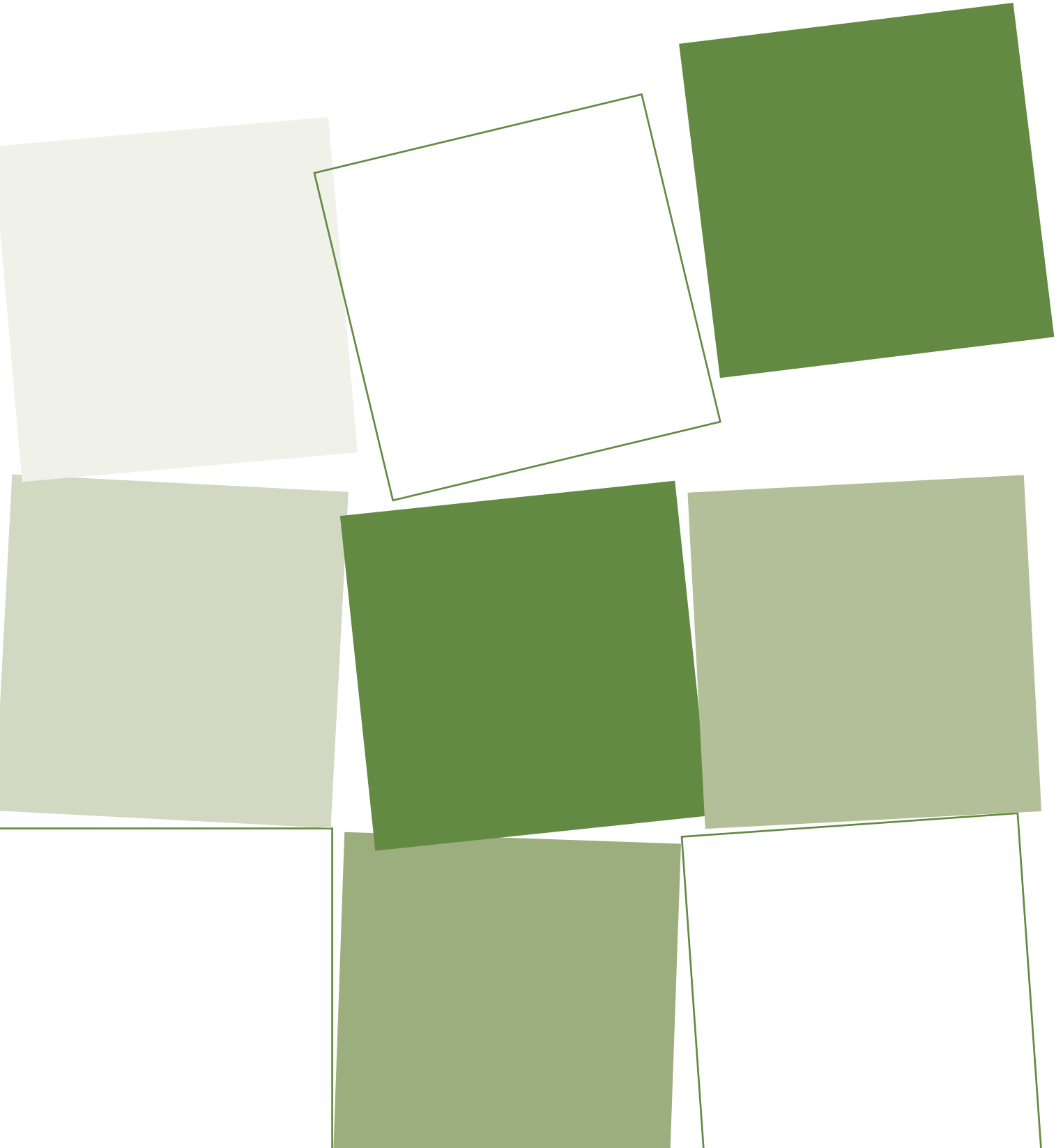




Department of Education and
Early Childhood Development

Skills & Training Needs 2013

Victorian Retail Trade Industry



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Introduction

In the context of Victoria's dynamic economy, a demand-led approach is the best way to ensure a responsive vocational training system that will help as many people as possible build skills that lead to better jobs. This is most evident in the results of the market approach embodied in the Victorian Training Guarantee, which has achieved positive outcomes for both students and the economy.

The Refocusing Vocational Training in Victoria reforms are designed to satisfy important criteria for a strong vocational training market. Through these reforms the Government is ensuring that the vocational training system continues to produce positive outcomes for students, businesses and Victoria.

Through Refocusing Vocational Training, there is a role for Government in monitoring, providing information and responding to the performance of the vocational training system. A key mechanism by which the Government exercises this role is through the Industry Participation Model. The Industry Participation Model is based on a new partnership approach between Government, industry and training providers. It increases industry influence within the training market by supporting more direct relationships between industry and training providers and by increasing direct consultation with Government.

An aim of the Industry Participation Model is to seek to improve information sharing about training provision, options, outcomes, gaps and associated barriers between industry, training providers and employers to improve alignment between industry needs and training delivery. A suite of information products and tools are being developed, of which this report is one, to support this aim and an overview of these is provided overleaf.

This report describes training and economic activity and developments related to Victoria's Retail Trade Industry, bringing together a range of qualitative and quantitative insights from desk research and industry engagement. It highlights both the challenges the industry faces in attracting the right skills, and the opportunities businesses, training providers and Government have to address these challenges. Key metrics used in this report include enrolments by sub-industry, qualification level, occupation, courses, age group, gender, learners facing barriers, provider type, reason for study and completions. The report also covers apprentices and trainees, and an analysis of the alignment between training delivery and specific industry skills needs. The report produces industry, sub-industry and region-specific findings and, wherever possible, presents comparisons to developments at the State level.

The purpose of this report is:

1. To provide a basis for understanding the Retail Trade sector in relation to employment levels, skills shortage occupations, current alignment and responsiveness of the vocational training market to the needs of the sector and to provide an overview of the challenges and opportunities in meeting industry vocational skills needs both now and into the future.
2. To give detailed information around vocational training enrolments by occupation, location, qualification levels and student characteristics, as it relates to the Retail Trade sector in order to gauge current trends in vocational training delivery.
3. To summarise the context of the Retail Trade sector in relation to the size and scale of the labour and training markets as well as the current policy, economic and social drivers that it is facing.

Suite of Information Products & Tools

| | | |
|---|--|--|
| <p>Victorian Quarterly Training Market Reports</p> <p>On-going series of quarterly reports aimed at providing a summary of Victorian training market performance following the introduction of the student entitlement system. The report covers three sections – the first provides an overview of the performance of the Victorian training market, the second section examines the participation of learners facing barriers and the third examines the alignment of training to industry skills needs</p> <p>http://www.education.vic.gov.au/training/providers/market/Pages/reports.aspx</p> | <p>Vocational Training: Victoria's Regional Report</p> <p>Annual publication examining training delivery in each of Victoria's regions in the context of the local population, economy and workforce, building a picture of the relationship between the local training system and regional skills needs, training market performance and responsiveness</p> <p>http://www.education.vic.gov.au/training/providers/market/Pages/regionaltrends.aspx</p> | <p>Vocational Training: Victoria's Industry Report</p> <p>Published annually, this report combines industry intelligence and economic analysis with training data to build a more complete picture of the relationship between industry skills needs, employment opportunities and skills training. Each of the 19 industry training profiles provide economic context and a summary of training challenges and highlights from IPM initiatives</p> <p>http://www.education.vic.gov.au/training/employers/industry/Pages/marketinfo.aspx</p> |
| <p>Industry Sub-sector Summary Reports & Industry Factsheets</p> <p>46 sub-sector industry summary reports produced annually highlight industry labour and training market dynamics with an overview of current and forecast employment needs and vocational training patterns across the sectors and at the regional level</p> <p>A series of factsheets are also available for 19 industries</p> <p>http://www.education.vic.gov.au/training/employers/industry/Pages/marketinfo.aspx</p> | <p>Business Toolkit and Case Studies</p> <p>Toolkit for employers providing information on how to get government-subsidised training under the Victorian Training Guarantee; getting the best training for your business, with a helpful checklist; information of Recognition of Prior Learning; and a range of interesting employer and training provider case studies</p> <p>http://www.education.vic.gov.au/training/employers/workforce/Pages/marketfacilitation.aspx</p> | <p>Portfolio Industry Reports</p> <p>These reports describe training and economic activity and developments related to key Victoria's industry sectors. Highlighted are both the challenges the industry faces in attracting the right skills, and the opportunities businesses, training providers and government have to address these challenges. A range of key workforce and training metrics are also provided. There are two tiers of reports; detailed reports representing the focus industries for the Department in 2013, and summary reports covering other industry sectors</p> <p>http://www.education.vic.gov.au/training/employers/industry/Pages/marketinfo.aspx</p> |
| <p>Industry Blog</p> <p>A forum for people interested in industry skills and training issues in Victoria, the blog features a range of topics relevant to stakeholders, information on recent industry events, groups and forums and new initiatives focused on enhancing market performance through facilitation activities</p> <p>http://skillsblogvic.wordpress.com/</p> | <p>Industry Skills Update - e-Alerts</p> <p>Regular email update featuring the latest news about IPM activities; market facilitation and related government initiatives; reports; and training performance information</p> <p>To subscribe contact: Department of Education & Early Childhood Development, skills.online@edumail.vic.gov.au</p> | <p>Web Pages – Industry Training Market Information</p> <p>19 webpages with information about the skills and training market for industry sectors. For each industry, there's a training snapshot, information about skills in demand, training market intelligence reports and factsheets along with more detailed reporting for each industry sub-sector. Information is updated regularly</p> <p>http://www.education.vic.gov.au/training/employers/industry/Pages/marketinfo.aspx</p> |
| <p>Rate Your Training</p> <p>Ratings tool for industry and employers which is a simple-to-use system where employers can rate the performance of a training provider in a particular study area against selected criteria, and review and compare the ratings of other employers</p> <p>http://rateyourtraining.com.au/</p> | <p>E-Marketplace (in development)</p> <p>Website which facilitates connections between employers and training providers. Employers can anonymously post their training requirements and training providers are able to provide structured response online. Employers are then able to review the response with no obligation, create a shortlist and follow up directly with their preferred providers</p> | <p>Victorian Skills Gateway</p> <p>One-stop-shop of Victorian vocational education and training to help find the best option for students. Searches can be performed on occupations, courses, training providers, video and written case studies. This website is also viewable via a purpose-built smartphone interface</p> <p>http://www.education.vic.gov.au/victorianskillsgateway/Pages/home.aspx</p> |

Industry and data scope

This section summarises the scope of the Retail Trade industry¹ as well as key data sources.

Products and services

The Retail Trade industry includes businesses mainly engaged in the purchase and/or on-selling, the commission based buying, and the commission based selling of goods, without significant transformation, to the general public. The Retail Trade industry also includes businesses that purchase and on-sell goods to the general public using non-traditional means, including the internet.

