfaction with most aspects of their life, apart from somewhat lower levels of satisfaction with their financial situation and employment opportunities.
- ▶ as food preparation workers were particularly satisfied with the amount of free time they had, but were less satisfied with the neighbourhood in which they lived, their financial situation and employment opportunities and feeling part of the local community.