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Tourism and hospitality VET graduates' employment outcomes during COVID-19

Peter Fieger

Federation University



Background

- When the COVID-19 pandemic began 2019 the true scale of ramifications was not immediately fully understood, it became apparent that some economic sectors would be more affected than others.
- While there were sectors that benefited, the tourism, travel, and hospitality sectors, saw significant contraction in economic activity and employment due to border closures, travel restrictions, etc
- These precautions caused a sudden decline in both domestic and international travel, leading to the closure of businesses in the hospitality, travel, and tourism industries and the loss of many jobs
- Tourism and hospitality firms are increasingly important employers in many regions of Australia and the impact of the pandemic on travel meant that this sector was impacted more than most others.
- The Australian federal and state governments created several support packages aimed at mediating the economic impact on operators and businesses in this (and other) sectors.

Background - Tourism and VET.

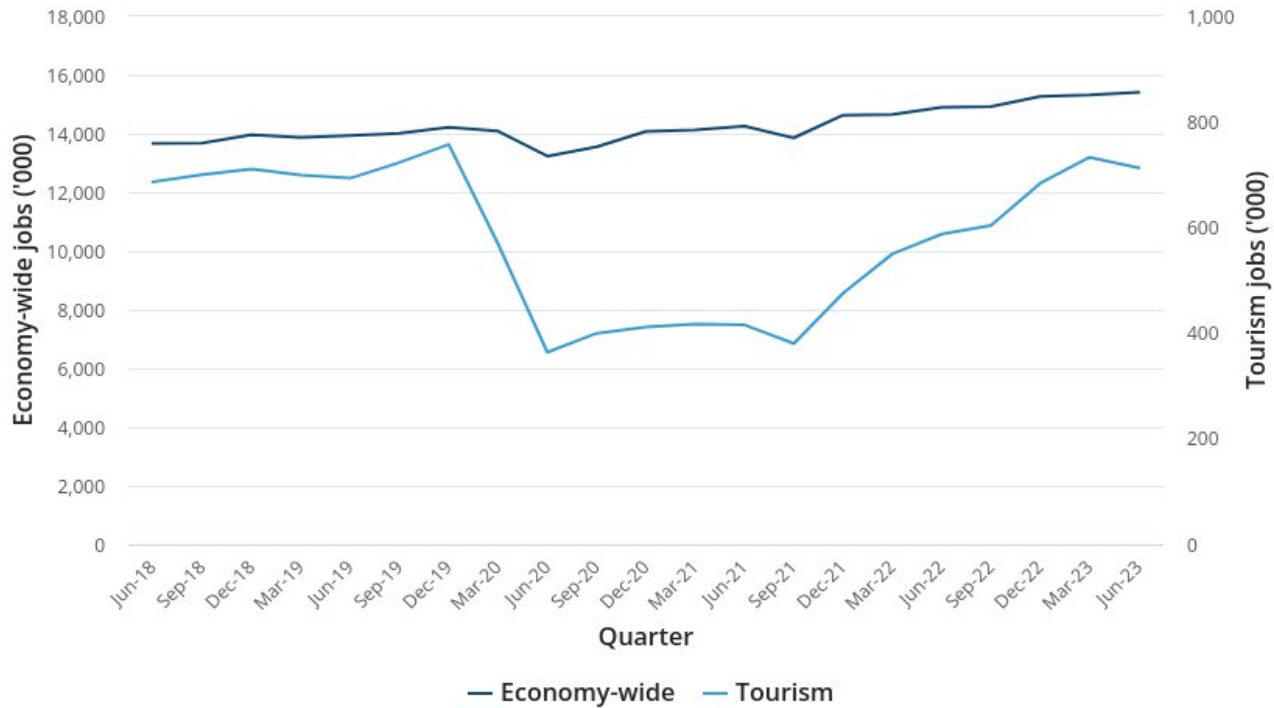
- The focus of VET is the provision of training for professions that do not require a higher education qualification. Areas such as health, community services, trades, commerce, tourism, and hospitality have seen larger enrolments in VET than their share of the wider labour market would suggest
- VET skills are important in a country's economic development, often equipping young people with relevant employability skills
- However, skill shortages emanating from labour mobility globally have created a gap in the hospitality industry, pressuring VET institutions to deliver the right skills

Background Tourism and VET.