Businesses are classified to the Retail Trade Division in the first instance if they buy finished goods and then on-sell them (including on a commission basis) to the general public.

Retail businesses generally operate from premises located and designed to attract a high volume of walk-in customers, have an extensive display of goods, and/or use mass media advertising designed to attract customers. While non-store retailers, by definition, do not possess the physical characteristics of traditional retail businesses with a physical shop-front location, they share the function of the purchasing and on-selling of goods to the general public.

Figure 1.1: Retail Trade ANZSIC breakdown

| ANZSIC code | ANZSIC industry | |
|-------------|---|---|
| 39 | Motor Vehicle and Motor Vehicle Parts Retailing | |
| | 391 | Motor Vehicle Retailing |
| | 392 | Motor Vehicle Parts and Tyre Retailing |
| 40 | Fuel Retailing | |
| 41 | Food Retailing | |
| | 411 | Supermarket and Grocery Stores |
| | 412 | Specialised Food Retailing |
| 42 | Other Store-Based Retailing | |
| | 421 | Furniture, Floor Coverings, Houseware and Textile Goods Retailing |
| | 422 | Electrical and Electronic Goods Retailing |
| | 423 | Hardware, Building and Garden Supplies Retailing |
| | 424 | Recreational Goods Retailing |
| | 425 | Clothing, Footwear and Personal Accessory Retailing |
| | 426 | Department Stores |
| | 427 | Pharmaceutical and Other Store-Based Retailing |
| 43 | Non-Store Retailing and Retail Commission-Based Buying and/or Selling | |
| | 431 | Non-Store Retailing |
| | 432 | Retail Commission-Based Buying and/or Selling |

nec = not elsewhere classified

¹ As defined by the Australian Bureau of Statistics, Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006.

Data

The main source of data on vocational training activities is the training activity database referred to as SV Training System (SVTS).

The report presents findings for the time period from 2008 to 2013, with an in depth analysis of developments and patterns in the 2013 calendar year. Data was extracted from SVTS as at March 2014 and subject to revision.

This report includes government subsidised training enrolments only. Data on completions contain all government subsidised and fee for service enrolments at any course level by all providers.

Training data shown in the tables are rounded to the nearest 100 when the figures are greater than 1,000; to the nearest 50 when they are between 100 and 1,000; and to the nearest 10 when they are less than 100. Any percentages are calculated based on the original, unrounded data.

Retail Trade trends and issues

This section focuses on the Retail Trade industry as a whole. It covers: key issues and challenges including economic conditions, new regulations, demographic changes, changing social attitudes, new technology/processes, changing consumer tastes, environmental sustainability and the direction of industry restructuring.

Key messages, issues and challenges

- The Retail sector has experienced low levels of growth over the five years since the global financial crisis, with revenue affected by a weak global economy, uncertain consumer sentiment and subdued discretionary spending on non-essential goods.
- Online shopping has been a shining star in an otherwise stagnant sector, and with faster internet speeds, higher internet penetration rates and improvements in security and reliability for online payment processing, the foundations have been laid for continuing growth.
- As well as the rise in online shopping, the consumer goods market has also undergone a technological revolution over the past five years, with the introduction of new digitally driven goods, plasma and LCD technology and electronic and interactive devices. The rise in sales of these sorts of products has offset sales in some of the more traditional purchases (e.g. books, newspapers, non-digital cameras).
- In the grocery sector, the supermarket duopoly dominates the landscape, and while market share continues to be diverted away from independent and smaller suppliers of grocery, meat, vegetable and other foodstuffs, the price wars that supermarkets continue to engage in drives revenue down in the sector, and continues to challenge supplier margins.
- Retail associated with the automotive sector has been influenced by shifting consumer demand for cheaper, more fuel-efficient cars over the last five years; while pharmaceuticals retailing remains in the grip of the Pharmaceutical Benefits Scheme price discounting and disclosure structure.
- Retailers are looking to streamline their supply chain, and cut costs. This is evident in the increasing trend towards wholesale bypassing, whereby the retailer purchases directly from the manufacturer, cutting out the wholesale trade industry.² Increasing numbers of businesses are also becoming more vertically integrated, providing the full range of services from manufacturing/production to consumer retailing.
- Victoria's Retail Trade industry was estimated to be worth \$17.0 billion to the State economy in 2012-13 (6 per cent of total industry output). With a workforce of around 327,600 workers, or 11 per cent of employment, the sector is the second largest employer behind Health Care and Social Assistance.
- Output is currently forecast to grow by 11 per cent over the five years to 2017-18, slightly lower than the forecast average growth across all Victorian industries (14 per cent).
- At the end of June 2012, it was estimated that there were 36,977 businesses in the sector operating in Victoria, with businesses more likely to be small employing businesses (with 1–19 employees) than the average across all industries in Victoria. Retail businesses are also more likely than the average across all industries to have a large annual turnover (in excess of \$200,000 per year).
- The rise of online retailing may see an increase in non-employing businesses/sole traders over the next five years.
- While Retail Trade businesses are distributed throughout most of the suburbs of metropolitan Melbourne, major concentrations occur in the CBD and large shopping centres in Chadstone, Doncaster and Maribyrnong. Across regional Victoria, most establishments are in the peri-urban area adjoining Melbourne, and across regional centres and tourism-based townships.

² See DEECD (2014) Wholesale Trade Skills & Training Needs Report for further details.

Industry trends and outlook

The following tables outline the industry trends and drivers for the main areas of activity within the Retail Trade sector. While online retailing is not a sub-sector in itself, it cuts across much of the Retail industry and its increasing importance to the industry cannot be understated.

Online Retailing

- Online retailing has changed the face of the Australian Retail Trade industry, representing a paradigm shift in the way consumers make transactions. While the industry is in its infancy, both technologically and monetarily, it has grown dramatically over the past five years (at an annualised rate of 24 per cent), to become part of the mainstream.
- Start-up and maintenance costs for major online websites have kept profit margins low, in addition to high competition within the industry. However, for small operators the cost of setting up a website can be minimal. As a result, there has been a significant influx of new entrants into the industry over the past five years, with enterprise numbers growing at an annualised 16 per cent.
- With the roll-out of the National Broadband Network, regional areas will be able to access faster and more-secure internet connections, which will substantially increase both the industry's customer base and give rise to potential business opportunities in more rural areas.
- The growth of online retailing through smartphones and tablets will provide further opportunities for operators to enhance products and services and reach a wider, technologically savvy audience. An increasing number of bricks-and-mortar retailers will migrate online to complement traditional offerings. Industry revenue will also be boosted as older Australians become increasingly computer literate.
- It is expected that online shopping revenues will grow by 10 per cent per annum to 2018-19.

Consumer Goods Retailing

- Weak economic growth following the global financial crisis has led to a tense time for retailers of consumer goods across Australia, with revenue declining by an annualised 0.3 per cent over the five years to 2013-14.
- However, the hottest topic at the moment is online spending. Currently this is seen as a threat by many Australian retailers and in 2011-12 a number of leading vendors joined forces through the Fair Imports Alliance to pressure the government to reduce the tax-free threshold on goods bought online from international retailers. However, across other parts of the world, merchants are embracing online sales platforms as an extension of their existing businesses that enables them to reach more customers.
- However, online growth does not signify the end of bricks and mortar retailing. For example, a national survey conducted by Telstra in August 2012 found that 89 per cent of online purchasers of clothing, accessories and shoes were also shopping for the same products in-store. This realisation has seen the emergence of 'omnichannel retail', which refers to retailers who use both online and offline channels in their business to maximise customer revenue. Indeed, the domestic online shopping industry accounts for about 73 per cent of Australia's online spending, and is growing at a faster rate than sales via international competitors.
- As well as the rise in online shopping, the consumer goods market has also undergone a technological revolution over the past five years, resulting in an explosion of new products across many well-defined and largely saturated product categories. For example, the introduction and popularity of electronic and interactive toys has led to solid sales growth in an otherwise stagnant market. Similarly, the introduction of plasma and LCD technology has supported sales in the domestic appliance market. Revenue across the consumer goods market has benefited from the rising popularity of home theatre systems, coffee machines and digitally driven goods including MP3 players, digital cameras, iPhones, iPads and Bluetooth technology.
- However, a number of products have also been adversely affected by technology. For example, the physical sale of recorded music has had to contend with increased competition from websites, music piracy and digital downloads; while the performance of newspaper and book retailers has been affected by a shift in the way consumers read, from print to online versions.

Food and Grocery Retailing

- Supermarket, grocery and other food and beverage retailers account for almost 20 per cent of Victorian retail businesses. The sector is driven by population growth, the level at which disposable income is available for eating out, and the degree to which household budgets can stretch to cover luxury food items, as opposed to household basics.
- Coles and Woolworths dominate the supermarket industry, and while the increased prevalence and growing popularity of private labels has revolutionised the range of goods on offer across Australia's supermarkets (private label now accounts for 25 per cent of all supermarket sales), it has squeezed supplier margins. The change in dynamics has also sparked a price war as the big supermarkets chase market share by cutting the price of numerous household basics. This has created a difficult trading landscape for other retailers in the sector and the resulting price deflation has led to subdued revenue growth throughout the industry over the past two years.
- Industry sales in convenience stores (excluding fuel) are expected to fall by an annualised 4 per cent over the five years to 2013-14, and the performance of operators throughout the industry has been mixed as they have faced stiff competition from the major grocery chains. Looking forwards, sales will continue to be influenced by consumer demand for healthy food options and competition from other retailers selling fuel. Tobacco is also a significant element of this part of the industry, and revenue is influenced by a fall in the smoking rate, the ban on displaying products, and plain packaging with health warnings.
- Rising competition and price discounting by supermarkets have weighed on revenue growth in the other food and beverage retailing sectors, despite for example, rising fruit and vegetable consumption as consumers responded to the 'Go for 2&5' public health message. Sales and market shares for smaller specialty retailers have declined, as larger supermarkets have expanded product lines to incorporate more exotic fruit and vegetable items. The rising popularity of packaged and ready-to-eat meals has also affected consumer demand for fruit and vegetables, as time-poor consumers respond to busier lifestyles and heavier workloads.
- For meat and fish retailers, strengthening economic conditions will support rising consumption of higher cost red meat and seafood. Demand for value added chicken products is expected to continue to grow strongly. Australia's habitual consumption of fresh meat products tends to shelter the industry from external substitutions, although the increasing popularity of vegetarian-based diets is likely to be a challenge for the industry. Smaller retailers will need to develop their niche in the market in order to survive.
- Extreme weather patterns over recent years have caused considerable fluctuations in the supply and price of food and beverage products right along the supply chain.
- The largest growth potential in the specialised food retailing industry lies in niche segments that specifically cater to the increasing numbers of health-conscious consumers. These product segments include non-alcoholic beverage, vitamin supplements and other health food.

