



Industry Skill Needs Report 2011

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Background

This paper cites industry intelligence from various sources in order to determine the industry change drivers and skills development needs for the sectors of business services and related industries, finance and property services. The information presented represents the views of the Business Skills Victoria (BSV) Board, often supported by external sources such as training and management literature, journals and newspaper articles.

Employment forecast

Access Economics notes that the finance and insurance, property and other general business services sector (often referred to as 'business services') has shown relatively fast growth over the past two decades to become one of Victoria's largest industries. Although Australia had a modest economic downturn in 2009 relative to the rest of the developed world, the impact of the Global Financial Crisis was still felt in the domestic finance sector, which in turn had a flow on impact to business services. Yet industry output and employment is recovering in 2010, and it is expected to continue to grow in line with stronger activity in the broader economy.¹

The aftermath of the crisis has seen governments consider the need to change financial regulation. The global banking sector will be affected by regulatory changes stemming from Basel III², although Australia's banks may be less affected as they are already well-capitalised. In addition, the Australian Government is intending to reform the provision of financial advice to retail investors, and the Cooper Review proposed default My Super products for individuals with the aim of lowering overall costs (which could be a negative for the superannuation industry). The proposed changes could lead to large scale change in the finance sector, particularly in the superannuation industry, potentially affecting industry training demands. Finance and insurance is recovering because the wider Australian economy is recovering. There are a couple of vital factors influencing the medium-term outlook for the sector in particular. One such development is the Federal government's decision to opt for an increase in the superannuation guarantee from 9% to 12% over the coming decade. While that lift in the superannuation guarantee will be slow, many families may respond by cutting other savings.³

Access Economics projects that Australia's economic recovery is continuing, although a 'the rollercoaster ride has not finished'. In part recovery is because we are more reliant on China than on anywhere else (and more reliant on China than we ever were on the United States). Eventually that may be detrimental to us, but for now the relative strength seen in both China and India means that the woes of much of the rest of the world are less important to us. There are rising domestic risks ahead too, with Australian consumers not yet embracing retail therapy with the same enthusiasm that they have shown in times past, while the recovery in housing construction is dragging its feet badly, and government stimulus spending is soon to recede as a growth driver. That makes the upswing in business investment spending now set to start absolutely vital to a broadening in Australia's recovery. Project such as the Gorgon are very important to our recovery.⁴

¹ Access Economics Industry Outlook, Victoria Business Services Industry, page 1.

² The draft Basel III regulations include:

- "tighter definitions of Common Equity; banks must hold 4.5% by January 2015, then a further 2.5%, totalling 7%.^[4]
- the introduction of a leverage ratio,
- a framework for counter-cyclical capital buffers,
- measures to limit counterparty credit risk,
- and short and medium-term quantitative liquidity ratios.

³ Access Economics Industry Outlook, Victoria Business Services Industry, page 1.

⁴ Access Economics Business Outlook, September 2010, page vi

Victoria is continuing to outperform on housing construction, aided by excellent population growth. The State's families also look likely to keep up their retail spending, but the toxic mix of high interest and exchange rates – anathema to Victoria's manufacturers – looks set to linger for longer.⁵

Given that recovery will not be driven by consumers (families are being careful with their finances), all forecasters are looking for business investment spending to drive a continuing Australian economic recovery. Although the pace of housing construction will pick up from its current worrying low, the pace of that pick up very much rests in the hands of State and local government planners and the speed of land release. As that speed looks set to remain sclerotic, housing will only assist recovery rather than drive it. Finally, although there are delays in building school halls, the high tide mark on fiscal stimulus is passing, and its withdrawal will also weigh on the economy.⁶

Two years after the collapse of Lehman Brothers, 51% of executives who responded to a McKinsey global survey say the world economy is in recovery; 58% say so about their own countries.¹ Most expect corporate profits to rise this year from their level in 2009, and 38% expect to hire by the end of the year - the greatest share expecting to hire in the near term since before the crisis. Even if companies are coping with the new economy, the results also indicate that executives' confidence is tenuous. For example, more expect economic conditions to improve than not, but fewer say so now than did earlier this year. Notably, the share of respondents expecting better conditions in six months is lower than it was a year ago: 55% now, compared with 61% in September 2009.⁷

Business and property services have remained relatively stable over the past five years. Accounting for the majority of revenue at 67.9%, the business services subdivision has recorded growth of 3.1% per annum in the five years to 2009-10. Key growth industries for this industry division have included; online information services (up 11.8%), engineering consulting services (up 9.0%), environmental science services (up 6.0%) and data processing services (up 5.1%).⁸

Increased industry consolidation

Larger companies are likely to become more prevalent across business and property services in coming years, as major players have attempted to capitalize on the current economic difficulties by buying out smaller competitors in an effort to position themselves to succeed during the expected boom. Likewise, the individual companies will likely become more centralised around major headquarters and urban offices, as communications technology improves, allowing non-essential offices to be shut. This will encourage wages growth, as the economies of scale allow major companies to consolidate costs for minor operations, and focus on attracting quality staff.⁹

Business Services

The demand for services provided by the business subdivision of business and property services is correlated to the level of businesses outsourcing, the economic cycle, the level of privatisation within the economy, government policies and changes to regulations. In general, the level of outsourcing of non-core business activity has a significant impact on the demand for numerous services provided by this division, while the current state of the economy influences the demand business services such as employment placement services. This division is also highly sensitive to the level of corporatisation and privatisation of government businesses as they draw on a range of business services (i.e. accounting, legal and

⁵ Ibid, page vii

⁶ Ibid, page 17.

⁷ Economic Conditions Snapshot, September 2010: McKinsey Global Survey results, www.mckinsey.com, October 2010

⁸ IBISWorld L - Property and Business Services in Australia, October 2010

⁹ Ibid

other advisory services). IBISWorld reports note that changes in government policies which affect funding levels for scientific research will impact on the demand for business services provided by this division, while additions or amendments to current regulations impact on the accounting and legal services.¹⁰

The business services sector covers lawyers, accountants, tax accountants, advertisers, marketers and IT. A large part of that group seems set for a period of outperformance, with the surge in Australian corporate profits and cash flow and the desire of businesses to rapidly expand their capacity (which is faster to do by buying than by building businesses) pointing to perfect conditions for the 'advisory', accounting and legal professions. The recovery in merger and acquisition activity in Australia has begun, and it has a fair way further to run. Thanks to the cheap cost of government debt, corporate debt yields are also relatively low compared with history. As corporate debt becomes easier to get, this sector should start to hit its straps. Moreover, the strengthening Australian economy will boost demand for run of the mill legal work, auditing, tax returns, IT implementation and the like, while the projected slow lift in the retail cycle will gradually make life easier in marketing and advertising as well.

However, not all of this sector can look forward to the future. Perhaps most notably, the response to the Cooper Review will markedly change business models in the financial advice sector – indeed, many big advice groups have already begun that change. Access Economics considers this to be a good thing, and it promises better news down the track, but probably not in the short term. That is because greater transparency will be accompanied by lower fees. Whilst this is good news for those accessing services, it means the financial advice sector faces important challenges in the next few years as it adapts to a much more sensible but probably rather less lucrative business model.¹¹

Finance

With stock markets around the globe having now rebounded significantly from their March 2009 lows, the fortunes of the Australian finance sector have revived despite lingering concerns regarding US and European growth. Most finance sector industries will record revenue growth in 2009-10, with the exception of foreign banks in Australia. Domestic banks (the largest industry in the finance sector) will continue to deal with rising loan loss provisions over 2009-10. Despite this, banks will still record expected revenue growth of over 4.0%. Overall, the finance sector is expected to experience average real revenue growth in the five years to June 2010 of 4.6% a year to reach \$164.195 billion.¹²

The issues for finance and insurance are getting more complex. Notably, there remain short term constraints on credit as a lingering after-effect of the global crisis. Also on the supply side, the application of Basel 3's new regulatory straitjacket may have a moderate direct impact on the sector (though only moderate, as Australia's banks are pretty well capitalised), as too may APRA's proposals for changes to the regulation of the insurance sector, as well as the Cooper Review reforms to superannuation and the creation of simple *My Super* default funds. In addition the coming decade will see the Superannuation Guarantee slowly rising from 9 to 12% of wages and salaries, boosting upstream inputs to this sector in a manner which should assist its longer term growth potential. For many years now both families and businesses have been borrowing an average of 12-15% more every year – a speed more than double that of national income growth. The result has been stretched debt-to-income and wealth-to income ratios. That trend simply cannot continue forever, and credit growth may surprise many analysts as it chugs rather than charges into the recovery.¹³

¹⁰ Ibid

¹¹ Access Economics Business Outlook, September 2010, page 47

¹² IBISWorld L - Property and Business Services in Australia, October 2010

¹³ Ibid. Page 46.