- Due to the tight coupling between industry and educational offerings, job loss due to mobility and gathering restrictions, and changed consumption patterns, enrolments and employment outcomes in tourism and hospitality sectors might have been adversely affected by the pandemic
- Demand for vocational courses in the area and post-completion employment outcomes would potentially have been negatively impacted by the pandemic more than other sectors
- To date, there are no studies examining the impacts of COVID-19 on both enrolment and employment outcomes related to VET in tourism and hospitality studies.
- Thus, this study ascertains pandemic impacts on enrolment and employment outcomes by investigating how enrolments in leadup/during/post the pandemic in VET programmes fared in comparison to other industries.
- This study uses admin student enrolment data as well as data from the Student Outcome Surveys (2018-2022) to investigate student enrolments and labour market outcomes for graduates of VET

Tourism jobs

Tourism jobs ('000), original series



Definition Tourism & Hospitality

4-Digit Field of Education

By training Package:

Tourism

AVI – Aviation

SIT - Tourism, Travel and Hospitality

TLI – Transport & Logistics

Hospitality

AMP - Australian Meat Processing

AVI - Aviation

FBP - Food, Beverage and Pharmaceutical

FDF – Food Processing (now superseded by FBP)

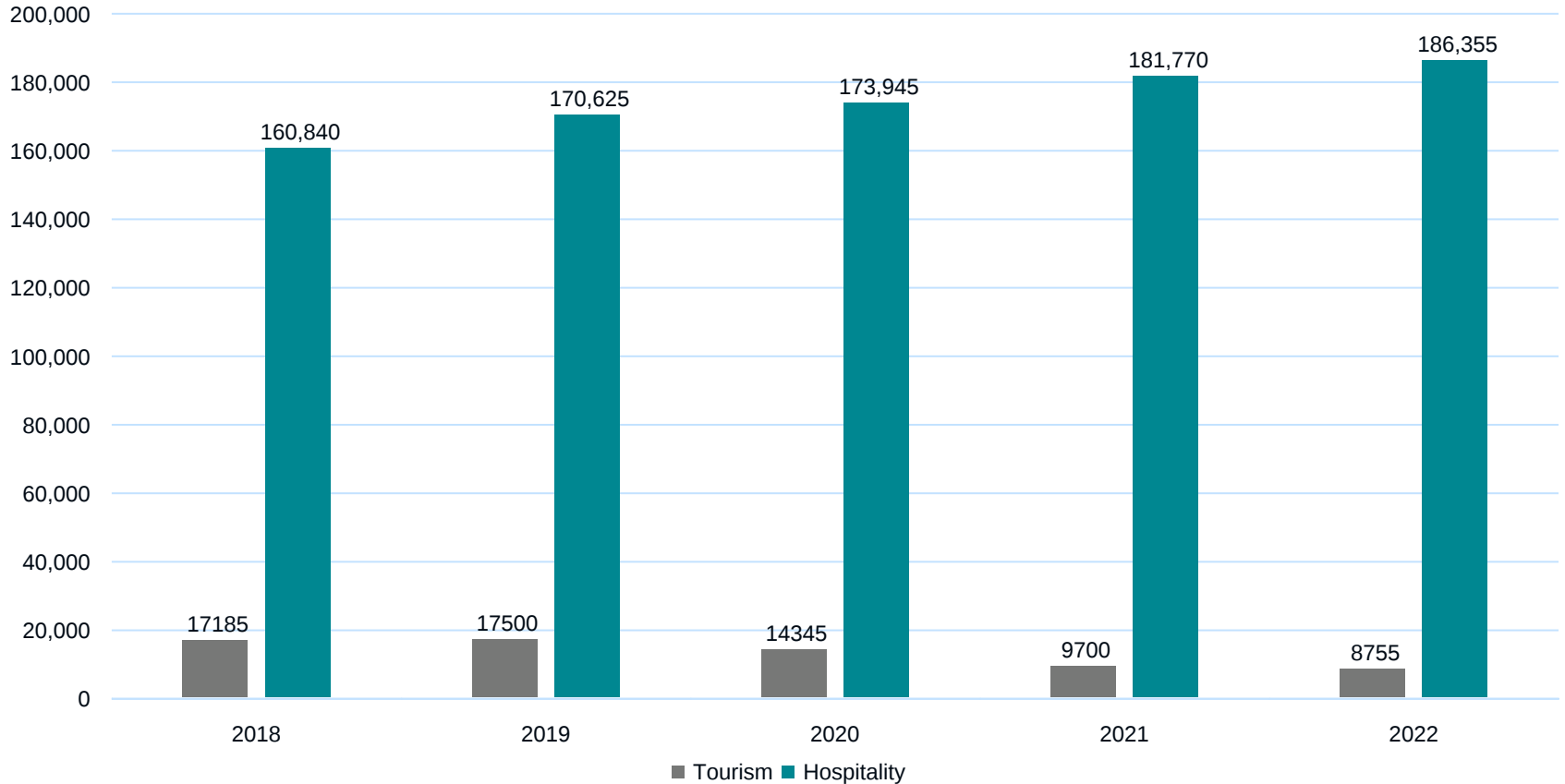
MAR - Maritime

MTM – Meat (superseded by AMP)