Automotive and Related Retailing

- The automotive retailing industry suffered an initial crash during the global financial crisis, and the subsequent loss of major financiers. Consumer confidence plummeted with an associated tightening of household spending. However, sales have since improved because of higher consumer confidence and pent-up demand. This has resulted in an estimated annualised growth in revenue of 4 per cent over the five years through to 2013-14 for motor vehicle sales, although the industry has suffered a few temporary set-backs along the way (such as a shortage in Japanese cars and car components as a result of the earthquake and tsunami in Japan in 2011).
- Fuel prices, driven by the cost of crude oil have also had an impact on the industry over the past five years, affecting sales and leading to increased vehicle running costs. Householders have responded by changing driving habits, switching to public transport and moving towards smaller, more fuel-efficient cars, with diesel sales now expanding more rapidly than petrol sales. Car dealers are aware of this trend, and the supply of low-price, small and fuel efficient vehicles has benefited the industry.
- In 2010, import tariffs were halved from 10 per cent to 5 per cent, which opened up new foreign sources for car dealers, especially from China. Dealers now have access to a wider range of imported vehicles, and while these cheap imports led to lower prices; overall, the lower prices helped support revenue growth, although at the expense of domestically produced vehicles.
- Over the next five years, growth in vehicle retailing will likely slow, with weak consumer sentiment squeezing the industry. Pent-up demand for cars and the growing availability of fuel-efficient vehicles will provide some revenue growth opportunities. However, the shift to fuel-efficient vehicles will not be enough to counteract the negative effect of rising fuel prices. The forecast increase in fuel prices will be detrimental to retailers that sell large and inefficient vehicles. Declining motor vehicle prices will also contribute to slow revenue growth.

Pharmaceuticals Retailing

- The pharmaceuticals retailing sector is highly fragmented and made up of a large number of individual operators who provide services such as medication management information, advice on minor ailments, over-the-counter (OTC) medicines and preventative-care services. They are also the primary distribution points for prescription and scheduled OTC medicines.
- Fundamental reforms to the Pharmaceutical Benefits Scheme (PBS), which commenced in 2007, are significantly affecting industry performance. The PBS subsidises prescription medications in Australia, setting capped co-payments from consumers for medications and the fees that pharmacists can charge to dispense them. In 2013-14, dispensary revenue is estimated to account for 68 per cent of industry revenue, so changes to the PBS significantly affect the industry.
- The reform process has resulted in the PBS being split into two formularies, F1 and F2 (multiple brand medicines) with the latter being gradually subject to full mandatory price disclosure. This has resulted in a series of price reductions. Further changes to PBS pricing arrangements came into effect in October 2012 as a result of the National Health Amendment (PBS) Act 2012, shifting the industry to a pricing mechanism based on approved ex-manufacturer prices.
- Meanwhile, amendments to the Pharmacy Location Rules came into effect in October 2011 and have encouraged the entry of new pharmacies.
- The industry is facing increasing competitive pressures from supermarkets, niche health and beauty retailers, discount department stores and general merchandise retailers. Non-pharmacy outlets are now able to sell some items that were once only stocked at pharmacies and are able to do so at more competitive prices. Similar moves by stores to increase their associated health and beauty offerings have translated into heightened competitive pressures for other front-of-store sales.
- An increase in the over 50's population however, will drive industry performance in the future, with an estimated 7.7 million Australians in this age cohort in 2013-14.

Source: various IBISWorld industry reports, 2013 and 2014.

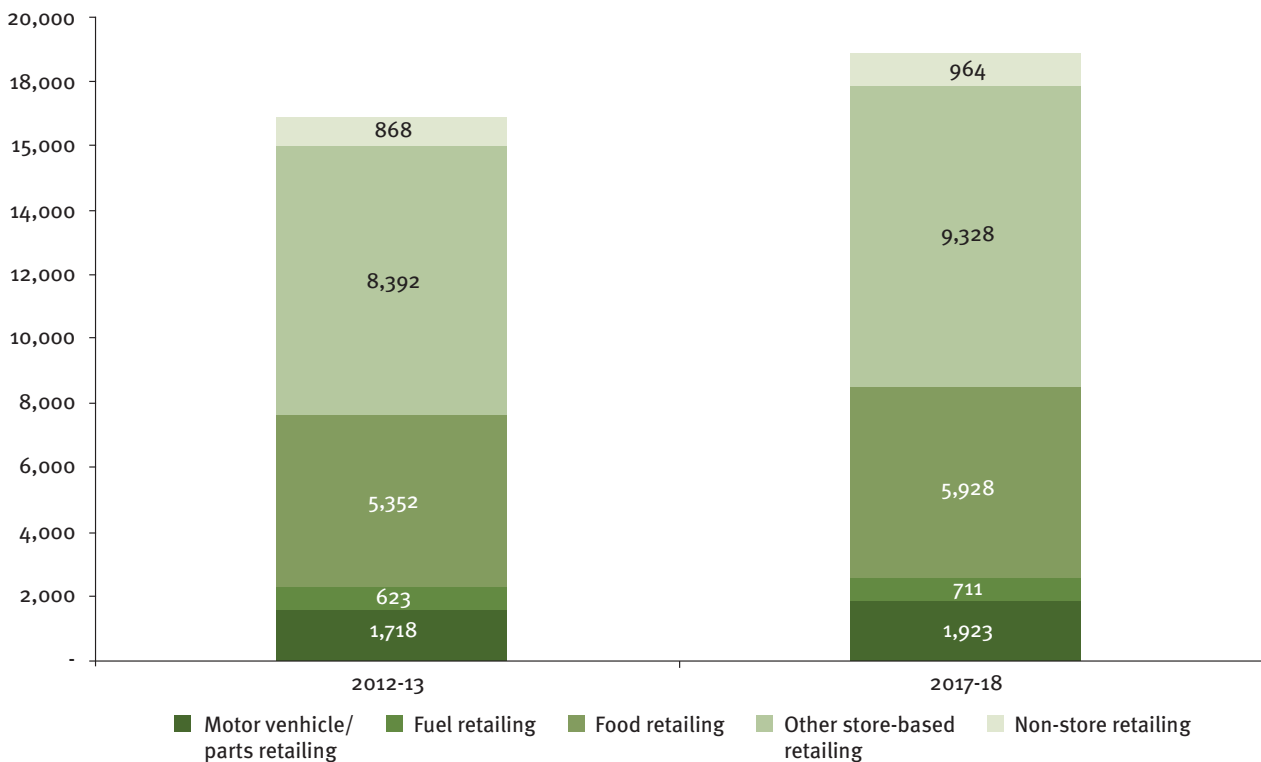
Economic contribution

Victoria's Retail Trade industry contributed approximately \$17.0 billion to the state economy in 2012-13, around 6 per cent of total output. The industry directly employs approximately 327,600 workers, representing 11 per cent of Victorian employment, making it the second largest sector for employment behind Health Care and Social Assistance (12 per cent).

Looking forward, output growth of 11 per cent is anticipated in the five years to 2017-18, to around \$18.9 billion. This is slightly lower than the anticipated state growth rate of 14 per cent across all Victorian industries. Store-Based Retail accounts for the highest proportion of industry output, 50 per cent of the total. This is forecast to remain largely consistent through to 2017-18.

A highly skilled workforce leads to increased productivity and economic growth. High quality education and skills training is essential for Victorians to access the opportunities of a growing and changing economy, and an increasingly sophisticated and information-rich society.

Figure 2.1: Retail Trade output (\$ million), Victoria, 2012-13 and 2017-18

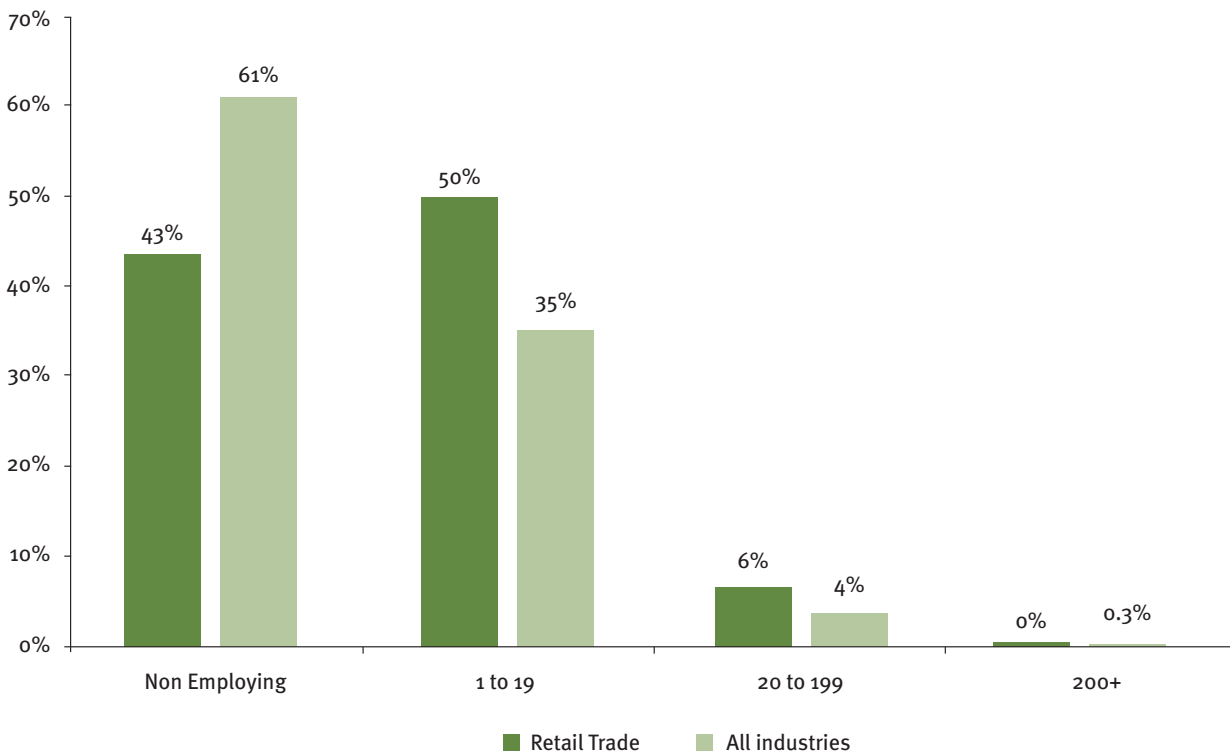


Source: Monash Centre of Policy Studies (CoPS) Employment Forecasts, June 2013

Employer profile

At the end of June 2012, it was estimated that there were 36,977 businesses in the Victorian Retail Trade sector. The distribution of Retail Trade businesses by employment level is skewed towards small-sized employing businesses (between 1 and 19 employees) – 50 per cent of all Retail Trade business fall within this category, compared with an all-industry average of 35 per cent. Non-employing business comprise a smaller proportion of Retail Trade businesses when compared with the all-industry average (43 per cent compared with 61 per cent).