Property Services

The property services sector covers real estate agents, architects, surveyors and the like. The outlook for residential property services remains positive. Strong population growth has helped to create a persistent undersupply of housing, placing upward pressure on housing prices. That is a clear positive for much of the property sector, and especially for real estate agents. The commercial property sector has been struggling to recover from its downturn, with banks still somewhat wary of lending to developers. However, the latter should only be a temporary roadblock as strong jobs growth should result in a pick-up in office and retail construction. That suggests the wider property services sector looks set for a solid recovery over the next few years.¹⁴

While Access Economics considers the property sector to be in recovery mode, it notes that property's recovery to date is tentative, and the next year or so will see the challenges climb. It seems that the worst has passed in commercial property, or soon will. The fall in demand came before developers got 'spec fever'. So although vacancy rates have climbed – and are in double digits in some key markets – they won't get any worse in this cycle. CBD job growth has been keeping pace with new supply, and supply is itself petering out, meaning vacancy rates will head down, driving rents and capital values up and incentives down despite further interest rate increases from the Reserve Bank through 2011 and into 2012. The matching vital signs in retail property will do the same, though the retail property cycle may be a little slower to get a wriggle on there, as demand is still catching up to stimulus withdrawal. Access Economics believe that the housing market still enjoys the indirect protection provided by China's boost to Australian national income, but that Australia's housing prices are slightly overvalued. Valuations are stretched, and the Reserve is about to become less reserved in the pricing of money. Longer term growth prospects look reasonable, though boomer retirement may limit office demand gains around the middle of this decade.¹⁵

Spending (demand) and output (supply) have recovered in Victoria, and look set to continue at a comfortable pace over the next few years. There are a few reasons for that. One is that Victoria – the outperformer on housing construction for some time now – still has considerable momentum on that front, aided on the demand side by excellent population growth that continues to be faster than the matching growth evident in Australia as a whole, and on the supply side by the ability to deliver house and land packages on the outskirts of Melbourne that are rather more affordable than east coast competitors such as Sydney, Brisbane and the Gold Coast. Another is that, boosted by those great gains in population, and not as weighed down by Sydney-sized mortgages.¹⁶

Housing construction in Australia has been slow in 2010, although it is likely to recover in 2011 and 2012 because the mix of years of strong population growth matched with years of weak activity has left Australia with too few homes for the size of the population.¹⁷ In Victoria, however construction is occurring at a much higher rate than in other states - around a third of all homes being built in Australia are in Victoria, while approvals are solid, affordability is better than the national average.¹⁸

Over the past five years, the range of services provided by the property sector has been aided by growth in population levels of 1.3% per annum. The rise in population levels may be attributed to lower unemployment rates, strong net migration and good economic growth. Specific industries which have benefited from the rise include; residential property operators and developers, real estate agents along with motor vehicle hiring operators.¹⁹

¹⁴ Access Economics Industry Outlook, Victoria Business Services Industry, page 2.

¹⁵ Access Economics Business Outlook, September 2010, page 47.

¹⁶ Access Economics Business Outlook, September 2010, page 99

¹⁷ Chris Richardson, Access Economics, BRW September 9-15 2010

¹⁸ Access Economics Business Outlook, September 2010, page 100

¹⁹ IBISWorld L - Property and Business Services in Australia, October 2010

Security

Private Security Individual Operator Licence holders who currently number about 25,000 (which is about half of the national police force membership) continue to be busy with delivering services as crowd controllers, security guards, armed security guards, cash-in-transit and investigators. These services vary from private and commercial requirements to dealing with public and community safety (i.e. licensed venues, major events etc). Private investigators (1776) currently undertake investigations into fraud and fraud prevention, undertaking background work for lawyers including in areas such as workcover claims, commercial inquiry, including pre-employment checks, and domestic investigation into areas such as partner fidelity and missing persons. A key community concern with some of this work still relates to breaches of privacy and trespass in information collection and methods of inquiry and interrogation. Crowd controllers, many who are second jobbers, is also a rising area of industry activity, particularly at major events and entertainment venues. Licensing of these people has been introduced following concerns about some incident management procedures. The recent increase in violence around some licensed premises has increased the need for crowd controllers.²⁰

Another risk to the security industry is recent legislative change that will require mandatory fingerprinting as part of a new or renewal of application/licence. This along with an increase to the mandatory exclusion offences for a licence (as of July 2011) will see a decline in licensed numbers and a potential reluctance to seek employment within the security industry. All of the above changes were recommended and approved by COAG and are being implemented nationally.²¹

In 2009-10, IBISWorld forecasts the Security and Investigative Services industry will generate revenue of \$2,775 million, representing a real decline of 2.1% compared with 2008-09. Sluggish growth in the domestic economy and rising client bankruptcies, particularly among small business, will take a toll on the industry. Demand for cash transfer/armoured vehicle services is also likely to fall in line with sluggish retail sales growth and gambling expenditure as national unemployment and general interest rates both spike.²²

Waste Management

The waste management industry is heavily influenced by government regulation and associated policy, which in many jurisdictions has included the introduction of or, in Victoria incremental increases in levies on materials landfilled. This regulatory and economic instrument, therefore improves the viability of material recovery strategies including waste avoidance and recycling hence the projected growth in this area.²³

Environmental Sustainability

The tension between rapidly rising resource consumption and environmental sustainability is sure to prove to be one of the next decade's critical pressure points. Natural resources and commodities account for roughly 10 percent of global GDP and underpin every single sector in the economy. The interplay of three powerful forces will determine what resources we use, how we use them, and what we pay for them:

- Growing demand: even the most conservative projections for global economic growth over the next decade suggest that demand for oil, coal, iron ore, and other natural resources will rise by at least a third. About 90 percent of that increase will come from growth in emerging markets.
- Constrained supply: as easy-to-tap and high-quality reserves are depleted, supply will come from harder-to-access, more costly, and more politically unstable environments.

²⁰ IBISWorld L7864 – Security and Investigative Services in Australia, October 2010

²¹ Victoria Police Licensing Services Division, October 2010.

²² IBISWorld L7864 – Security and Investigative Services in Australia, October 2010

²³ Waste Management Association Australia, December 2009.

- Increased regulatory and social scrutiny: around the world, political leaders, regulators, scientific experts, and consumers are gravitating to a new consensus that is based on fostering environmental sustainability. Climate change may be the most highly charged and visible battleground, but other issues loom: water scarcity, pollution, food safety, and the depletion of global fishing stocks, among other things. For businesses, this new sensibility will present itself in two ways: stricter environmental regulations and increasing demands from consumers—and employees—that companies demonstrate greater environmental responsibility.²⁴

Green markets and industries, rapidly evolving globally in response to climate change and other environmental challenges, have significant potential for Australian businesses. Overall, global green markets are projected to double from \$US1.4 trillion per year today to \$US2.7 trillion by 2020. Australia's green economy is estimated at \$US 15.5 billion, employing 112,000 people.²⁵ Australian industry is best positioned to succeed in six key markets: renewable energy, energy efficiency, sustainable water systems, biomaterials, green buildings and waste and recycling.²⁶

Sustainability Victoria's 09/10 Business Plan notes that renewed emphasis will be placed on developing the skills training required for future jobs in a green economy: 'We will strengthen our partnerships at national, state and industry levels to develop training courses to support the creation of green jobs in the construction, property management, trades and retrofit industries and other priority areas for Victoria.'²⁷

A report by Mobium Group found that the market for healthy and sustainable products grew by 27 percent from \$15 billion to \$19 billion in the past year. This category included products such as organic food, alternative therapies, 'natural cleaning, health and beauty products, water and energy-saving devices, which have all seen rapid growth. Government pump priming in areas such as roofing insulation and solar hot water contributed strongly to the increase.²⁸

Enterprise Interviews

In enterprise interviews conducted by BSV in 2009/2010 most employers thought the global financial crisis had minimal impact on their business. Most of the employers interviewed discussed the need for specific skills training but generally noted that generic skills such as communication, interpersonal, problem solving, teamwork are very important. Some employers discussed the need for middle management training. With regard to training delivery, most employers interviewed regarded on-the-job training to be the most effective type of training, although many acknowledged that a combination of formal and on the job was useful. Some employers interviewed discussed skill needs but not necessarily 'qualification needs'. Re environmental sustainability, some companies such as Crown Casino discussed measures taken, such as the reduction of water usage by 20%.²⁹

²⁴ Pricing the planet, www.mckinseyquarterly.com, June 2010

²⁵ UNEP, 2008a. Green Jobs: Towards decent work in a sustainable, low-carbon world. UNEP/ILO/IOE/ITUC in Australian Conservation Foundation ACTU 'Green Gold Rush', October 2008, page 3.

²⁶ ACTU Fact Sheet, Australian Conservation Foundation, October 2008

²⁷ Sustainability Victoria, 2009-10 Business Plan, page 11.

²⁸ Kath Walters, BRW, January 14-February 3 2010, pages 46-47.