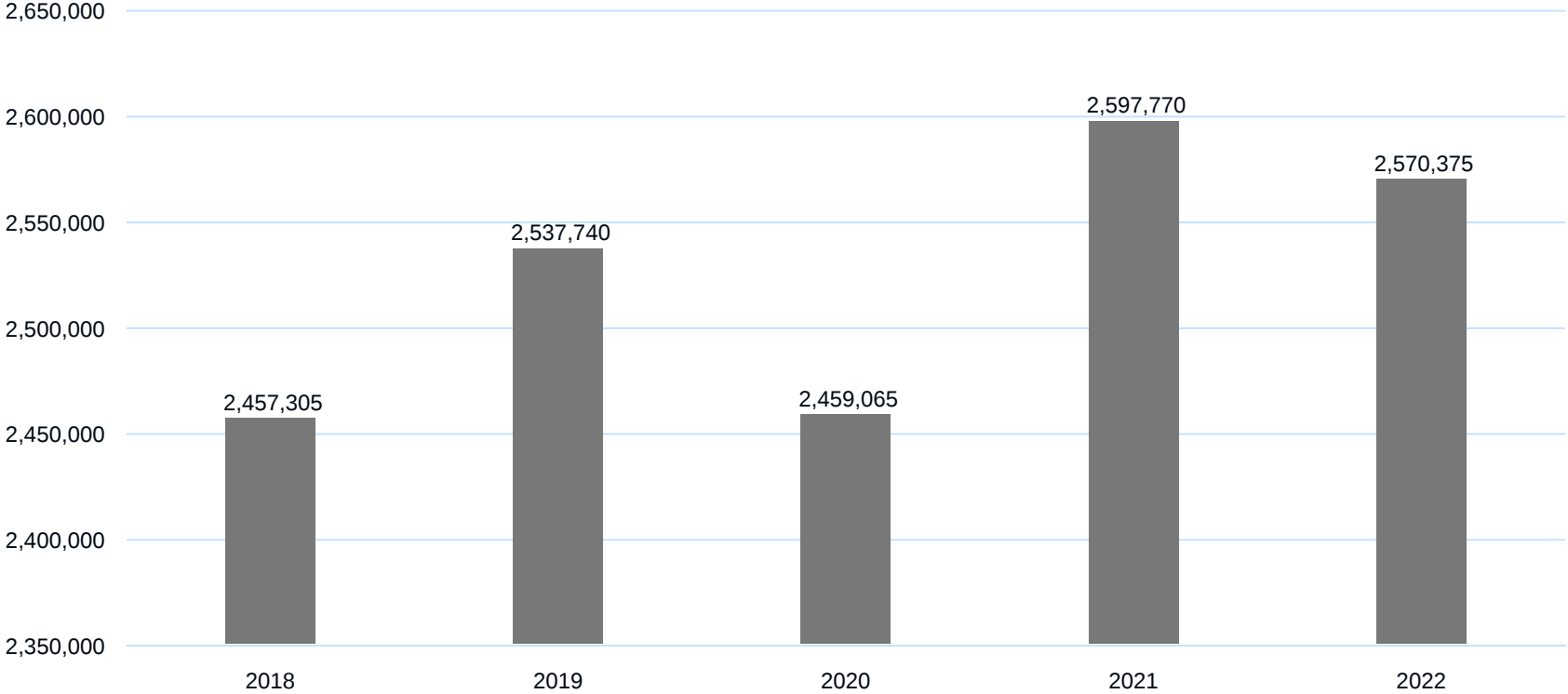
SFI - Seafood Industry

SIT - Tourism, Travel and Hospitality

Programme enrolments in Tourism and Hospitality 2018 - 2022



Programme enrolments other than Tourism and Hospitality 2018 - 2022



Student Outcome Survey

The NCVET Student Outcome Survey (SOS):

- is an online survey that collects data on the outcomes of vocational education and training (VET) students in Australia.
- collects information on students' employment outcomes, including their job status, salary, and industry of employment, as well as their further education and training plans.
- gathers information on students' personal and demographic characteristics, such as age, gender, and location, to help identify trends and patterns in VET student outcomes.
- is conducted annually and is open to all VET students who have completed their training within the past three years.
- results are used by government, training providers, and other stakeholders to evaluate the effectiveness of VET programs and to make informed decisions about the development of future training initiatives.

Sample and population information

Unweighted sample

Industry	2018	2019	2020	2021	2022	Total
Tourism	1,122	739	1,287	1,001	619	4,768
Hospitality	5,032	4,213	7,974	7,218	5,462	29,899
All other	136,751	115,843	153,111	136,401	119,713	661,819
Total	142,905	120,795	162,372	144,620	125,794	696,486

Weighted to population

Industry	2018	2019	2020	2021	2022	Total
Tourism	3,675	2,427	4,451	3,774	2,883	17,210
Hospitality	16,420	14,466	29,641	29,669	26,088	116,284
All other	427,912	367,991	524,624	512,207	505,885	2,338,619
Total	448,007	384,883	558,716	545,651	534,856	2,472,113

The model(s)

$$J = ax_1 + sx_2 + yx_3 + ix_4 + qx_5 + yix_6 + c + e$$

$$FS = ax_1 + sx_2 + yx_3 + ix_4 + qx_5 + yix_6 + c + e$$

where:

J – Job after training

- *a* – age group
- *s* – sex
- *y* – year
- *i* – Industry
- *q* – qualification level
- *y***i* – Interaction between industry and year

where:

FS – Job after training

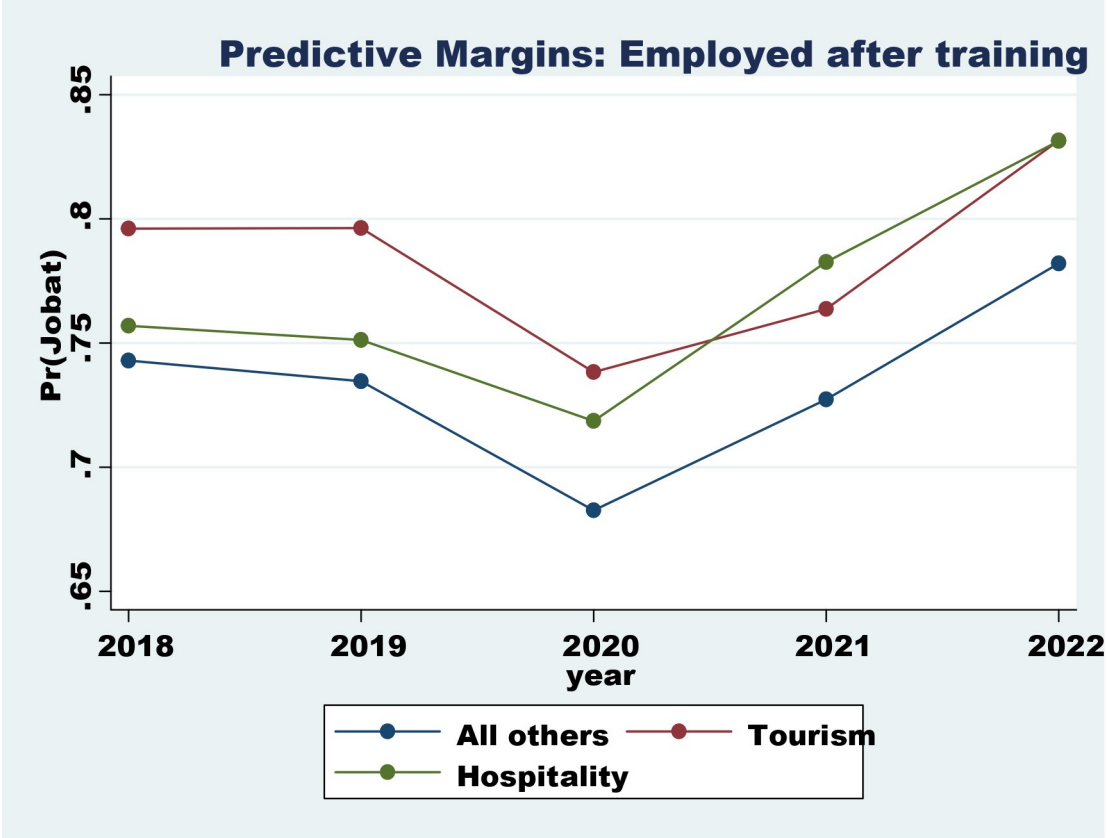
- *a* – age group
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Results:

Employment after training

Job after training	Coef.	Std. Err.	z	P>z	95% Conf. Interval		Predictive Margins
Age (ref: 18 - 19 years)	0.479	0.011	44.3	< 0.001	0.457	0.500	64%
20 to 24 years	0.751	0.009	79.78	< 0.001	0.733	0.770	74%
25 to 44 years	0.619	0.010	62.2	< 0.001	0.599	0.638	79%
45 to 64 years	-0.516	0.023	-22.94	< 0.001	-0.560	-0.472	76%
65 years and over							53%
Sex (ref: male)							76%
Female	-0.258	0.006	-40.62	< 0.001	-0.271	-0.246	71%
Year (ref: 2018)							74%
2019	-0.030	0.010	-2.84	0.005	-0.050	-0.009	74%
2020	-0.304	0.009	-32.22	< 0.001	-0.323	-0.286	69%
2021	-0.079	0.010	-7.96	< 0.001	-0.099	-0.060	73%
2022	0.232	0.011	21.62	< 0.001	0.211	0.253	78%
Industry (ref: nonH osp & tourism)							73%
Tourism	0.262	0.081	3.23	0.001	0.103	0.421	77%