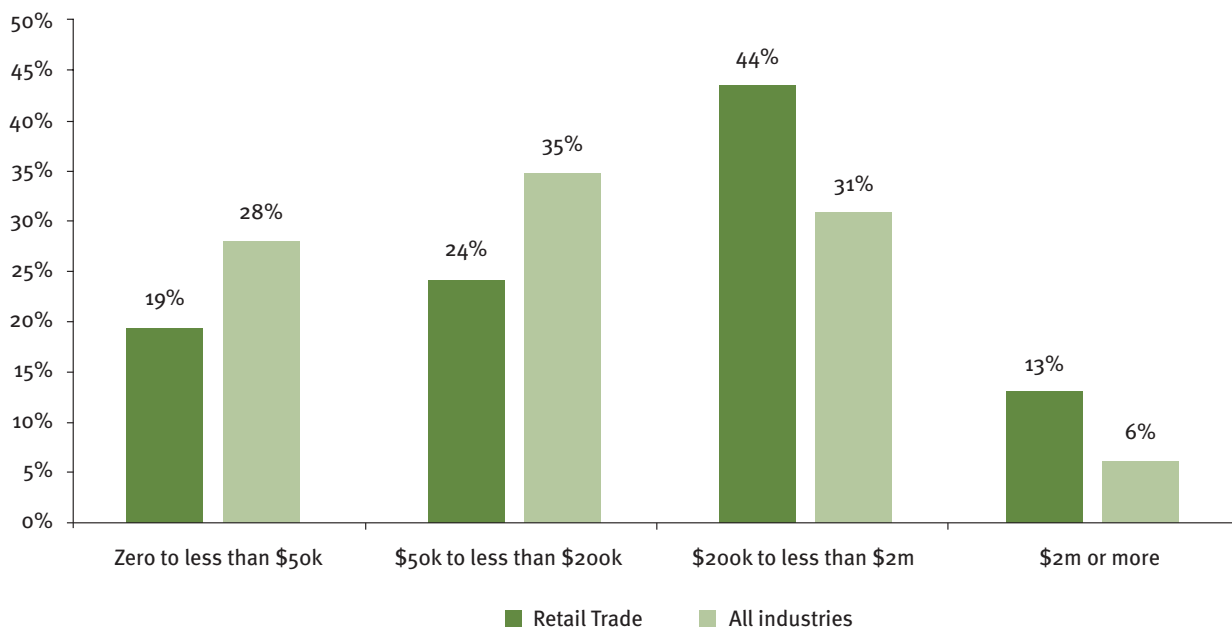
Figure 2.2: Share of businesses by employment, Victoria, 2012



Source: Australian Bureau of Statistics (ABS), Count of Australian Businesses, including entries and exits, 2012

With regards to turnover, Victoria's Retail Trade businesses are less likely to be in the low / medium turnover ranges (\$0 to less than \$200,000 thousand), and more likely than average to have a large or very large annual turnover (\$200,000 to more than \$2 million a year). In 2012, 20,947 firms reported turnover greater than \$200,000.

Figure 2.3: Share of businesses by turnover size, Victoria, 2012

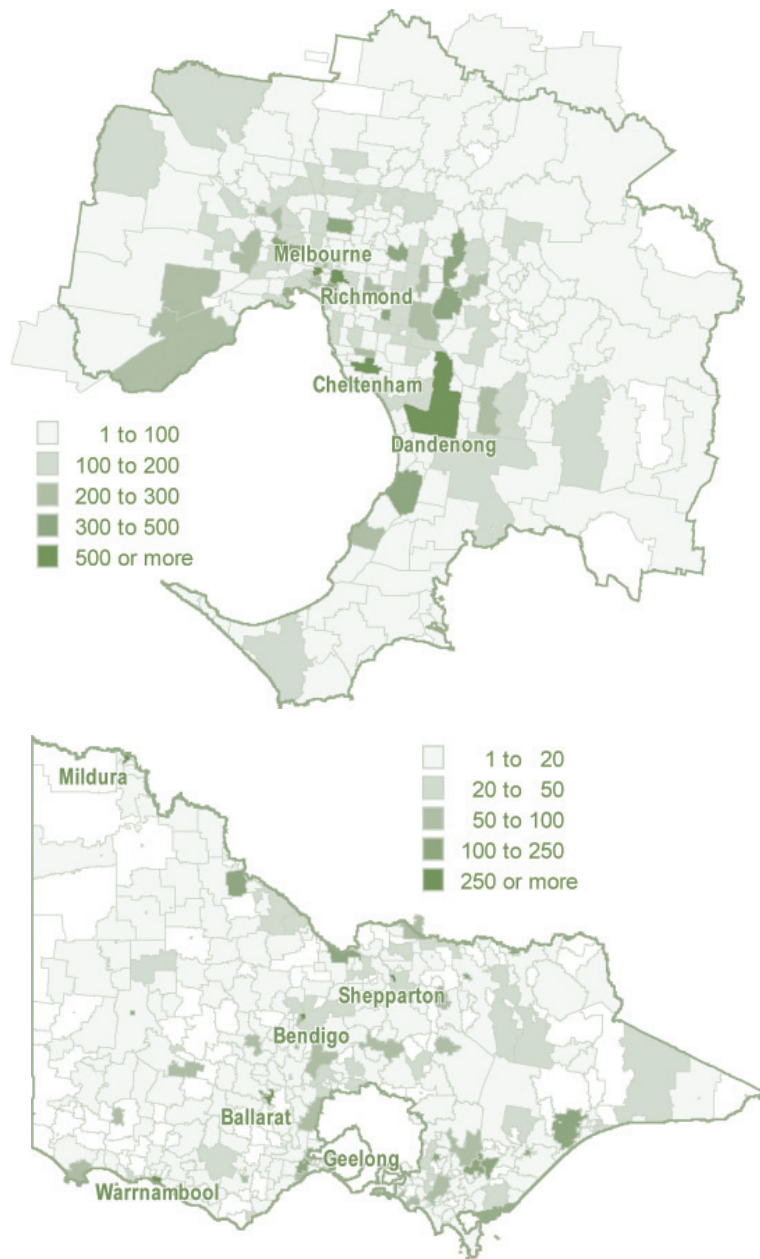


Source: Australian Bureau of Statistics (ABS), Count of Australian Businesses, including entries and exits, 2012

While Retail Trade business establishments are distributed throughout most of the suburbs of metropolitan Melbourne, the major concentrations occur in suburbs with large shopping centres (Chadstone, Doncaster, Maribyrnong and the Melbourne CBD).

In regional Victoria, most retail business establishments are located in the peri-urban region adjoining Melbourne to the north and south-east of the city, the major regional centres such as Bendigo, Ballarat, Warrnambool, Shepparton and Geelong, the coastal towns in the Surf Coast and Bass Coast areas (Torquay and Cowes) and also tourist areas such as the high country (Mansfield) and along the Murray River (Echuca).

Figure 2.4: Location of Retail Trade industry establishments in metropolitan and regional Victoria, 2010-11



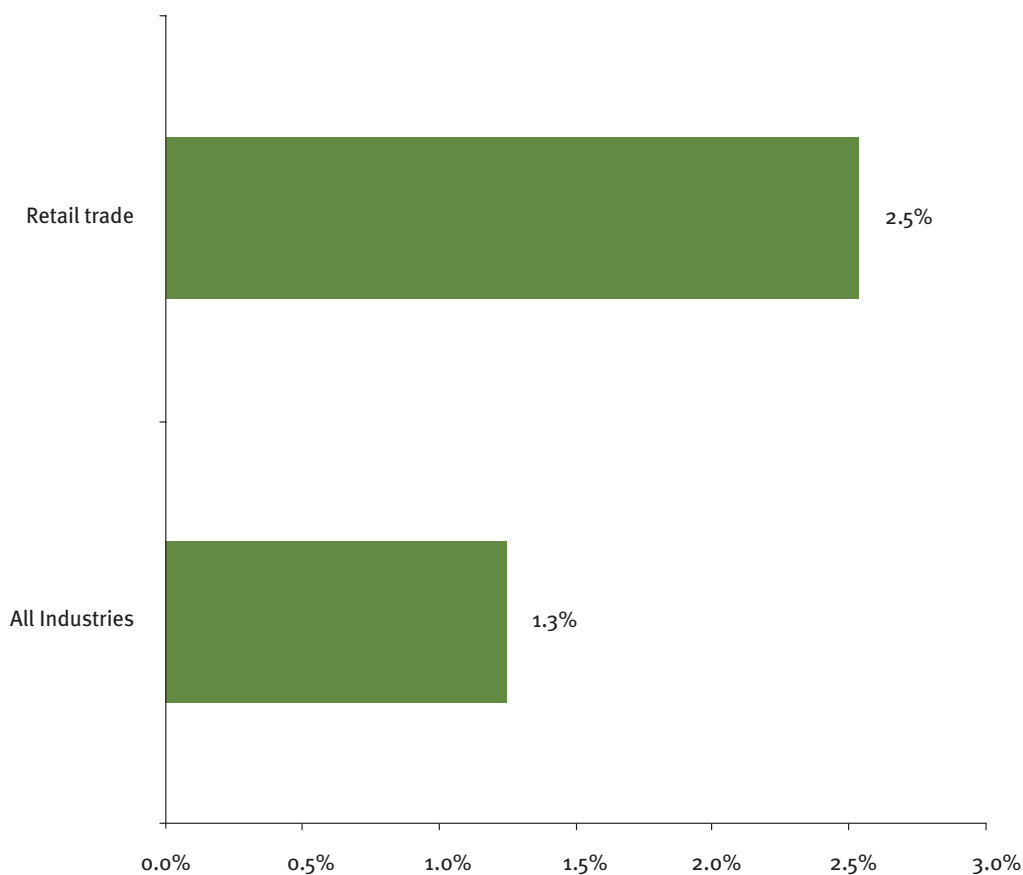
Source: Department of State Development, Business and Innovation (DSDBI), Retail Trade Industry. Business location in Victoria: A decade of change, October 2012 (based on data from WorkSafe Victoria)

Labour productivity

Labour productivity is defined as real gross value added per hour worked. The figure below shows the average annual compound rate of growth in labour productivity for the Retail Trade industry over the period 2003 to 2013. Nationally the average compound annual growth rate of labour productivity for Retail Trade was 2.5 per cent, while the all-industry average was 1.3 per cent.

Upskilling the workforce continues to be an important focus for increasing productivity, and producing more with less. A well-trained, job-ready workforce is the life-blood of Victoria's industry and business and the largest determinant of productivity in the State's economy.

Figure 2.5: Labour productivity measure by gross value added (GVA) per hour worked, average annual growth, Australia, 2003-2013



Source: Australian Bureau of Statistics (ABS), Australian System of National Accounts, 5204.0

Retail Trade workforce and skills

This section focuses on the Retail Trade industry's workforce. It covers employment levels and trends, as well as workforce characteristics such as age and skill level.