²⁹ Lina Trettel, Crown Casino, 22nd October 2009

Industry Skill Needs Table

Change Driver – Globalisation			
Key Change Drivers & Developments	Industry & Business Response to Changes	Skills Implications	Training Demand & Delivery Consequences
<p><i>Business Services and Finance</i></p> <ul style="list-style-type: none"> Although business services and finance are still strong, well performing sectors, growth in demand for business services has suffered from trends towards outsourcing non-core business functions, particularly among the finance and insurance sector. As global financial markets collapsed, they have led to banks, investment advisers and insurance companies to become increasingly unwilling to spend on non-essential services. Business services, have struggled as corporate spending has been deferred.³⁰ <p><i>Business and Property Services</i></p> <ul style="list-style-type: none"> Export levels in the business and property services sectors have been stagnant, increasing by only 0.1% per year in real terms. Service industries tend to have little scope for exports, and Australia's high wage levels have acted as an added disincentive to companies looking to outsource to Australia, the exception being industries where Australia holds a clear competitive advantage, such as environmental scientists, where Australian 	<p><i>Business Services</i></p> <ul style="list-style-type: none"> Businesses in the business and property services have responded to the global financial crisis and its aftermath by increasing the trend to outsource services to external parties so as to assist with non-business core activities. The outsourcing of business function include IT Departments and Secretarial Services in Australia. Outsourcing for secretarial services have become easier as phone systems and the Internet have become more sophisticated. Furthermore, the outsourcing secretarial services has provided firms with greater control over labour costs. Finally, the level of privatisation activity by government business enterprises over the past five years has affected the demand for a range of services covered in these sectors.³² As a result of import growth, low-wage countries, particularly India, are offering services in the IT sector at far lower costs than their Australian competitors. Many routine data processing and systems design offerings in India are being taken up by Australian firms.³³ 	<p><i>Business Services</i></p> <ul style="list-style-type: none"> Training in generic business skills with a focus on strategic planning, project management (assists meeting the needs of outsourced services) and negotiation. Business vocations need to reflect global trends to enable competition. Global trends indicate that training is required in the following vocations: specialist managers, receptionists, general clerks, bookkeepers, service assistants, project/program administrators, computer services and human resource professionals. Skills in the application of legal and regulatory knowledge are also important to raise confidence and trust for the aftermath of the global financial crisis. <p><i>Finance</i></p> <ul style="list-style-type: none"> Relationship management skills are required to compete and conduct business internationally with high-value customers (particularly in Asian market). 	<p><i>Business Services</i></p> <ul style="list-style-type: none"> Local managers and business operators need to be aware of the global environment for their product or service to compete against imports. Training and delivery needs: staying up-to-date with industry developments and regulations. Large companies are increasingly conducting work and outsourcing consulting work to Asia. Training needs to focus on international market (increased focus on speaking Asian languages and being culturally aware). <p><i>Finance</i></p> <ul style="list-style-type: none"> Sound communication training to operate globally. Training in international accounting standards The need for 'finance training for non-finance officers' will grow over the next 10 years due to the focus on sound governance and sound financial management (reinforced by the global credit crisis). Businesses need to constantly train staff in sound accounting practices. In addition, they

³⁰ IBISWorld L - Property and Business Services in Australia, October 2010

<p>perspectives can be unique to the region.</p> <ul style="list-style-type: none"> On the contrary, imports growth has been far stronger, at around 4.3% per year for the five years to 2009-10.³¹ <p><i>Finance</i></p> <ul style="list-style-type: none"> Stock markets around the world have now rebounded significantly. Banks still record expected revenue growth of over 4.0% <p><i>Property Services – Real Estate</i></p> <ul style="list-style-type: none"> Global customers are purchasing real estate in Victoria (especially Melbourne) <p><i>Property Services - Cleaning and Waste Management</i></p> <ul style="list-style-type: none"> Other property services industry sectors, such as cleaning and waste management are also influenced by global standards. This is partly because many large companies such as Veolia, SITA and others have parent companies. <p><i>Property Services - Security</i></p> <ul style="list-style-type: none"> Threat of terrorism continues to impact upon the security industry in Australia. 	<p><i>Finance</i></p> <ul style="list-style-type: none"> The finance sector employs around 200,000 people in approximately 15,000 firms. The importance of the sector is expected to increase, driven by growing household wealth and increasing funds under management and the provision of an increasing array of financial services and products. In the five years to June 2015, industry revenue is expected to grow at an average rate of 5.3% to reach \$212.54 billion.³⁴ <p><i>Property Services – Real Estate</i></p> <ul style="list-style-type: none"> Increasingly, real estate agents' customers are not Australians. <p><i>Property Services - Cleaning and Waste Management</i></p> <ul style="list-style-type: none"> Enterprises are often adopting a global approach to issues such as OHS and environmental sustainability. <p><i>Property Services - Security</i></p> <ul style="list-style-type: none"> Electronic security is a growth industry. 	<ul style="list-style-type: none"> The demand for risk management, corporate governance and compliance skills has increased measurably and will continue to increase as a response to the global financial crisis. Up-skilling the finance sectors in areas such as financial planning and insurance is also required. Companies and other entities need to continue to monitor developments in the Australian Accounting Standards to meet IFRS standards. <p><i>Property Services – Property/Real Estate</i></p> <ul style="list-style-type: none"> Sound communication skills and ability to utilise technology to source emerging opportunities and deal with global customers. <p><i>Property Services - Security</i></p> <ul style="list-style-type: none"> Preventative security skills are required.³⁵ 	<p>need to ensure that they are up to date with changes in Australian Accounting Standards and that they are in line with IFRS.</p> <p><i>Property Services – Property/Real Estate</i></p> <ul style="list-style-type: none"> Training in soft skills and sound governance to operate globally. Raising the bar to technical training in real estate sales and related activity rather than support activities (associated with the Certificate III level).³⁶ <p><i>Property Services - Cleaning and Waste Management</i></p> <ul style="list-style-type: none"> Growth of a 'training culture' in the cleaning and waste management industry, partly in response to meeting global standards. overseas and therefore as part of their KPIs must respond to global standards. <p><i>Property Services - Security</i></p> <ul style="list-style-type: none"> Training in sound communication in manpower to prevent potential incidents. Sophisticated technological training for the electronic security sector.
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³² IBISWorld L - Property and Business Services in Australia, October 2010

³³ IBISWorld L - Property and Business Services in Australia, October 2010

³¹ IBISWorld L - Property and Business Services in Australia, October 2010

³⁴ IBISWorld K7300, October 2010

³⁵ Security workshop October 2010.

³⁶ Sarah Gray, REIV, 23rd November 2009

Change Driver – Economically induced industry re-structure

Key Change Drivers & Developments	Industry & Business Response to Changes	Skills Implications	Training Demand & Delivery Consequences
<ul style="list-style-type: none"> Increasing demand for a range of services has fuelled much of the growth in revenue for property and business services over the past five years. Within the property sector, industrial and other property operators and developers, office property operators have been key performers, rising by 5.8% and 3.9%, respectively. These industries have benefited from generally strong conditions within the Australian economy, growth in consumer spending and growth in household investment in property trusts.³⁷ The strong growth in revenue for engineering consultancy services over the five years to 2009-10 has stemmed from the rise in the outsourcing of engineering services to independent consulting firms and an increase in the corporatisation of public sector activity.³⁸ 	<ul style="list-style-type: none"> The changing level of corporate and governmental investment in outsourced services, coupled with a high demand housing market, led to an associated surge in the number of operators in the business and property services industry.⁴³ Enterprise numbers are set to increase at an average annual rate of 3.7% per year for the five years to 2009-10, while employment levels are set to grow by only 2.5% per year. This suggests that many new entrants to the industry were very small, often sole traders or partnerships. Low barriers to entering many industries in the business and property services sectors have acted as another encouraging factor for new companies to join.⁴⁴ <p><i>Business/Property Services</i></p> <ul style="list-style-type: none"> Firms are increasingly looking to employ external experts to conduct sporadic, yet important tasks for them, as a means of saving money. Industries such as 	<p><i>Business Services</i></p> <ul style="list-style-type: none"> Smart tools for supply chain design, planning and optimisation and execution to boost return on capital employed (ROCE) are essential, during difficult economic times and in the aftermath. Skills in sustainable production and recognising capital and service advantages in business.⁴⁸ Skills in supply chain and lean processing are required. Over the next 10 years the need for ‘information access’ will continue to rise. This is partially due to the increase in litigation, prompting all businesses to back-up all facets of their operations for audit purposes. Research skills are required in all clerical vocations. 	<p><i>Business Services</i></p> <ul style="list-style-type: none"> Incorporating ‘bottom-line thinking’ in all aspects of training to facilitate sound supply chain management. This type of thinking needs to be grounded in vision, logic and analysis. Incorporating IT and e-commerce training in the overall context of business strategy (as opposed to an add-on service). In 10 years time almost all companies, large and small, will utilise e-commerce. Increased requirement for research training techniques and knowledge management techniques to cope with the increasing need for information in all facets of business. Training in good governance and relevant business codes⁵¹ to implement effective business practices, capitalise on good ideas and help raise business confidence. Business, financial management and planning skills and flexible delivery for small business and