H ospitality	0.085	0.036	2.38	0.017	0.015	0.156	77%
Year * Industry							
2019 * Tourism	0.012	0.128	0.09	0.926	-0.240	0.263	
2019 * H ospitality	-0.004	0.053	-0.07	0.941	-0.107	0.100	
2020 * Tourism2	-0.041	0.104	-0.39	0.697	-0.245	0.164	
2020 * H ospitality	0.077	0.045	1.72	0.086	-0.011	0.165	
2021 * Tourism	-0.089	0.111	-0.8	0.423	-0.307	0.129	
2021 * H ospitality	0.219	0.046	4.72	< 0.001	0.128	0.309	
2022 * Tourism	0.047	0.133	0.36	0.721	-0.213	0.308	
2022 * H ospitality	0.224	0.051	4.39	< 0.001	0.124	0.324	
Qual level (ref: Diploma)							79%
Certificate IV	0.135	0.011	12.48	< 0.001	0.114	0.156	81%
Certificate III	-0.281	0.010	-29.14	< 0.001	-0.300	-0.262	74%
Certificate II	-0.709	0.012	-61.08	< 0.001	-0.732	-0.686	65%
Certificate I	-1.293	0.017	-75.07	< 0.001	-1.327	-1.259	52%
Constant	0.408	0.016	25.69	< 0.001	0.377	0.439	
N = 656,772 Wald chi2(21) = 43029.5 Prob > chi2 < 0.001 Pseudo R2 = 0.067							

