

ENVIRONMENTAL SCAN



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Personal Services Sector April 2007

Overview of the Personal & Other Services

About 382,000 people work in the Personal & Other Services Sector.

Personal Services plays a significant role in the wholesale, retail and personal services (WRAPS) sectors. Service Skills Victoria reported; "The WRAPS sector was the largest employer in Australia during 2001-02; its dominance is forecast to continue with approximately 1.8 million people employed in the sector by 2009-10."

Personal Services workforce rates comprise 47% female participation.

According to the Australian Bureau of Statistics' (ABS) Australian and New Zealand Standard Industrial Classification (ANZIC), the *Personal & Other Services* industry division consists of three industry subdivisions: **Personal Services;** Hairdressing and Beauty Salons, Florists, Video Hire Outlets, Laundries and Dry Cleaners, Photographic Studios and Processing, Funeral Services.

Other Services; Religious Organisations, Business and Professional Associations (such as General, Finance, Human Resources and Marketing Managers), Public Order and Safety Services (such as the Police and Fire Brigades), Welfare and Community Workers.

Private Households Employing Staff; Domestic Housekeeper.

As this list of occupations indicates, Personal & Other Services sector comprise a diverse mix of businesses.

Labour Market Trends

'Sectors within the service industries are converging with a continual blurring of the boundaries as the number of enterprises that cover two or more sectors steadily increase. A major contributor to this is the rise of "experienced purchasing", where customers are demanding increased integration of products and services such as spa resorts.'

The Spa and Wellness industry; combining beauty and wellness with retail and tourism have experienced strong growth with spending in the industry forecast to increase from \$200 million in 2002-03 to \$60 billion in 2015 (including cosmetic procedures and complementary medicines).

'In the funeral sector, feedback from employers has indicated an increase in cremations, greater specific services tailored to cultural groups and growth in "one service" business models.'

Skills Shortages

Currently in the service industries, hairdressing is an identified skill shortage area, which means that there is a shortage of hairdressers at all levels – from apprentices to qualified hairdressers. A key reason is for this skill shortage is the industries rapid growth but also a decrease in traditional employment pathways such as apprenticeships. As the beauty industry is also growing, there is increasing opportunities for well-trained, professional beauty therapists. ABS Labour Force Australia estimates growth within the industry over the next five years is expected to be strong.

Florists mainly work for small retail outlets and many are self-employed; consequently advancement opportunities are usually limited.

Approximately 60% of all people working in the industry work full-time. Job growth is expected to be



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moderate over the next five years.

The laundry industry is extensive covering nappy, dry cleaning, dyeing, linen hire, laundry agencies and services including self service operations and carpet, rug and curtain cleaning businesses. There are about 2,000 organisations employing almost 16,000 people across all sectors in this industry.

Skill Need

An essential requirement for success in the personal services sector is the ability for labour, capable of multi-tasking across many job roles.

'The recruitment focus will be on generic skills applicable across sectors; these include "employability" or "soft" skills (communication, teamwork, problem solving relationship management, initiative and enterprise, planning and organising, self management, capacity for continuous learning and application of technology). Further skills necessary to deal with a wide range of cultural factors including;

- Religious differences
- Customs and beliefs
- Morals and ethics
- Understanding new technologies and how they may assist in improving personal services delivery.
- Understanding of small business operation and understanding of legislative requirements.

As the use of technology becomes an integral part of a business operation; improving market focus, reducing costs through efficient operations and customer shopping experience, basic computer awareness will be an essential skill requirement.

'Training requirements for the personal services industry will continue to be a high priority for hairdressing at Certificate III and IV, driven by the skills shortages in this field.

There is also an increased need for Certificate IV and above in Beauty as the Beauty sector will see an increase in practitioners becoming specialists following the beauty diploma qualification.

An increasing requirement for lower level training for example, Certificate II in Floristry has emerged to fill entry level positions.'

Challenges Faced in Engaging Young People

The aging population and the decline in the percentage of young people in the workforce will lead to an increased emphasis on retention strategies and being an employer of choice. A shift in young employees' expectations and attitude to work, particularly from the Generation Y employees, includes a perception of not what they (as employees) can do for the company, but what the company can do for them.

Two key determinants of an industry's risk profile are relative levels of retention/turnover and reliance on a steady flow of 'young' labour, which is in decline.'

Useful Websites

www.ara.com.au
www.serviceskills.com.au
www.hbia.com.au

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The following sources were used to compile this information:

**Industry Summary 2004 Report
Personal & Other Services**

**Extracts & quotes: Service Skills
Victoria Industry Drivers
Report 2006-07**

**Final Report - February 2007 unless
otherwise stated.**



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