Key messages, issues and challenges

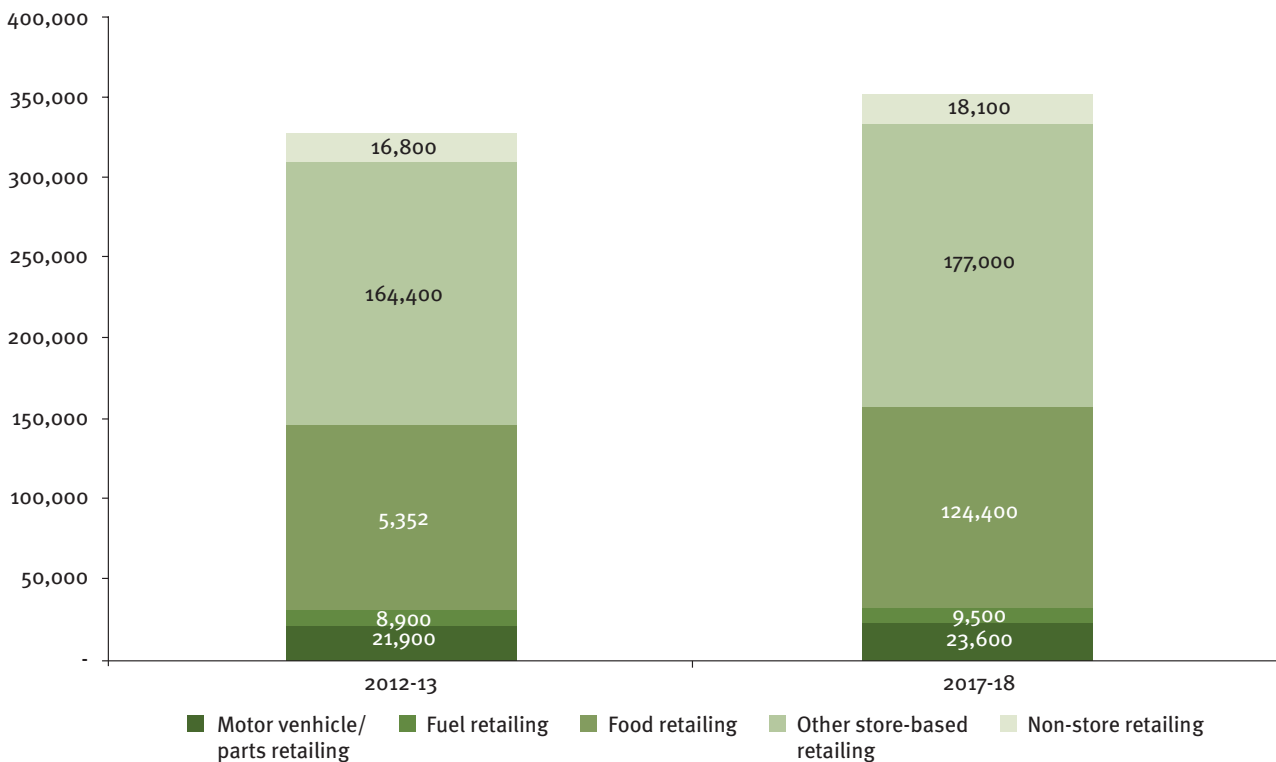
- There are approximately 327,600 people employed in Victoria's Retail Trade industry. The industry has seen employment growth of 11 per cent over the last five years (around 31,500 employees), and this growth trend is forecast to continue. Over the next five years employment is projected to increase by around 8 per cent.
- The industry's workforce has a relatively young age profile, with employed skewed towards the youngest age group (workers aged 15-24 years account for 33 per cent of industry employment).
- The Retail Trade industry also employs a relatively high proportion of women (54 per cent, compared with an average of 46 per cent across all industries).
- A high proportion of the Retail Trade industry workforce (59 per cent) has no post school qualifications.
- Four occupations aligned to the Retail Trade industry – Retail Manager, Motor Mechanic, Baker and Pastrycook – are considered to be in-shortage. Motor Mechanic is also considered to be a specialised occupation.
- Fundamental changes underway across the Retail sector mean that workforce development, planning and skills are of greater importance than ever. The move towards online retailing means that the sector will be demanding increasingly technical skills of its staff in the future. Skills such as interactive website design, e-commerce, increased international supply chain management and the collection and use of customer and purchasing data to drive business decisions will mean new and refined job roles emerging, as many players in the industry increasingly adopt innovative and technological methods of remaining competitive.
- That said, the sector also remains an important part of the tourism offer for Australia and Victoria, and traditional quality customer service skills remain paramount. Alongside this, customers are increasingly demanding 'whole solution' services, requiring increased product knowledge and complimentary product awareness.
- The industry continues to rely on a younger than average workforce, many of whom work part-time whilst studying. As the population ages, and the proportion of working age people declines in the future, demand for labour will intensify. The Retail sector will need to consider how it can attract and retain workers through greater career development planning. This will be particularly important in addressing the shortage of Retail Managers the sector is currently experiencing, which has a flow-through effect on industry productivity and performance.

Employment

Approximately 327,600 people are employed in Victoria's Retail Trade industry. The industry has seen employment grow by 11 per cent over the last five years, equating to approximately 31,500 employees. The outlook over the next five years is for employment to increase approximately 8 per cent.

Store-Based Retailing is the largest sub-sector for employment, accounting for 50 per cent of employment in the Retail Trade industry.

Figure 3.1: Retail Trade employment, Victoria, 2012-13 and 2017-18



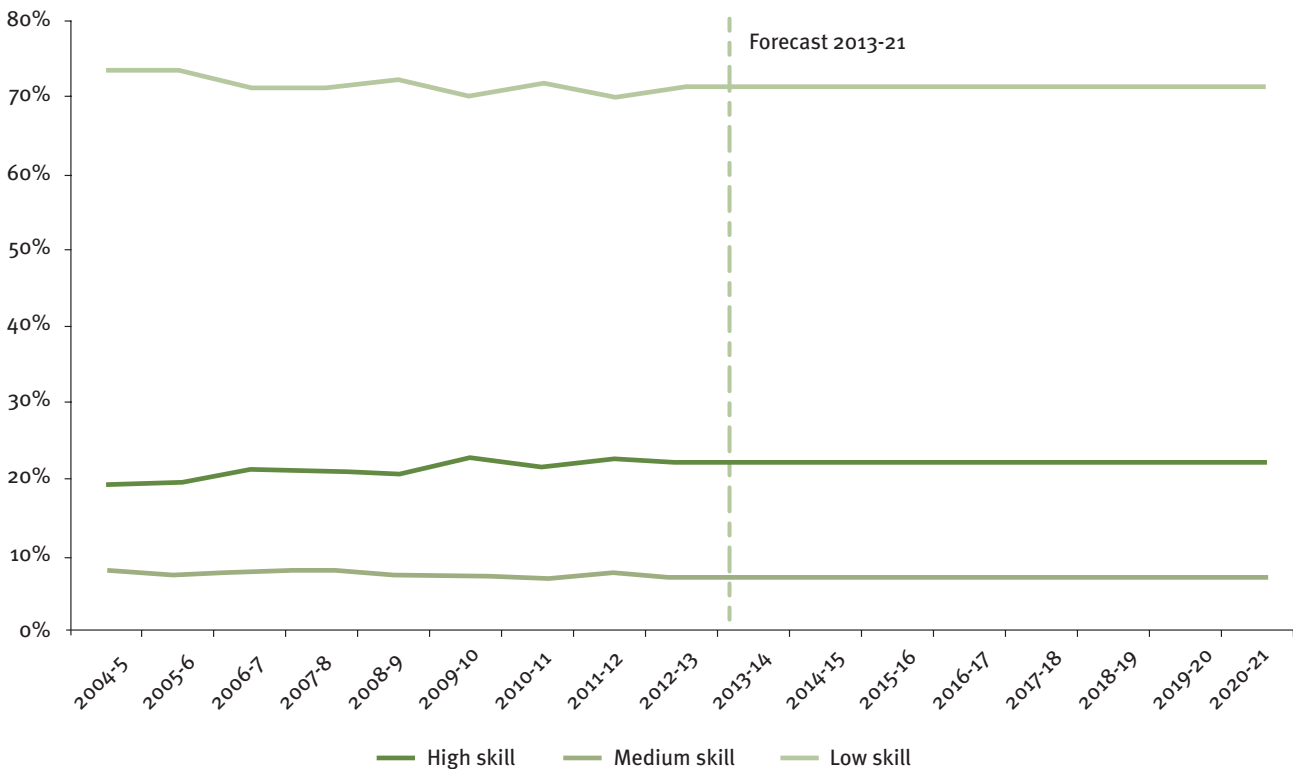
Source: Monash Centre of Policy Studies Employment Forecasts, June 2013

Skills composition

The Retail Trade workforce has a relatively high proportion of low skill roles when compared with the average across all industries. Low skill roles comprise an estimated 71 per cent of industry employment in 2012-13 compared with an average of approximately 40 per cent across all industries. This proportion is projected to remain consistent over the years through to 2020-21.

Highly skilled roles accounted for 22 per cent of Retail Trade employment in 2012-13, a proportion which is again projected to remain consistent over time.

Figure 3.2: Victorian Retail Trade industry skill levels



Source: Monash Centre of Policy Studies Employment Forecasts, June 2013

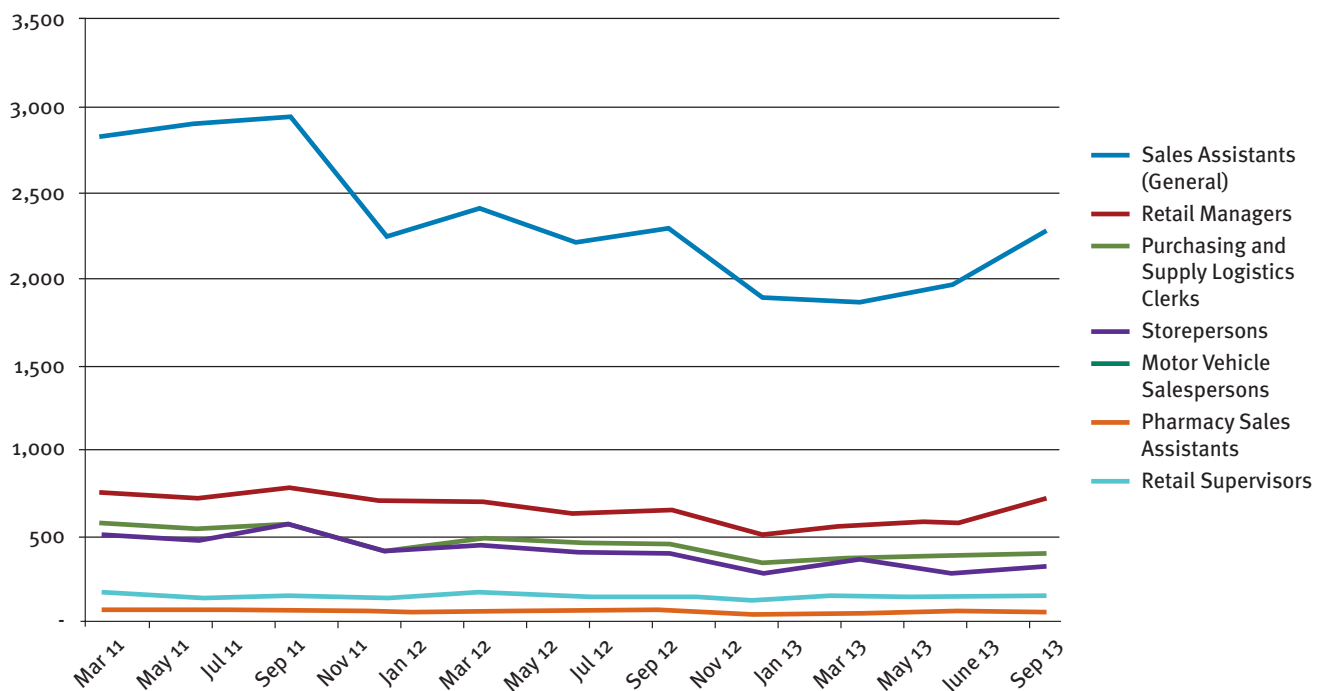
Note: High skill—managers and professionals. Medium skill—technicians and trades workers, community and personal service workers. Low skill—clerical and administrative workers, sales workers, machinery operators, drivers and labourers.