Modelled employment outcomes over time

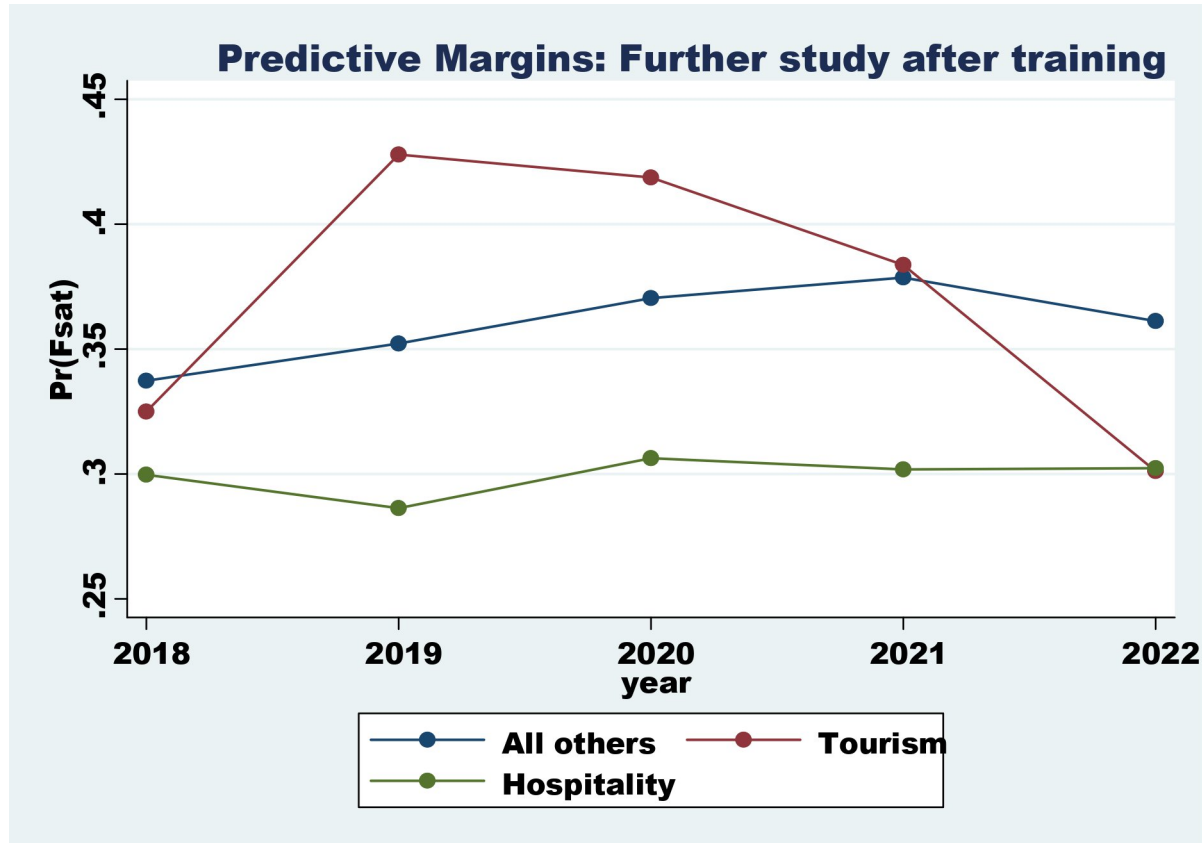


Results:

Further study after training

Further study after training	Coef.	Std. Err.	z	P>z	95% Conf. Interval		Predictive Margins
Age (ref: 18 - 19 years)							45%
20 to 24 years	-0.116	0.010	-11.98	< 0.001	-0.135	-0.097	42%
25 to 44 years	-0.537	0.008	-64.04	< 0.001	-0.554	-0.521	32%
45 to 64 years	-0.797	0.009	-86.57	< 0.001	-0.815	-0.779	27%
65 years and over	-0.899	0.025	-36.59	< 0.001	-0.947	-0.851	25%
Sex (ref: male)							34%
Female	0.171	0.006	30.44	< 0.001	0.160	0.182	38%
Year (ref: 2018)							34%
2019	0.068	0.009	7.37	< 0.001	0.050	0.086	35%
2020	0.148	0.009	17.26	< 0.001	0.131	0.165	37%
2021	0.184	0.009	20.78	< 0.001	0.167	0.202	37%
2022	0.108	0.009	11.67	< 0.001	0.090	0.126	36%
Industry (ref: nonHosp & tourism)							36%
Tourism	-0.057	0.069	-0.83	0.406	-0.192	0.078	37%
Hospitality	-0.178	0.033	-5.3	< 0.001	-0.243	-0.112	30%
Year * Industry							
2019 * Tourism	0.384	0.105	3.66	< 0.001	0.178	0.590	
2019 * Hospitality	-0.134	0.049	-2.71	0.007	-0.231	-0.037	
2020 * Tourism2	0.265	0.092	2.87	0.004	0.084	0.445	
2020 * Hospitality	-0.116	0.042	-2.76	0.006	-0.199	-0.034	
2021 * Tourism	0.079	0.098	0.81	0.421	-0.113	0.272	
2021 * Hospitality	-0.174	0.043	-4.03	< 0.001	-0.259	-0.089	
2022 * Tourism	-0.221	0.114	-1.94	0.053	-0.445	0.003	
2022 * Hospitality	-0.095	0.046	-2.06	0.039	-0.185	-0.005	
Qual level (ref: Diploma)							37%
Certificate IV	-0.010	0.009	-1.08	0.278	-0.027	0.008	37%
Certificate III	-0.134	0.008	-16.25	< 0.001	-0.150	-0.118	34%
Certificate II	0.057	0.010	5.47	< 0.001	0.037	0.077	38%
Certificate I	0.064	0.017	3.9	< 0.001	0.032	0.097	38%
Constant	-0.347	0.012	-28.07	< 0.001	-0.372	-0.323	
N = 659,777 Wald chi2(21) = 15,635.15 Prob > chi2 < 0.001 Pseudo R2 = 0.02							

Modelled further study outcomes over time



Conclusions

- Despite substantial negative media coverage of the impacts of the pandemic on the hospitality and tourism sectors, the analysis shows that tourism and hospitality graduates from VET programs were more likely to find employment during this time than other graduates
- The findings demonstrate that the Australian VET sector was largely resilient to the pandemic's effects and quickly recovered
- The Australian government's response to the crisis, which included waiving VET fees and providing subsidies to individuals working in the tourism and hospitality industries, may provide an explanation for the positive effects identified.
- In terms of employment outcomes, the results indicated that 2020 saw a temporary fall in job prospects for graduates of the tourism and hospitality programs.

Conclusions

- However, by 2021, the employment rate for graduates of these programs had somewhat improved and, in the case of graduates in the hospitality industry, had even surpassed pre-pandemic levels. Thus, the effects were less severe than expected.
- Overall, findings show that the VET industry was resilient in the face of the pandemic.
- The results imply that VET will continue to be a crucial entry point to the tourism and hospitality sector job market in the future.
- The study is not without limitations. For example, the survey nature of the data source, and the subsequent presence of sampling and potential non-sampling error presents a limitation.
- Another possible limitation arises from the nature of traditional employment patterns (often part-time) in the sector, which we have been unable to account for due to limitations in the data.