³⁷ IBISWorld L - Property and Business Services in Australia

³⁸ IBISWorld L - Property and Business Services in Australia

⁴³ IBISWorld L - Property and Business Services in Australia, October 2010

⁴⁴ IBISWorld L - Property and Business Services in Australia, October 2010

<p><i>Finance</i></p> <ul style="list-style-type: none"> • The financial planning and investment advice industry is on the cusp of fundamental change – the government has announced an overhaul of the industry, addressing issues of conflict of interest, transparency and duty to clients.³⁹ <p><i>Property Services – Property</i></p> <ul style="list-style-type: none"> • There has been weak growth in Residential property operators and Developers (up by 1.5%) and a contraction in revenue for real estate agents (down by 2.5%). • Residential property operators have been affected by volatile demand, excess supply on inner-city apartments and the deterioration of housing affordability. The performance of real estate agents has also been affected by a decline in the number of first home buyers and a decline in the number of investors.⁴⁰ • Nevertheless the strong conditions within the Victorian economy, growth in consumer spending and growth in household investment in property trusts, will stimulate activity in this sector.⁴¹ 	<p>marketing, advertising, consulting and public relations all benefit from this changing attitude. Also, many services have established themselves so well into the business model of their chosen sector that they are considered an essential service - such as real estate agents and property developers.⁴⁵</p> <p><i>Finance</i></p> <ul style="list-style-type: none"> • Industry has welcomed the impending new financial planning regulation – a number of the large dealer groups are already moving towards a fee-for-service based remuneration model, while distancing themselves from commissions.⁴⁶ • Industry is becoming familiar with government initiatives, such as the Cooper review. • Compliance necessitates International Financial Reporting Standards (IFRS) for business. <p><i>Property Services - Real Estate</i></p> <ul style="list-style-type: none"> • The performance of residential property operators has and will be affected by volatile demand conditions, excess supply on inner-city apartments (following large scale developments in the early 2000s) 	<ul style="list-style-type: none"> • Skills in business administration and business management to cover industry replacement demands due to retirement. <p><i>Finance</i></p> <ul style="list-style-type: none"> • Industry restructure has created a future need for professional, autonomous workers, with sound up-to date product knowledge and sound customer service skills, who can work in a highly regulated environment, dealing with ‘clustered services’. Many traditional industry hierarchies of job roles and management are flattening out and responsibility and accountability devolving down through organisations.⁴⁹ Bookkeepers require new skills to meet new BAS regulatory requirements. • Increased need for internal auditing skills in a range of functions. 	<p>franchisees to compete successfully. Skill gap training in the fields of information technology, negotiation, business management, generic business, time management, tender writing, presentation skills. The 45+ age group needs to be encouraged to continue skills development and up-skilling to remain viably employed, whether in self-employment or in a full-time, part-time or casual capacity.</p> <ul style="list-style-type: none"> • Training in supply chain design and execution and lean processing to maximise business opportunities in difficult economic times. <p><i>Finance</i></p> <ul style="list-style-type: none"> • Training for skilled and qualified accountants, preferably with good technical, commercial and interpersonal skills. • Training in superannuation, financial planning skills and financial auditing. • Regulation will continue to increase the focus on formal qualifications for bookkeeping (particularly due to the new BAS requirements), financial planning and other
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⁴⁸ Carter McNabb, Fast Thinking, Winter 2008, page 52.

⁵¹ Such as the Franchise Council *Franchising Code of Conduct*.

³⁹ IBISWorld K7515, August 2010

⁴⁰ IBISWorld L- Property and Business Services in Australia

⁴¹ IBISWorld Property and Business Services in Australia, August 2009

⁴⁵ IBISWorld L- Property and Business Services in Australia

⁴⁶ IBISWorld K7515, August 2010

<ul style="list-style-type: none"> Waste management regulation Steady need for security services. <p><i>Property Services – Security</i></p> <ul style="list-style-type: none"> Recent legislative change will require mandatory fingerprinting as part of a new or renewal of application/licence. This along with an increase to the mandatory exclusion offences for a licence (as of July 2011) will see a decline in licensed numbers and a potential reluctance to seek employment within the security industry.⁴² 	<p>and the deterioration of housing affordability, coupled with rising interest rates. Similarly, the performance of real estate agents will be affected by a decline in the number of first home buyers (due largely to a decline in housing affordability) and a decline in the number of new housing investors.⁴⁷</p> <p><i>Property Services – Property Development/Facility Management</i></p> <ul style="list-style-type: none"> The growth in high-density living has created more demand for property developers and facility managers. <p><i>Property Services – Security</i></p> <ul style="list-style-type: none"> Industry will need to respond to recent legislative change by training more security guards and crowd controllers to prevent future shortages. 	<p><i>Property Services</i></p> <ul style="list-style-type: none"> An underlying theme of the strategies adopted by industry in the property services sectors is incorporating sound communication/customer service and preventative security measures, as opposed to confrontation for security; and technical skills to assist new and emerging practices, such as remote sensing, electronic security and environmental know-how to encourage registered training organisations (RTOs) to look for new solutions to old issues. <p><i>Property Services – Property Development and Management</i></p> <ul style="list-style-type: none"> Skill needs include procedural, risk management and generalist communication skills.⁵⁰ <p><i>Property Services – Security</i></p> <ul style="list-style-type: none"> Preventative security skills are required. 	<p>paraprofessional finance positions.</p> <ul style="list-style-type: none"> Training for My Super products for individuals and training to deal with changes to Self Managed Funds Management Schemes (SMFS). Over the next 10 years, highlighted by the global financial crisis, the need for training includes (but is not limited to) corporate governance, business ethics, ‘conflict of interest’ - accounting and auditing. <p><i>Property Services – Property Development, Facility Management and Owners Corporation Management</i></p> <ul style="list-style-type: none"> The increase in high-density living and shared business premises has caused the growth in these professions that may be described as having a strong multifunctional aspect, including sound financial management and a high level of accountability. Both specific and generalist skills development is required. Training requirements now incorporate green building and retrofitting (see under ‘Environmental Sustainability’). <p><i>Property Services - Security</i></p> <ul style="list-style-type: none"> Training in sound communication in manpower to prevent potential incidents.
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⁴⁹ FNS04 Quality Report, January 2007, page 2.

⁴² Victoria Police Licensing Services Division, October 2010.

Change Driver – Environmental Sustainability

Key Change Drivers & Developments	Industry & Business Response to Changes	Skills Implications	Training Demand & Delivery Consequences
<p><i>Business Services Real Estate and Waste Management</i></p> <ul style="list-style-type: none"> Industry will have to develop tools to measure actual emissions. This will impact on many sectors, i.e. waste management – landfill operators will need to begin tracking their emissions, and real estate agents will need to be knowledgeable on issues such as sustainable design. While the traditional occupations in the transport and processing of waste still exist, there is a growing trend to incorporate environmental issues in all aspects of operations. For skill development purposes this 	<p><i>Business Services</i></p> <ul style="list-style-type: none"> In a McKinsey global survey consumers say that corporations performance in addressing the problems of the environment and climate change affects not only how much they trust the company but also whether they would buy its products.⁵³ Examples of company initiatives include WM Waste Management’s Environmental Management Program (EMP) which aims to achieve superior environmental performance while supporting the company’s main principles of protection, compliance, conservation, and communications. The EMP integrates environmental policies and standards planning, training, communications, documentation, assessment, compliance audit services, and management review processes.⁵⁴ 	<p><i>Business Services</i></p> <ul style="list-style-type: none"> Skills in incorporating Carbon Program Reduction Scheme (CPRS) in business practice will be required.⁵⁷ Awareness training could incorporate sustainable approaches to waste, energy, water, green purchasing, transport, sustainable consumption and audit tools. The overall skill development challenge, however is to incorporate all these issues into day to day business so that sustainability is part of mainstream operation and not an add-on issue.⁵⁸ <p><i>Finance</i></p> <ul style="list-style-type: none"> The skill need is the ability to integrate sustainability with financial activity. Analysts need to incorporate information such as carbon emissions and risk analysis into valuation models. <p><i>Property Services - Real Estate</i></p> <ul style="list-style-type: none"> The proposed 2010 emissions trading scheme will increase the need for real estate agents who are knowledgeable on issues such as sustainable design. 	<p><i>Business Services</i></p> <ul style="list-style-type: none"> Training in sustainable development, corporate social responsibility, triple bottom line, environmental social governance. The emphasis needs to be on integrating these issues with business performance. <p><i>Finance</i></p> <ul style="list-style-type: none"> Over the next 10 years the need to report on non-financial information to shareholders and discuss correlations between sustainability and financial information will grow. Reporting mechanisms on sustainability will be extensive. Training in treating sustainability as a mainstream business consideration is required.

⁴⁷ IBISWorld Property and Business Services in Australia, August 2009

⁵⁰ There have been new technical and administrative practices in property development and management with the growth of new professions such as facility managers and body corporate managers.

⁵³ Addressing consumer concerns about climate change – The McKinsey Quarterly, 29 of August 2008, page 3 McKinsey research shows that every business should think about the role environmental issues can and should play in strategy so that they can build trust among consumers and offer products and services that address their concerns.

⁵⁴ Michael Strickland, WM Waste Management, October 2010

<p>will mean that theoretical training will go hand in hand with procedural issues.</p> <p><i>Finance</i></p> <ul style="list-style-type: none"> • Many consumers are seeking sustainable investment options. 	<ul style="list-style-type: none"> • Recycling practices have also been implemented in response to multi-national practices and to compete internationally. <p><i>Finance</i></p> <ul style="list-style-type: none"> • Finance companies are scoping sustainable solutions for investment opportunities. <p><i>Property Services - Waste Management</i></p> <ul style="list-style-type: none"> • The federal government wants the impending carbon pollution reduction scheme – or emissions trading scheme – to make every single business, large and small, operate more environmentally. Tools are being designed for landfill to begin tracking their emissions, ready to report annual results in July 2009⁵⁵ • Economic instruments such as landfill levies and more stringent environmental requirements for the facilities like landfills contribute to making landfilling more expensive and the alternatives of waste avoidance and 	<p><i>Property Services - Waste Management</i></p> <ul style="list-style-type: none"> • The focus has shifted from management of existing waste to waste minimisation and waste avoidance. Skills development needs to reflect this shift, including focusing on broader environmental concerns and ‘environmentally friendly’ waste management solutions, such as recycling wherever possible. • Generally skill needs have shifted from addressing operational aspects of waste to broader aspects of sustainability – this will include service delivery and support that include sales, administration, business management etc.⁵⁹ • Greater emphasis on skill development for recycling. • Carbon emissions measurement skills and learning to use tools to determine the greenhouse emissions and energy at facility level. <p><i>Property Services - Cleaning Pest Management & Fire Protection</i></p> <ul style="list-style-type: none"> • Skills development in OHS, safe environmental practices and technical processes that minimise harm to the environment. • Industry compliance with new regulations is a big issue for Fire Protection. Changes in regulations and licensing as a result of insurance issues and changes in technology impact 	<p><i>Property Services - Waste Management</i></p> <ul style="list-style-type: none"> • Within the next 10 years this means that even base operators in the industry will require training in sustainability and environmental factors. Training in safe waste disposal. • Training in tracking emissions. • Training required for drivers (waste management) to meet immediate skill shortage. <p><i>Property Services - Cleaning Pest Management and Fire Protection</i></p> <ul style="list-style-type: none"> • Training delivery methods have improved to address OHS, safe environmental practices and technical processes. <p><i>Property Services - Real Estate</i></p> <ul style="list-style-type: none"> • Training in sustainability in building design and energy efficiency, catering to buyers’ expectations.⁶⁰ <p><i>Property Services - Pest Management</i></p> <ul style="list-style-type: none"> • Improved environmental practices, specifically targeted towards the pest in question, as opposed to the old ‘splash for cash’ approach⁶¹. There has been a shift in
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⁵⁷ Kath Walters, BRW, October 9-15 2008, page 34. *The carbon emissions trading scheme, which will start in 2010, is not directed solely at changing the behavior of big emitters and direct participants such as electricity and resource companies. Every facility that emits more than 25,000 tonnes of greenhouse gases a year will face a new cost – carbon permits. Companies must add in the costs of complying with the Carbon Program Reduction Scheme (CPRS), such as learning about it, measuring and monitoring emissions, designing new processes and procedures, managing the tax issues and buying, selling and accounting for permits. For more information on how to run a cleaner business see Section 14 ‘Sustainability’.*