Job vacancies

The figure below highlights the number of vacancies posted online in Victoria over the last two years for selected key Retail Trade occupations. The number of online job advertisements across Retail Trade occupations has fluctuated over the period and generally tracks the decreasing trend seen in the national Internet Vacancy Index – although more recent trends have indicated an increase in advertised vacancies.³

There were approximately 4,700 newly lodged vacancies in key Retail Trade occupational groupings in September 2013. Sales Assistants and Retail Managers were the largest occupational groupings.

Figure 3.3: Number of newly lodged online vacancies in selected Retail Trade occupations in Victoria, 2011-13



Source: Department of Education, Employment and Workplace Relations (DEEWR) Internet Vacancy Index (based on a count of online vacancies newly lodged on SEEK, My Career, CareerOne and Australian JobSearch), major advertising occupations only. Note: caution advised when using monthly occupation data as it is susceptible to fluctuation from month to month.

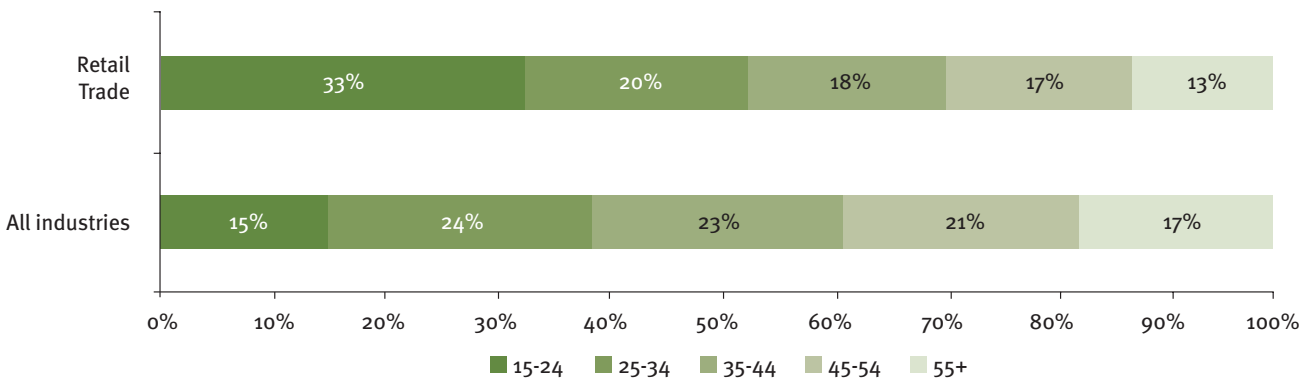
³ Department of Education, Employment and Workplace Relations, DEEWR Vacancy Report, February 2013.

Labour market characteristics

Employment by age

Retail Trade has a relatively young workforce, with 33 per cent of employees aged 15 to 24 years compared with an average of 15 per cent across all industries.

Figure 3.4: Proportion of employment by age, Victoria, 2012-13



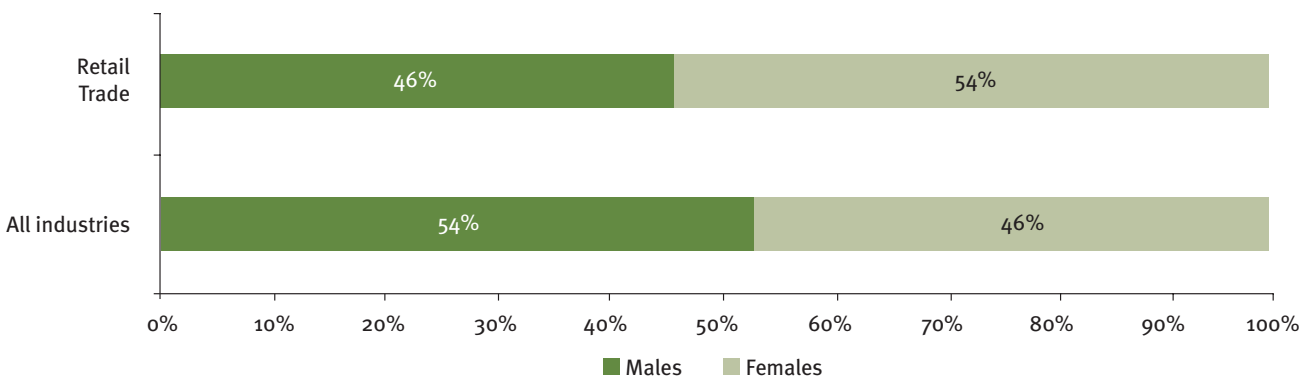
Source: Monash Centre of Policy Studies Employment Forecasts, June 2013

Employment by gender

The Retail Trade industry employs a higher proportion of women (54 per cent) than men. This proportion varies by sub-sector, with 69 per cent of male workers in the Motor Vehicle / Parts Retailing sub-sector compared with just 43 per cent in the Store-Based Retailing sub-sector.

The all-industry average is 54 per cent male compared with 46 per cent female.

Figure 3.5: Proportion of employment by gender, Victoria, 2012-13

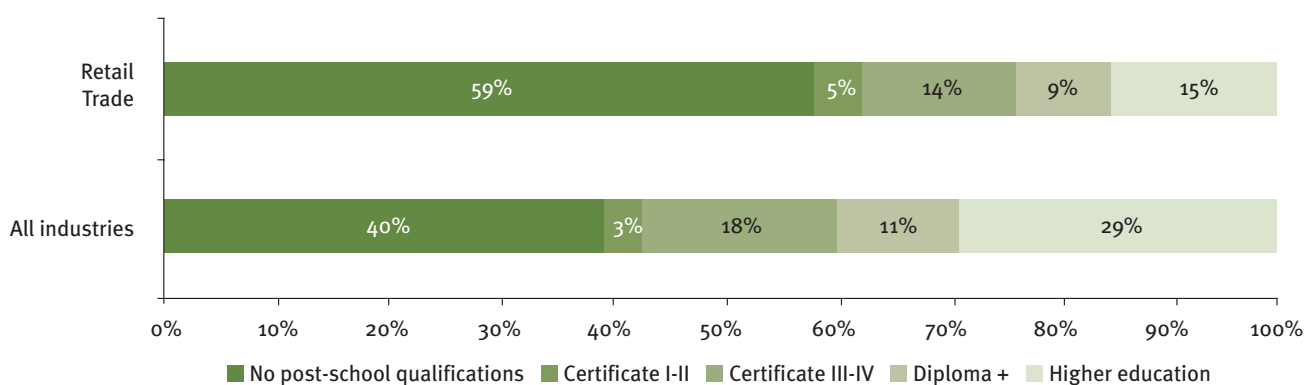


Source: Monash Centre of Policy Studies Employment Forecasts, June 2013

Employment by qualification level

A high proportion of the Retail Trade industry workforce (59 per cent) has no post school qualifications, with a smaller proportion of higher education qualified workers than the 'all industries' average.

Figure 3.6: Proportion of employment by qualification level, Victoria, 2012-13



Source: Monash Centre of Policy Studies Employment Forecasts, June 2013

Occupations in demand

Table 3.1 highlights the occupations at four-digit ANZSCO level (Australian and New Zealand Standard Classification of Occupations) that align to the Retail Trade industry. Note that while some occupations also align to other industries, the figures shown are specific to the Retail Trade industry.

Forecasts presented in the table estimate the employment growth and replacement demand in terms of the average number of jobs required for each occupation annually up to 2017-18.

Employment growth is the net number of new jobs that the occupation is currently forecasting within the industry. Replacement demand is the number of existing workers that are forecast to leave each occupation through retirement, moving on etc. that require replacing to meet existing employment needs.

Across all occupations in the Retail Trade industry (including office support occupations such as book-keepers, receptionists etc.) projected average annual employment needs between 2012-13 and 2017-18 are around 20,000 workers per year.

Table 3.1: Estimated annual employment growth + replacement demand figures for occupations in the Retail Trade sector across Victoria

| Occupation | 2012-13 employment total | Average annual employment needs | Overall employment growth to 2017-18 |
|---|--------------------------|---------------------------------|--------------------------------------|
| Sales Assistants (General) | 98,980 | 6,290 | 5,470 |
| Retail Managers | 38,530 | 1,510 | 2,940 |
| Checkout Operators and Office Cashiers | 32,550 | 3,010 | 2,810 |
| Shelf Fillers | 15,180 | 650 | 860 |
| Retail Supervisors | 8,980 | 670 | 1,170 |
| Pharmacy Sales Assistants | 7,640 | 480 | 380 |
| Storepersons | 7,510 | 320 | 410 |
| Motor Vehicle Salespersons | 6,570 | 380 | 420 |
| Purchasing and Supply Logistics Clerks | 4,570 | 210 | 390 |
| Accounting Clerks | 4,070 | 180 | 470 |
| Advertising, PR and Sales Managers | 3,870 | 220 | 460 |
| Sales Representatives | 3,740 | 170 | 230 |
| Motor Mechanics | 3,630 | 230 | 220 |
| Butchers and Smallgoods Makers | 3,300 | 240 | 270 |
| Pharmacists | 3,280 | 370 | 390 |
| General Clerks | 3,020 | 130 | 210 |
| Bookkeepers | 2,410 | 110 | 140 |
| ICT Sales Assistants | 2,210 | 130 | 90 |
| Bakers and Pastrycooks | 2,160 | 210 | 230 |
| Advertising and Marketing Professionals | 2,150 | 130 | 170 |

VET occupations highlighted in green

Key messages at the occupational level are that there is currently forecast to be substantial employment growth and replacement demand to 2017-18 in:

- Sales Assistants: average annual employment needs of +6,290, and an estimated overall employment growth of around 5,470 workers between 2012-13 and 2017-18, the largest in the industry.
- Retail Managers: +1,510 on average annually, and an estimated overall employment growth of around 2,940 workers between 2012-13 and 2017-18.
- Checkout Operators: projected average annual employment needs of +3,010, and an estimated overall employment growth of around 2,810 workers between 2012-13 and 2017-18.
- Retail Supervisors: +670 annually and an estimated overall employment growth in the occupation of around 1,170 workers between 2012-13 and 2017-18.