⁵⁸ Willard, B. (2005). *The Next Sustainability Wave*, New Society Publishing, Canada, pages 1-33. *This view has also been expressed in business meetings.*

⁵⁵ Inside Waste, May/June 2008, page 22. *Consulting companies such as Hyder have developed modelling programs to track carbon emissions. The Hyder program is based on minimal user inputs to provide an estimate of emissions and follows the Technical Guidelines for the Estimation of Greenhouse Emissions and Energy at Facility level, which the Department of Climate Change has released in draft form. For more information on how to run a cleaner business’.*

⁵⁹ Sustainability Victoria, Annual Report, 2005-2006, page 47. *The professional development program provided by Sustainability Victoria, for example included induction for new Regional Education Officers, in-house training and support in priority skill areas based on training needs analyses, support for external, accredited professional development, review of education and CPD planning.*

⁶⁰ Continuing professional development, driven through industry and Consumer Affairs Victoria (CAV) has increased overall levels of training and lifted levels of real estate knowledge. The Real Estate Institute of Victoria (REIV) now enforces professional development as a prerequisite to membership.

⁶¹ Pest management workshop, Melbourne 13 November 2008.

<p><i>Property Services - Facility Management and Property Management</i></p> <ul style="list-style-type: none"> • In consultation with commercial and retail building owners, tenants and operators, property managers and facility managers are being asked to present clear economic cases for ‘green buildings’ to key decision-makers.⁵² <p><i>Property Services General</i></p> <ul style="list-style-type: none"> • The Green building initiatives will impact on the Property Services sector. 	<p>recycling more viable.</p> <p><i>Property Services - Facility Management and Property Management</i></p> <ul style="list-style-type: none"> • Tools to address the economic case for green buildings includes: case studies of building fit-outs, best practice guides and research into the link between green buildings and productivity.⁵⁶ <p><i>Property Services General</i></p> <ul style="list-style-type: none"> • Industry is responding to sustainability by retrofitting older houses - double glazing windows, fitting appropriate window dressings (awnings and heavy curtains/blinds with pelmets) and draft-proofing, and ensuring that new houses meet strict energy efficiency standards. Building standards no longer only apply to the construction industry -real estate agents, facility managers, property managers and home sustainability assessors need to be aware of retrofitting and new house energy standards. 	<p>heavily.</p> <p><i>Property Services - Facility Management and Property Management</i></p> <ul style="list-style-type: none"> • Skills in conducting research and putting forth business cases - linking green buildings with productivity. <p><i>Property Services General</i></p> <ul style="list-style-type: none"> • Generally skill needs have shifted from addressing operational aspects in sectors such as waste management, to broader aspects of sustainability – this will include service delivery and support that include sales, administration, business management , home sustainability assessors, etc. 	<p>focus, emphasis on OHS, improved processes and more training for regulatory purposes.</p> <p><i>Property Services - Facility Management and Property Management</i></p> <ul style="list-style-type: none"> • Training in property and facility management of ‘green buildings’, including the use of tools such as ‘ResourceSmart Buildings’ – the 5 Star Victorian building standard.⁶² <p><i>Property Services General</i></p> <ul style="list-style-type: none"> • Training is required in new areas, such as home sustainability assessment.
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⁵² Sustainability Victoria 2009-2010 Business Plan, page 19.

⁵⁶ Sustainability Victoria 2009-2010 Business Plan, page 19.

⁶² The 5 Star building standard is a Victorian Government initiative implemented by the Department of Sustainability and Environment along with the Department of Planning and Community Development, Building Commission and Master Builders Association of Victoria. Sustainability Victoria worked with these agencies to develop the 5 Star standard and continues to support its implementation, particularly through developing and maintaining the FirstRate5 energy rating software program and training industry practitioners.

Occupations in Demand

Employment demand across the business and property services is likely to strengthen in 2011. A return to the resource boom has seen a strengthened demand due to merger and acquisition activity, auditing, tax returns and other legal work.

All current and future industry drivers discussed in the Industry Needs Table highlight the need for the following occupations in demand over the next year:

Occupation	Long lead time	High use	High risk	High information
Accounting	✓	✓	✓	✓
Bookkeeping	✓	✓	✓	✓
Customer contact centre workers			✓	✓
Managers	✓		✓	
Administration officers				
Legal administration officers	✓		✓	✓
Project managers	✓		✓	
Waste management drivers	✓	✓	✓	✓
Waste management operators	✓			✓
Sustainability assessors	✓	✓	✓	✓
Real estate agents	✓	✓		✓
Property developers	✓	✓	✓	✓
Facility managers	✓	✓		✓
Security crowd control		✓	✓	✓

Occupation assessment criteria

Long lead time: occupations that require skills which are highly specialised and require extended learning and preparation time over several years.

High use: where there is a high incidence of those undertaking formal training for a qualification subsequently taking up employment in the corresponding occupation.

High risk: occupations where the disruption caused by the skills being in short supply imposes a significant risk to the Australian economy and/or community.

High information: where the quality of information about the occupation is adequate to the task of assessing future demand and evaluating the first three criteria.

Critical skills shortages

Occupation	Long lead time	High use	High risk	High information
Accounting (Management, tax, external and internal auditor)	✓	✓	✓	✓
Waste management drivers	✓	✓	✓	✓
Waste management operators	✓			✓
Sustainability assessors	✓	✓	✓	✓

Qualifications required

There is a fair bit of cross-over between qualifications and occupations (especially in Business Services), i.e. there are many pathways and one qualification may lead to a variety of occupations. As a guide the following qualifications are required for the occupations identified as being in high demand:

Accounting:

- FNS40604 Certificate IV in Financial Services (Accounting)
- FNS50204 Diploma of Accounting
- FNS60204 Advanced Diploma of Accounting

Bookkeeping:

- FNS40207 Certificate IV in Financial Services (Bookkeeping)

Managers:

- BSB40807 Certificate IV in Frontline Management
- BSB50207 Diploma of Business
- BSB51107 Diploma of Management
- BSB60207 Advanced Diploma of Business
- BSB60407 Advanced Diploma of Management
- BSB41007 Certificate IV in Human Resources
- BSB50607 Diploma of Human Resources Management
- BSB60907 Advanced Diploma of Management (Human Resources)
- BSB41107 Certificate IV in International Trade
- BSB50807 Diploma of International Business
- BSB50907 Diploma of International Education Services

Project Managers:

- BSB41507 Certificate IV in Project Management
- BSB51407 Diploma of Project Management
- BSB60707 Advanced Diploma of Project Management

Administration Officers:

- BSB30107 Certificate III In Business
- BSB30407 Certificate III in Business Administration
- BSB31007 Certificate III in Business Administration (Legal)
- BSB31107 Certificate III in Business Administration (Medical)
- BSB41207 Certificate IV in Legal Studies
- Victorian State Accredited Diplomas and Advanced Diplomas in Legal

Administration or paraprofessional qualifications

- BSB40807 Certificate IV in Frontline Management
- BSB41107 Certificate IV in International Trade

Customer contact centre workers:

- BSB30207 Certificate III in Customer Contact
- BSB40307 Certificate IV in Customer Contact
- BSB50307 Diploma of Customer Contact
- BSB60307 Advanced Diploma of Customer Contact

Property Developers:

- CPP40607 Certificate IV in Property Services (Operations)
- CPP50509 Diploma of Property Services (Asset and Facility Management)
- CPP60207 Advanced Diploma of Property Services (Asset and Facility Management)

Facility Managers:

- CPP40609 Certificate IV in Property Services (Operations)
- CPP50509 Diploma of Property Services (Asset and Facility Management)
- CPP60207 Advanced Diploma of Property Services (Asset and Facility Management)

Drivers in the Waste management industry and Waste management operations:

- PRM30504 Certificate III in Asset Maintenance (Waste Management)
- PRM40504 Certificate IV in Asset Maintenance (Waste Management)

Real Estate Agents:

- CPP40307 Certificate IV in Property Services (Real Estate)

Sustainability Assessors:

- PRM30504 Certificate III in Asset Maintenance (Waste Management)
- PRM40504 Certificate IV in Asset Maintenance (Waste Management)
- CPP41110 Certificate IV in Home Sustainability Assessment

Security (Crowd Control)

- CPP20207 Certificate II in Security Operations

Economic outlook for specific Victorian industries

Emerging green skills:

- Business services will increasingly demand skills in measuring emissions, sustainable development, corporate social responsibility, triple bottom line, environmental safety and environmental social governance.
- Finance sectors will require training in environmental reporting systems
- Property services will have need for training in sustainability, waste reduction and energy efficiency.