Specialised and in-shortage occupations

This section focuses on current skills shortages in specific occupations related to the Retail Trade industry as well as those occupations that are specialised.⁴ The Department’s analysis of skill shortages considers both quantitative evidence and intelligence gathered through industry consultation.

Highlighted below are the occupations within the Retail Trade industry that are deemed to be in-shortage in Victoria. Table 3.2 then provides a summary of key Retail Trade occupations by specialised and in-shortage status.

Motor Mechanics (ANZSCO 3212 Motor Mechanics – including General, Diesel and Motorcycle Mechanics) are identified as in-shortage in Victoria. They are also considered to be a specialised occupation.⁵

Industry intelligence is consistent in flagging an ongoing shortage in this occupation. Although employment growth is slowing, this is offset by increasing replacement demand, so the existing skills deficit would appear to be maintained. Ongoing difficulties attracting mechanical apprentices has been raised as an issue by industry stakeholders, along with apprenticeship retention. Some of these recruitment difficulties are associated with an employer perception that applicants are not work-ready.

| | | | | |
|----------------|-----------------|---|------------------------|---|
| Motor Mechanic | Skills Shortage |  | Specialised Occupation |  |
|----------------|-----------------|---|------------------------|---|

Retail Manager (ANZSCO 142111 Retail Manager (General)) is identified as an occupation in-shortage. Retail Managers make up a large occupational group and have been growing in size in recent years. Retail Managers are not currently considered a specialised occupation.

| | | | | |
|----------------|-----------------|---|------------------------|---|
| Retail Manager | Skills Shortage |  | Specialised Occupation |  |
|----------------|-----------------|---|------------------------|---|

⁴ DEECD uses the Australian Workforce and Productivity Agency Specialised Occupations List 2013. These occupations have a long lead-time for training, high economic value and a significant match between training and employment.

⁵ This occupation is also of importance to the Repair and Maintenance sub-sector (see also DEECD (2014) Other Services Skills & Training Needs Report).

Bakers and Pastrycooks (ANZSCO 3511 Bakers and Pastrycooks) are a large employing occupation group with a high growth rate. Indicators appear to suggest a skills deficit for both occupations – while vacancies are average, both employment and replacement demand are high and growing and graduate absorption is also high. Industry intelligence has previously flagged this as shortage, and current indicators do not suggest that this has changed.⁶

| | | | | |
|------------------------|-----------------|---|------------------------|---|
| Bakers and Pastrycooks | Skills Shortage |  | Specialised Occupation |  |
|------------------------|-----------------|---|------------------------|---|

Table 3.2: Occupations ‘in-shortage’ or ‘specialised’

| Occupation | In-shortage | Specialised |
|--|-------------|-------------|
| Sales Assistants (General) | No | No |
| Retail Managers | Yes | No |
| Checkout Operators and Office Cashiers | No | No |
| Shelf Fillers | No | No |
| Retail Supervisors | No | No |
| Pharmacy Sales Assistants | No | No |
| Motor Vehicle Salespersons | No | No |
| Advertising, Public Relations and Sales Managers | No | No |
| Sales Representatives | No | No |
| Motor Mechanics | Yes | Yes |
| Butchers and Smallgoods Makers | No | No |
| Pharmacists | No | Yes |
| ICT Sales Assistants | No | No |
| Bakers and Pastrycooks | Yes | No |

⁶ These occupations are also of importance to the Food Manufacturing sub-sector (see also DEECD (2014) Food and Beverage Manufacturing Skills & Training Needs Report).

Workforce skills needs

- Research into the future skills needs of the Victorian services sector⁷ found that for the Retail Trade industry, increasingly sophisticated and integrated point of sale and back office systems mean that retailers will have considerable information available to manage their business in the future. Retailers using this information effectively will increasingly be able to automate stock orders, develop forecasts, time deliveries and share information more quickly with suppliers, enabling more efficient operations. Retailers involved in the research strongly agreed that the ability to use customer and purchasing data to drive business decisions will become increasingly important in the future.
- Recent consultations with the industry also identified merchandise buying and planning and international supply chain management as new and refined highly specialised roles that are now being created to meet the demands of a technology driven Retail sector.
- While customer service and selling skills will remain important to the sector, retail assistants may also require specialist skills in their specific niche areas including specialised product knowledge, particularly where products require active selling, or where customers need advice. Sales staff are increasingly required to be able to provide advice on how products are best used along with complementary products, and to sell a whole ‘solution’ rather than individual goods or services. For example, sales staff in the Automotive industry not only need to sell cars, but also form alliances with financial institutions to provide access to and advice on finance and service warranty agreements to customers.
- The industry will face a growing demand for different skill sets as online retailing captures a greater share of the market. Online retailing is moving beyond the use of static websites as virtual storefronts, into the field of ‘user experience design’, concentrating on creating a more customer-focused online experience. This creates a need for digital literacy and e-commerce skills. The younger than average age of the workforce in the sector means that many employees already have some of these skills as consumers of digital media in their personal lives, but others may not.
- The Retail sector forms a strong part of the tourism offer, both in Melbourne and across regional Victoria, and a less tangible, although by no means less important, skill gap that needs addressing is quality customer service. The media continues to report that Australian customer service standards are below par worldwide, in part related to global customer satisfaction barometer surveys which rate Australia poorly, but also in part related to increasing customer service expectations on the part of consumers.⁸
- As shown in Figure 3.4, 33 per cent of Victoria’s Retail workforce is aged 24 or under, and 53 per cent is aged 34 or under. At a national level, some occupations such as Sales Assistants and Checkout Operators have a much higher proportion of the workforce aged 24 or under (52 per cent and 64 per cent respectively).⁹ Many of these employees work part-time in order to earn income whilst studying for other occupational areas. However, the working age population is forecast to decline in Victoria from 68 per cent of the population in 2011, to 64 per cent by 2031, meaning that competition from all sectors for labour will intensify.
- With an average of 655 vacancies per month between June and November 2012 recorded by DEEWR’s internet vacancy index (an increase on previous months), demand remains strong for Retail Managers – an occupation currently identified as a skills shortage in the industry. Recent consultations across the sector highlight that this occupational area also includes business owners; store managers in corporate and independent stores; franchisee owners and managers; area and regional managers, and head office support staff. These roles are incredibly important in improving business performance, productivity, employment levels and sustainability. From a workforce planning perspective, strategies to retain workers within the sector through workforce development and career succession and planning may be useful to address shortages in these managerial roles (see also next section).

⁷ Allen Consulting Group and VECCI (2012) The Future of Skills in Services in Victoria, Report to the Victorian Government Department of Business and Innovation.

⁸ Service Skills Australia (2012) Retail, Wholesale and Floristry Environmental

⁹ Service Skills Australia (2013) Retail, Wholesale and Floristry Environmental

Retail Trade vocational training provision

This section focuses on training provided for the Retail Trade industry. It covers training activity (including a regional analysis), courses, providers and student characteristics.

Key messages, issues and challenges

- There were 15,400 government subsidised enrolments in Retail Trade courses in 2013.
- Between 2012 and 2013, government subsidised enrolments in Retail Trade declined by 57 per cent. This shift reflects the realignment of training under the Refocusing Vocational Training in Victoria reform package in May 2012.
- A large number of Retail Trade enrolments are at the Certificate III and IV level (83 per cent), with 27 per cent of 2013 enrolments in the Certificate III in Retail.
- Sales Assistants and Pharmacy Sales Assistants were the largest occupational groupings, with around 6,900 and 2,100 enrolments respectively in 2013.
- The majority of training was undertaken by private training providers, who accounted for 74 per cent of industry enrolments in 2013.
- In 2012, the largest region in terms of Retail Trade training delivery was Western Metropolitan Melbourne (which includes the Melbourne CBD), accounting for 32 per cent of industry enrolments.
- While Culturally and Linguistically Diverse (CALD) students represented 17 per cent of all Retail related enrolments in 2013, this is far below the overall average across Victoria for all industry areas (25 per cent). Five per cent of 2013 enrolments were by students reporting a disability, and 1 per cent were by students from an Indigenous background – both broadly in line with the averages across all industry training in Victoria.
- As outlined in the previous section, the Retail sector is facing some fundamental changes in structure. This means that a range of new and emerging skills will need to be developed to meet these needs, focusing more on digital skills, technological solutions, data management and domestic and international supply chain management. These provide both opportunities and challenges for the training market, especially given the changing demands of employers for more innovative, cost effective methods of delivery.
- A recent research study into the future skills needs of the services sector in Victoria found that 87 per cent of retailers identified the need for both formal and informal training to improve business performance; although they also agreed that the methods of training will continue to change to minimise time away from the business.¹⁰ Bringing some training activities in-house to minimise costs, greater use of suppliers for product information, and the use of technology to deliver training and information to staff through e-learning and the use of QR codes on products that allow staff to easily access more detailed information were identified. This has implications for current training delivery practices, but also provides opportunities for training providers to refocus delivery methods to meet future business requirements.
- Recent industry consultations with pharmacy industry stakeholders identified that members frequently report difficulties in employing qualified pharmacy and dispensary assistants. Although the industry is looking further into this, there are potential opportunities for training providers to work with employers in addressing these needs, which will be compounded as the population continues to age and the sector increasingly plays a role in preventative health programmes and primary health care.
- There is a longer-term opportunity and challenge in working with the industry to develop more established career development and progression pathways, especially in meeting areas of shortage. This would be of particular benefit in developing the next generation of managers within the sector.
- Some retailers that are also operating as Registered Training Organisations report that the grocery sector tends to attract a large number of staff without a Year 12 or equivalent education, and who have lower levels of literacy and numeracy skills. Certificate II in Retail is a critical starting point, but a long-term approach to basic skills development is needed before further progression can take place.

¹⁰ Allen Consulting Group and VECCI (2012) The Future of Skills in Services in Victoria, Report to the Victorian Government Department of Business and Innovation.

- Industry stakeholders continue to monitor the impact of subsidy changes on training delivery in their industry. The Department of Education and Early Childhood Development (DEECD), through its Market Monitoring Unit, has taken an active role to provide expert analysis of how the training market is functioning, establishing a basis on which to act and to support industries including Retail. It considers market efficiency, training quality, price and competition, training available in geographic markets, markets linked to particular occupations and access to markets by key student cohorts, including disadvantaged students. The Unit not only provides market intelligence, but it works closely with the Department's contracting arm, allowing it to act on what it learns and address any problems.