Consultations

BSV undertook primary and secondary research to obtain and validate qualitative advice contained in this report. The primary research included:

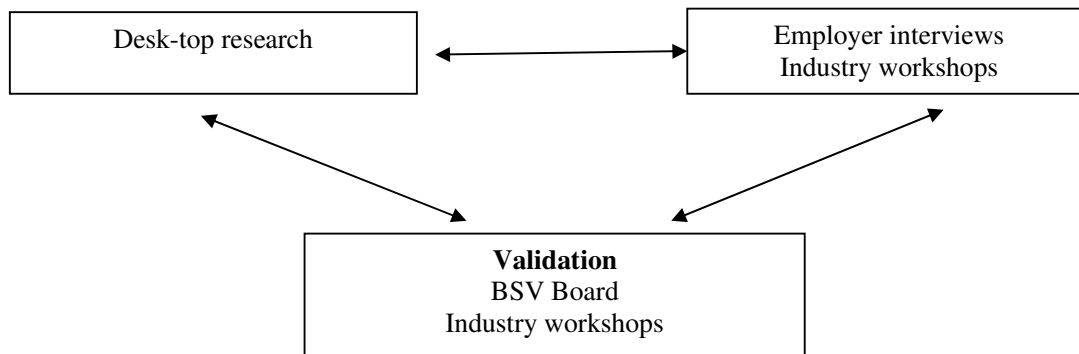
- enterprise interviews via visits
- industry workshops and
- BSV Board meetings

The secondary or desk-top research incorporated analysis of various reports including McKinsey quarterly, VECCI, AI Group and IBISWorld (Reference List for the full list of sources. The source of the information is also in the footnotes).

The validation of the advice is conducted at industry workshops and BSV Board meetings. Final validation will take place at the BSV Board meeting on the 28th of October 2010. Organisational representatives present at this meeting were the following:

- Australian Industry Group (AI Group)
- Australian Institute of Management (AIM)
- Australian Services Union (ASU)
- Curriculum Maintenance Manager for the Business industries
- Finance Sector Union (FSU)
- Municipal Association of Victoria (MAV)
- National Institute of Accountants (NIA)
- Real Estate Institute of Victoria (REIV)
- Victorian Chamber of Commerce and Industry (VECCI)
- Victoria Police (Licensing Services Division)
- Waste Management Association of Australia (WMAA)

Process undertaken by BSV



Enterprise Interviews

Senior managers including Human Resource and Training Managers of small, medium and large businesses were interviewed. These managers were invited to supply information on the following:

- The primary change drivers most affecting each organisation
- Examples of how each organisation (or industry sector) has responded to these identified change drivers – over the medium and long term
- Current skill shortages (if any) experienced by organisations/industry sector and how organisation/industry sector plans to address these shortages
- Current industry training needs.

Summary of Enterprise Interview Findings

Industry Change drivers

Industry change drivers discussed by employers included globalisation, government regulation, technological advance and environmental sustainability as the major drivers affecting their industry. Most noted that the global financial crisis had had minimal impact upon their business.

Skill Shortages reported

Frontline managers, managers, customer service skills, bookkeeping/accounting, town planning, aged care workers and difficulty to get staff for call centres, engineering and trades. Not many solutions were offered to alleviate skill shortages other than short-term training for specific skills rather than focusing on qualifications.

Training Methods

Both on the job training and more formal designated training are utilised. Generally training programs were well valued and on the job training was the preferred mode, especially by SMEs. Many businesses deliver in-house workplace relevant training. It is apparent that the diverse skill needs of the business sector makes it difficult to identify and cost effectively deliver against all identified training requirements.

Note: Many interviews were conducted with Councils because Local Government is a multi-faceted employer.

Company Name: Dun & Bradstreet

Industry: Debt Collection/Financial Services

Services: Credit Reporting, Debt Collection, Sales and Marketing

Contact: Stuart Harrison, National [Manager Training & Compliance - Receivables Management Services](#)

Email: harrisons@dnb.com.au

Address: 464 St Kilda Rd Melbourne

Staff Profile:

- Approximately 650 staff Australia wide, over 300 staff involved in debt recovery
- Customer Service Centre: 60% of staff are full-time, 40% work in the evening. The centre operates from 8am to 8pm.

Drivers affecting industry

- Dept collecting has a higher turnover rate than other functions – 25 to 30 %
- Constant flux of attrition in Debt Collection
- Effective use of resources
- Minimal impact from the GFC.

Industry's response

- Retaining talent.
- Constant recruitment for Debt Collectors to support demand and attrition levels (160 staff recruited over the past 12 weeks).
- Sustainability – Dun and Bradstreet has in-house recycling, and policies relating to efficient use of resources.
- In addition to receiving commission for achieving their KPIs in the Customer Contact Centre (30% of Dept Collectors' salary is in meeting KPIs), the top performers receive monthly prizes (staff reward system).

Skills issues

- Skill Shortages – Front line leaders. Team Leaders usually come from Collectors. Dun and Bradstreet has a strong internal promotional policy
- Retaining talent is very important.

Training needs

Dun and Bradstreet is a strong believer in staff training, this is evident from their structured approach to upskilling staff:

- 65 % of customer contact staff undergo Certificate III or Certificate IV Customer Contact training; this gives staff sound grounding and enables progression to Team Leader and management positions within the company. 75% of team leaders are staff that have progressed through the company.
- Team leaders undergo Certificate IV Customer Contact training
- More senior managers undergo management training, often delivered in skill sets.
- (including risk scoring modules in the head office (479 St Kilda Rd)
- Dun & Bradstreet utilises compliance and quality drivers to identify contact centre staff on-going training needs. The 'Quality Assessment Measurement Program' monitors staff performance and identifies areas of weakness. Skill set training is then conducted continuously to improve efficiency.

- The time Dun & Bradstreet puts into staff training enables the company to link core business development with staff career pathways and ensure staff members reach their full potential.
- For debt collection compliance based training is required. Team Leaders spend 80% of their time conducting coaching and developmental training for their staff.
- Dun & Bradstreet has its own cadetship program for Team Leaders. Assistant Team Leaders are taken through a 6 month in-house traineeship program.

Preferred Training Method

- In-house training (using RTO for Customer Service Traineeships) and blended learning.

Recruitment

Dun & Bradstreet's guiding principles for their staff and recruitment are the following:

- performance ethic
- thought leader
- customer driven
- positive contribution
- growth

Both our recruit and coaching strategies are based these guiding principles.

For general recruitment, Dun and Bradstreet look for good communication and negotiation skills. In specific recruitment i.e. Financial Services positions or IT, Dun and Bradstreet look for the appropriate technical skill.

A. Henderson 4/05/10 (face to face interview)

Company Name: Garvey & Co Pty Ltd

Industry: Real Estate Agency

Address: 195 Through Road Camberwell 3124

Contact: Kevin Garvey

Phone: 03 98301322

Email: info@garveycompany.com.au

Staff Profile: 6

Industry Change Drivers

- Some downturn in business over past year, but now the market has picked up and sales generally exceeding expectations (gave example of recent sale exceeding reserve by 20%).

What is the impact and how has your industry responded?

- Clearly a reduction in income generation, but agency has a very stable and loyal staff. No reduction in staff or working hours. Staff are well trained and experienced.

What are the skills issues in your industry?

- Difficult for Kevin Garvey to comment on skills issues within the industry. It is some time since his business has recruited staff. He has a stable well trained team.
- Garvey have used traineeships. Mixed results.
- Garvey prefer to look at the specific skills a new staff member needs.
- If staff member wants to train to become a licensed agent it is considered to be that individual's choice/ responsibility'.

What are the training needs in your industry?

- Staff are trained on-the-job generally. Last staff member recruited had already worked some years within industry, so was experienced.
- From time to time will put staff through specific training outsourced. Sometimes through REIV, but also training such as 'Macro' software update training or similar.
- Garvey 'outsources' all financial / accounting work. Agency is too small to have specialists.

S Naughtin 2/12/09 (phone interview)

Company Name: City of Whitehorse

Industry: Local Government

Address: 379-397 Whitehorse road, Nunawading 3131

Contact: Karyn Mackew / Jayne O'Grady

Phone: 03 92626579

Email: learning@whitehorse.vic.gov.au

Staff Profile: 1,100 including full time, part time & casual

Recent changes in industry

- Council is reasonably insulated from much of the impact of the GFC but there has been a noticeable increase in application numbers for jobs advertised. Council is including environmental sustainability as part of their overall planning.
- Public expectation and Council direction is placing a higher emphasis on more staff developing better "customer relations".
- An ageing population means that there is a growing demographic of older people accessing council services.
- A more culturally diverse demographic creates the need for service provision to respond to this diversity.

What is the impact and how has your industry responded?

- There may have been a slight reduction in staff turnover, and perhaps a slight increase in the number of applicants for jobs; but nothing significant.
- Like most Councils Whitehorse has put more resources into environmental sustainability; this includes the appointment of additional Environmental Health Workers, and boosting their "blue collar" outdoor workers in cleaning up/ recycling. This includes the Arbour team which establishes/ maintains/ recycles City's trees and other vegetation and an increase to the staff numbers at the waste transfer station (recycling).
- Reflecting changes in population, Council now has a more diverse workforce than a decade ago. This includes age, gender and migrants.
- The ageing population is placing more demand on community care services delivered by council.

What are the skills issues in your industry?

- Council is experiencing some difficulty in attracting sufficient numbers of qualified Maternal and Childcare Workers; Environmental Health Officers; Town Planners and Civil Engineers; Rates and Valuations officers. Council expects to need to provide some training for most staff recruited. The actual training needed depends on the individual and the job they are doing.
- Council uses VET Traineeships when appropriate. They have a leaning towards using Group Training as they feel the current complexity of paperwork discourages direct employment under a traineeship. Admin Staff are generally more interested in undertaking training in a Business Package rather than Local Government as it is more transferable. Council is sensitive to this and Business package mostly provide the skills council needs.
- Council was not consulted in the recent review of the Local Government Training Package.

- Council emphasis on improved public relations means putting a broader range of staff through Frontline Management training. Ideally Local Government Training Packages would place a greater emphasis on customer service/ frontline management.
- Council EBA impacts on obligation to provide staff with access to training. An example would be the “Blue Collar” outdoor team. Entry to this team for men is generally Band 3 or 4; whereas entry for women is usually Band 2 or 3 (due to skill level). Council has an obligation to give those staff the opportunity to up-skill to a Band 4 through provision of training.
- Council recently undertook “cluster” training through Swinburne where staff from Whitehorse and another council undertook a Cert IV in Training & Assessment. This worked well.
- A more structured approach to diversity training would be beneficial to overall service provision.
- Staff generally could benefit from training in Environmentally Sustainable work practices. Council will consider embedding such modules in designing future training packages.

What are the training needs in your industry?

- Leadership/ management – frontline management; business management
- Outdoor – waste management; horticulture

S Naughtin 17/11/09 (face to face interview)

Company Name: Yarra City Council

Industry: Local Government

Address: 333 Bridge Street, Richmond 3121

Contact: Fiona Monagle (Training Officer)

Phone: 03 92055555

Email: Fiona.monagle@yarracity.vic.gov.au

Staff Profile: approx 600 staff, plus 300 volunteers.

Recent changes in industry

Council really has been minimally impacted by the GFC (if at all). – ‘business as usual’.

Fiona Monagle could not think of any other recent changes to the sector/ business that may have impacted on training or recruitment.

What is the impact and how has your industry responded?

There may have been a slight reduction in staff turnover, and perhaps a slight increase in the number of applicants for jobs; but nothing significant.

What are the skills issues in your industry?

- Council is experiencing some difficulty in attracting sufficient numbers of qualified childcare workers.
- Fiona Monagle is aware of VET programs and incentives from past employment. This council has not been a big user of traineeships or apprenticeships. Council prefers to “buy-in” short term specific skills training rather than put staff through a full qualification; much of which might not be used on the job.
- Whilst recruitment and training processes are centralised, decisions as to recruitment and/ or training are made by the management of the relevant sections.

What are the training needs in your industry?

- Actual skills training are dependent on the needs of the section and the staff at the time.

S Naughtin 29/10/09 (face to face interview)

Company Name: Moonee Valley City Council

Industry: Local Government

Address: 9 Kellaway Avenue, Moonee Ponds

Contact: Penny Katsios & Nicole Tighe

Phone: 03 92438870 Email: pkatsios@mvcc.vic.gov.au

Staff Profile: TBA

Recent changes in industry

- Council has not been overly affected by the GFC; though some areas report an increased demand for council services and a higher rate of customer query/ complaint.
- Recent years has seen a change in the Council populations demographic which has created a diversity of culturally based needs.
- Council has become more “customer oriented”
- All councils are embracing “environmental sustainability” within their own operations but are also promoting it to their constituencies.

What is the impact and how has your industry responded?

- Noticeable increase in applicants for jobs advertised and of people wanting to work as volunteers (possibly in the hope of this leading to an offer of paid employment). Many applicants are overqualified for the jobs they are applying for. There may have been a slight reduction in staff turnover.
- All staff dealing with the public have some level of training in Customer Service/ Frontline Management. Even the arbour team have been trained in customer relations. Staff have also had training in understanding, appreciating and accommodating cultural diversity.

What are the skills issues in your industry?

- Council has no difficulty in attracting applicants for jobs advertised, however many lack skills to meet specific job requirements.
- Staff need good frontline or customer service skills and good IT skills.
- Council would like to see a Cert IV in Local Government with a stronger ‘frontline management’ influence.
- Not many RTOs deliver local government training.

What are the training needs in your industry?

- Cert IV in Frontline Management
- Cert IV in Local Government
- Cert IV in Financial Services
- Cert IV in HR
- Cert IV in Contract Management
- Regular update of training in IT programs.

S Naughtin 6/11/09 (face to face interview)

Company Name: 101 Collins Street

Industry: Property Management

Address: Level 11, 101 Collins Street Melbourne

Contact: Phillip Morley

Phone: 03 96505311

Email: pmorley@101collins.com.au

Staff Profile: Total 20 staff – 8 Admin/ Management; 12 Trades or trades management.

Recent changes in industry

- Company really has been minimally impacted by the GFC (if at all). No reduction in tenancies. No change in staff.

What is the impact and how has your industry responded?

- Company has minimal staff turnover. Whilst in recent years tradesmen (as both employees and subcontractors) have been a little harder to find, this is not a problem at the moment. With trades staff company employs skilled/ qualified people. If there is any need to gain specific expertise staff generally learn on the job.
- Administrative staff may from time to time be put through short term (e.g. 1 day) specific skills training. This is delivered by training provider on a fee-for-service basis.

What are the skills issues in your industry?

- Staff recruited on the basis that they are suited to the job (with appropriate skills). Generally little problem in doing this.
- The company does not employ apprentices or trainees – do not have the capacity to do this. Many of the jobs are “one person jobs” and as such having an apprentice is not cost effective.

What are the training needs in your industry?

- Cannot speak for broader industry; but skills requirements for this enterprise are being met. In the main the trades are electrical and engineering and some other building trades e.g. carpentry.

S Naughtin - October 09 (face to face interview)

Company Name: BEST CD

Industry: Employment & Training
Address: 26-28 St Andrews Avenue Bendigo
Contact: Greg Bishop
Phone: 03 54302500
Email: bendigo@bestcd.org.au
Staff Profile: 25 Staff

Recent changes in industry/ Company

- BEST is an employment service provider under JSA and is an RTO. Business is impacted by success in winning government tenders.

What is the impact and how has your company responded?

- In the recent contract renewal the company has increased their market share and recruited 2 extra staff. This has led to a change of roles for some people and a requirement for an increased level of staff training

What are the skills issues in your industry/ company?

- Finding the 'right people' is always an issue. Skills and qualifications are important but it is the right attitude that is the base to start from. All staff are encouraged to work continuously on personal development.
- Unskilled staff commencing with BEST usually do so under a Traineeship (usually Cert IV Employment Services), but are also encouraged to undertake further study funded by BEST.
- Each staff member has a personal/ professional development plan in place which is regularly reviewed.
- Staff need good customer service skills and a higher level capacity in operation of IT programs including Office; Mainframe and LAN.

What are the training needs in your industry/ industry?

- Certificate II or Cert IV in Employment Services; Cert IV in Frontline Management.

S Naughtin - December 2009 (face to face interview)

Company Name: Crown Melbourne Ltd (Crown Casino)

Industry: Entertainment

Address: Level 6, 8 Wiseman Street Southbank 3006

Contact: Lina Trettel (HRM) other: Shane Thomas (Training Services)

Phone: 03 92924352

Email: linat@crownmelbourne.com.au

Staff Profile: Approximately 1000 staff. Including casuals

Recent changes in industry

- Company has not really felt any impact from the GFC. Business is good.
- Company is placing greater emphasis on (environmental & operational) sustainability. Crown is currently recruiting for an Environment/ Sustainability Manager.
- Through the development and implementation of environmentally responsible practices Crown has reduced water usage by 20%.
- Crown is currently implementing energy saving practices and equipment. Recycling practices implemented to reduce waste. Even food left-overs are sent elsewhere to be processed into other products.

What is the impact and how has your industry responded?

- Crown has implemented a “staff awareness” program about environmentally responsible work practices. This is ongoing and is included as part of their induction and general staff development.

What are the skills issues in your industry?

- The company has a lot of casual and part time staff so there is always a turnover; particularly in the hospitality area. It is always a challenge to find the ‘right people’. This is often more important than finding people who already have the skills.
- Crown uses the Australian Apprenticeship system as part of their training and development strategy. They regularly recruit and train apprentice plumbers, electricians, carpenters etc. Crown uses Traineeships to train hospitality, gaming staff, frontline, security staff etc. They have used Traineeships for administrative staff, but more often recruit staff who have experience/ background in administration, finance etc.

What are the training needs in your industry

- Trades – all the building maintenance trades – electrical, plumbing, carpentry, painting etc.
- Administration – management, finance and accounts, HR; IT; hospitality; gaming, reception, security, cleaners etc.

S Naughtin October 09 (face to face interview)

Company Name: MECU

Industry: Finance – Credit Union

Address: 222 High St Kew 3101

Email: tammie.mcdonald@mecu.com.au

Contact: Tammie McDonald

Phone: 03 98544832

Staff Profile: 375 staff across 25 outlets; Head Office – Kew; National Call Centre & Lending Centre – Moe

Recent changes in industry

- The recent economic crisis may have tightened lending for a period, but confidence is now back in the market place for lenders and borrowers.

What is the impact and how has your industry responded?

- MECU is (currently) expansionary; recently took over Regional One Credit Union. MECU is now a “brand”.
- MECU have an ongoing recruitment and training program and recently commenced a number of staff on traineeships.
- MECU is keen to devise and trial an Indigenous recruitment and training program.

What are the skills issues in your industry?

- In regional centres no problems attracting entry level recruits. Often recruit straight from school under traineeships. Continues to be very difficult to attract experienced and management level staff.
- MECU has about 25 outlets and many of these are in regional areas. It is often not viable for RTO's to deliver to small numbers in regional areas so the company usually uses on-line training through Origin for their Traineeship training. They also purchase some training delivery through TAFE. They have a study assistance program which provides staff with some financial support to help meet their own professional development costs.
- The Cert IV in Financial Services (Lending) was replaced with Cert IV in FNS (mortgage Broking). New course too narrow for company needs. The old course was much more appropriate to the companies need to have staff with lending expertise across a broad range of loan categories.

What are the training needs in your industry?

- Cert IV in Customer contact - Call Centre staff
- Cert IV in TAA – training and development staff
- Frontline Management – Member Services
- Cert IV in Financial Services (prefer Lending; not Mortgage Broking)
- Cert IV in HR; Diploma in HR.

S Naughtin- May 2010 (face to face interview)

Company Name: Milton Jackson

Industry: Recruitment & Labour Hire

Address: Level 8, 350 Collins Street Melbourne 3000

Contact: Matthew Brown

Phone: 03 86760639 Mob: 0401 577336

Email: mbrown@miltonjackson.com.au

Staff Profile: 2 full-time permanent (Recruitment consultants)

Recent changes in industry

- During 2009 business levels for the company and across the industry decreased significantly as many companies put a hold on recruitment plans due to the uncertain economic outlook.
- More recently the decision by the Commonwealth Government to 'shelve' the ETS has put a stop on recruitment in this area.
- Since the start of 2010 the economic outlook has improved and this has had a positive impact on both the company and the industry.

What is the impact and how has your industry responded?

- The company (and the industry) have 'tightened their belts'. Economic conditions of 2009 saw a 30% decrease in permanent staffing (from 3 to 2). Company also had around 10-12 contractors. Currently has none.
- During this period there was a 6% decrease (nationally) in people working within the Executive Search/ Recruitment industry. Fees charged by many consultancies almost halved during this time.
- Whilst business levels have not yet returned to pre-GFC levels, they are certainly much improved on 2009. Company believes it has weathered the worst of it and is looking forward to the future with renewed confidence.

What are the skills issues in your industry?

- Many people working within this industry lack formal qualifications.
- Skills/ knowledge required include: customer service/ relationship management/ business development; WorkCover/ OH&S/ workplace assessment; industrial relations; EEO; contract management; payroll breakdown & administration; accounting/ business management; and computer/ IT skills & use of office software programs.

What are the training needs in your industry?

Qualifications which may be useful (depending on the company and the position):

- Cert IV and/ or Diploma in Business (Customer Contact/ Business Development/ Business Administration/Marketing/ Administration/ HR)
- Advanced Diploma in Business may be of use to larger companies where greater specialisation occurs.

S Naughtin - May 2010 (face to face interview)

Company Name: Money3

Industry: Finance - Lending

Address: Unit 4, 60-70 Mahoneys Road, Thomastown 3074

Contact: Robert Bryant (CEO) / Melissa Naeck (Manager, Policy & Procedures)

Phone: 94698200 Mob: 0407292295 (Robert)

Email: r.bryant@money3.com.au

Staff Profile: Approx 80 in 20 outlets; Mainly Vic, but also NSW & Tas.

Recent changes in industry

GFC impacted on most business in the industry. Industry is facing greater regulation and accountability

What is the impact and how has your industry responded?

- Overall business increased during the GFC. Change in demographic of loan applicants and type of loans sought.
- Share of car loans market increased as competitors either tightened policy or went out of car loans business.
- Money3 treated a tightening market as an opportunity to establish the company's position within personal loans and car loans markets in particular.
- Company put additional resources into staff training and development during this time to help improve quality of service and thus, competitiveness. Company regularly put staff through Traineeship – Cert IV in Financial Services.

What are the skills issues in your industry?

- Many companies do not have the focus on staff retention through training and development that Money3 has. A concern within the industry is the skill level and experience of (particularly client service staff).

What are the training needs in your industry?

- Certificate IV in Financial Services (Insurance Broking/ Mortgage Broking)
- Staff need to be skilled in finance regulation but also in sales/ marketing, dispute resolution, MS word, MS Excel.

S. Naughtin April 2010 (face to face interview)

Company Name: Royal Wolf

Industry: Transport & Logistics - Freight Container suppliers & modifications

Address: Clayton & Sunshine (VIC)

Contact: Rose Boutrous (HR) – Head Office (Hornsby)

Phone: 02 94823466

Email: rboutrous@royalwolf.com.au

Staff Profile: approx 200 nationally

Recent changes in industry

- No real downturn in business. No changes to staff or hours of work.

What is the impact and how has your industry responded?

- Not applicable.

What are the skills issues in your industry

- Frontline; sales; drivers; welders

What are the training needs in your industry

- Use Traineeships for training Frontline staff.

S Naughtin 4/11/09 (face to face interview)

Company Name: Warringal Financial Services

Industry: Financial Planning

Address: 2/17 Burgundy Street, Heidelberg 3084

Contact: Maree West (Office Manager); Derek Clapton (Owning Partner) Phone: 03 94592966

Email: maree@warringal.com.au

Staff Profile: 2x senior financial planners; 2x Planners; 3x Admin; 1x part-time Admin

Recent changes in industry

- GFC did have some impact on industry & company, but now back to pre crisis business levels.
- There is a move away from commission based advice to set fee-for-service.
- Industry has become more regulated over the past decade.

What is the impact and how has your industry responded?

- The company has very stable staffing. There was no variation on work hours or staffing levels. Currently all full time staff except the owning partners are in part-time study.
- Financial Planners – completing Advanced Diploma Financial Planning
- Office/ Admin – Cert IV in Customer Contact (Traineeship) and Cert IV in Business Administration

What are the skills issues in your industry?

- Industry possibly needs more qualified people – Diploma and Advanced Diploma Financial Services.
- There is always a need for upgrading knowledge around IT programs.

What are the training needs in your industry?

Company currently addressing training needs:

- Diploma/ Advanced Diploma in Financial Planning
- Cert IV in Business Management; or Cert IV Customer Contact
- Regular update on IT programs are needed – excel; word processing; powerpoint etc.

Broader industry would have similar needs.

S Naughtin- May 2010 (face to face interview)

Stakeholders Consulted

- Administrative TAFE Network
- Australian Apprenticeship and Traineeship Information Service (AATInfo)
- Australian Apprenticeship Centres (AAC) representatives
- Australian Industry Group (AIG)
- Australian Institute of Management (AIM)
- Australian Retailers Association (ARA)
- Australian Services Union (ASU)
- Australasian Security Industry Association Ltd (ASIAL)
- Building Services Contractors Association of Australia (BSCAA)
- Construction and Property Services Industry Skills Council (CPSISC)
- Crowd Controllers Employers Association (CCEA)
- Curriculum Maintenance Management
- Department of Innovation Industry and Regional Development (DIIRD) – Finance Industry Consultative Committee
- Facility Management Association (FMA)
- Finance Sector Union (FSU)
- Franchise Council of Australia (FCA)
- Government Skills Australia (GSA)
- Municipal Association of Victoria (MAV)
- National Institute of Accountants (NIA)
- Real Estate Institute of Victoria (REIV)
- RTOs delivering training in business, finance, local government, security, waste management, spatial information services, cleaning, carpet cleaning, pest management and real estate
- TAFE Administrative Network
- TAFE Business Directors
- Innovation and Business Skills Australia (IBSA)
- Victorian Chamber of Commerce and Industry (VECCI)
- Victoria Police (Licensing Services Division)
- Waste Management Association of Australia (WMAA)
- Jobs Australia
- Employers *See Enterprise Interviews*

Reference List

Report and periodical references include the following:

- ❑ National Centre for Vocational Education Research (2008 & 9),
- ❑ Australian Bureau of Statistics (ABS) data
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- ❑ Construction and Property Services Industry Skills (CPSISC) Council Environmental Scan 2009-2010
- ❑ Innovation and Business Skills Australian (IBSA) Environmental Scan 2009-2010 draft
- ❑ Business Review Weekly
- ❑ Campus Review
- ❑ Construction and Property Services Industry Skills Council (CPSISC) data – Property Services Towards 2010
- ❑ IBISWorld
- ❑ Innovation and Business Services Australia (IBSA) data
- ❑ Inside Waste
- ❑ Insight
- ❑ McKinsey Quarterly,
- ❑ National Accountant
- ❑ National Institute of Accountants (NIA) data
- ❑ Skills Victoria, Victorian Business Services Industry reports 2004, 2005, 2006 , 2007, 2008 and 2009
- ❑ The Age
- ❑ The Financial Review
- ❑ Training and development periodicals
- ❑ Unpublished ABS Labour Force survey data obtained from the FSU
- ❑ Victoria Police data
- ❑ WME Intelligence