Training activity

Table 4.1 below gives a summary of training activity for the Retail Trade industry over the period 2008 to 2013.

Enrolments

There were 15,400 government subsidised enrolments in Retail Trade courses in 2013. A majority of training (55 per cent) took place in the Retail Trade not further defined sub-sector, which includes training of relevance to all segments of the industry.

Between 2012 and 2013, government subsidised enrolments in Retail Trade declined by 57 per cent. This shift reflects the realignment of training under the Refocusing Vocational Training in Victoria (RVT) reform package in May 2012. Under RVT, government subsidies have been rebalanced to direct public investment in training to where it is most needed.¹¹

Apprentices and trainees

There were approximately 9,300 apprentice and trainee enrolments in courses aligned to Retail Trade in 2013, 61 per cent of all industry enrolments. Traineeships represent a majority of these enrolments, with enrolments aligned to the occupation Sales Assistant accounting for the highest proportion.

Compared to the average across all industries, traineeships represent a relatively high proportion of enrolments in Retail Trade – 48 per cent of training delivery compared with an all-industry average of 13 per cent.

Apprenticeships accounted for 13 per cent of training delivery in 2013, slightly above the all-industry average of 10 per cent. A majority of apprenticeship enrolments were within the Motor Vehicle / Parts Retailing sub-sector in 2013.

Specialised and in-shortage occupations

In 2013, there were 2,400 enrolments aligned to specialised occupations or those experiencing skills shortages within the Retail Trade industry, 16 per cent of total training in this industry. Enrolments aligned to specialised or in-shortage increased in 2013, up by 34 per cent when compared with 2012.

Qualification level

A large proportion of Retail Trade enrolments are at the Certificate III and IV level (83 per cent). This is higher than the all-industry average (75 per cent).

Completed qualifications

In 2013, Retail Trade sector completions declined by 58 per cent to 9,000 in total. In line with enrolment patterns, the Retail Trade not further defined sub-sector accounted for a majority of completions in 2013, 69 per cent of the total industry share.

¹¹ The highest subsidy levels are allocated to courses where their contribution to the economy is assessed as high, and where government subsidy is seen as essential to enable delivery of and participation in training. Lower subsidy levels may indicate evidence of over-supply, or that less government support is required to promote training in these areas. For example, diplomas often attract lower subsidy rates in recognition of the greater private benefits flowing to students from completing these qualifications and because students can access financial support through VET FEE-HELP to meet upfront costs.

Table 4.1: Key training activity in the Retail Trade industry, 2008-2013

Government subsidised enrolments

| Industry sub-sector | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Food Retailing | 1,000 | 1,100 | 1,200 | 1,300 | 1,500 | 1,900 |
| Motor Vehicle and Motor Vehicle Parts Retailing | 1,700 | 1,600 | 1,700 | 1,700 | 2,000 | 2,200 |
| Other Store-Based Retailing | 1,300 | 1,200 | 1,500 | 3,000 | 3,500 | 2,800 |
| Retail Trade (nfd) | 15,900 | 14,700 | 19,000 | 27,300 | 29,100 | 8,500 |
| Total | 19,900 | 18,600 | 23,400 | 33,200 | 36,000 | 15,400 |

nfd = not further defined

Apprentice or trainee

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--------------|---------------|---------------|---------------|---------------|---------------|--------------|
| Apprentice | 2,000 | 1,900 | 1,900 | 2,000 | 2,100 | 2,000 |
| Trainee | 14,900 | 13,300 | 15,000 | 18,300 | 18,300 | 7,300 |
| Total | 16,800 | 15,200 | 17,000 | 20,300 | 20,400 | 9,300 |

Specialised or in-shortage

| Industry sub-sector | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Food Retailing | 400 | 400 | 400 | 400 | 550 | 850 |
| Motor Vehicle and Motor Vehicle Parts Retailing | 1,000 | 900 | 900 | 950 | 1,200 | 1,600 |
| Other Store-Based Retailing | <10 | <10 | <10 | <10 | 10 | <10 |
| Retail Trade (nfd) | - | - | - | 10 | <10 | - |
| Total | 1,400 | 1,300 | 1,300 | 1,400 | 1,800 | 2,400 |

nfd = not further defined

Qualification levels – 2013

| | Enrolments | % total |
|--------------------|---------------|-------------|
| Certificate I-II | 2,100 | 14% |
| Certificate III-IV | 12,700 | 83% |
| Diploma + | 550 | 4% |
| Total | 15,400 | 100% |

Completed qualifications

| Industry sub-sector | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|--------------|---------------|---------------|---------------|---------------|--------------|
| Food Retailing | 300 | 300 | 300 | 350 | 500 | 350 |
| Fuel Retailing | 10 | <10 | <10 | - | - | - |
| Motor Vehicle and Motor Vehicle Parts Retailing | 550 | 550 | 600 | 700 | 900 | 950 |
| Other Store-Based Retailing | 400 | 350 | 500 | 550 | 1,900 | 1,500 |
| Retail Trade (nfd) | 7,700 | 9,000 | 10,400 | 13,100 | 18,100 | 6,200 |
| Total | 8,900 | 10,200 | 11,900 | 14,700 | 21,400 | 9,000 |

nfd = not further defined

Courses

The top ten courses in Retail Trade captured 79 per cent of enrolments in 2013. The Certificate III in Retail attracted the most enrolments, representing approximately 27 per cent of industry enrolments.

Table 4.2: Retail Trade qualifications ranked by 2013 enrolments, government subsidised, 2008-2013

| Course name | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|-------|-------|-------|--------|--------|-------|
| Certificate III in Retail | 200 | 2,350 | 6,300 | 12,100 | 15,700 | 4,200 |
| Certificate III in Community Pharmacy | 250 | 200 | 350 | 2,000 | 2,300 | 1,900 |
| Certificate IV in Retail Management | 600 | 650 | 900 | 2,200 | 2,700 | 1,300 |
| Certificate III in Automotive Mechanical Technology | 600 | 700 | 800 | 800 | 1,000 | 1,300 |
| Certificate II in Retail | 350 | 6,000 | 9,800 | 11,600 | 9,500 | 1,100 |
| Certificate III in Retail Operations | 7,500 | 3,200 | 350 | 20 | - | 800 |
| Certificate III in Food Processing (Sales) | 10 | 100 | 200 | 250 | 350 | 500 |
| Certificate III in Retail Baking (Cake and Pastry) | - | - | - | - | 150 | 400 |
| Certificate III in Meat Processing (Retail Butcher) | - | - | - | - | 150 | 350 |
| Certificate III in Automotive Sales | 80 | 50 | 150 | 250 | 400 | 300 |

Note: course totals include equivalent superseded courses.

Enrolments by occupation

The largest occupation in terms of 2013 training delivery in Retail Trade was Sales Assistant, which accounted for 45 per cent of industry enrolments. Pharmacy Sales Assistant, Retail Supervisor and Motor Mechanic all had greater than 1,000 enrolments in 2013.

Table 4.3: Retail Trade occupations ranked by 2013 enrolments, government subsidised, 2008-2013

| Occupation | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--------------------------------------|--------|--------|--------|--------|--------|-------|
| Sales Assistant (General) | 12,900 | 13,400 | 16,900 | 24,100 | 25,600 | 6,900 |
| Pharmacy Sales Assistant | 600 | 500 | 600 | 2,200 | 2,500 | 2,100 |
| Retail Supervisor | 2,900 | 1,300 | 2,100 | 3,100 | 3,400 | 1,800 |
| Motor Mechanic (General) | 1,000 | 900 | 900 | 950 | 1,200 | 1,600 |
| Baker | 400 | 400 | 400 | 400 | 550 | 850 |
| Butcher or Smallgoods Maker | 550 | 600 | 600 | 600 | 550 | 550 |
| Motor Vehicle or Caravan Salesperson | 350 | 400 | 400 | 350 | 450 | 300 |
| Florist | 450 | 400 | 550 | 450 | 400 | 300 |
| Visual Merchandiser | 200 | 250 | 200 | 250 | 350 | 300 |
| Hair or Beauty Salon Assistant | 100 | 60 | 50 | 100 | 300 | 300 |

Please see Appendix A for occupations/associated qualifications with funding bands (available for 2012 and 2013).

Training providers

A total of 158 training providers delivered government subsidised Retail Trade training in 2013. Of these, only 36 providers delivered more than 100 enrolments in this industry.

The number of providers delivering government subsidised Retail Trade training has increased from 137 in 2008.

The majority of training is with private providers, who accounted for 74 per cent of industry enrolments in 2013. This has increased from 49 per cent in 2008, although it has declined slightly from 2012 when private providers accounted for 75 per cent of government subsidised training delivery in Retail Trade.

Table 4.4: Proportion of enrolments by provider type, government subsidised, 2008-2013

| Provider type | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------------|------|------|------|------|------|------|
| Private | 49% | 45% | 57% | 71% | 75% | 74% |
| TAFE | 42% | 46% | 35% | 24% | 21% | 24% |
| Learn Local | 9% | 9% | 8% | 5% | 4% | 3% |

Funding patterns

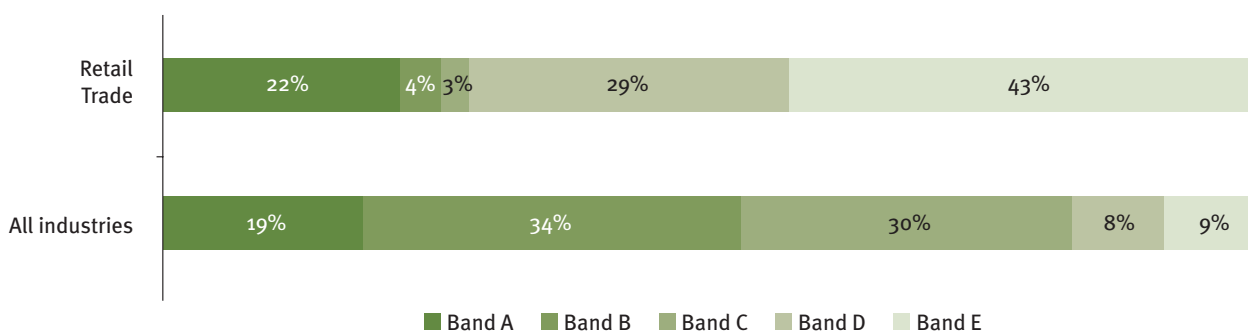
From July 2012 funding bands for government subsidised training were introduced. The allocation of funding within these bands is designed to better target areas of greatest public benefit and future jobs growth. Where there is not a strong need for Government support the training subsidies are lower.

Enrolments by funding band

Approximately 25 per cent of Retail Trade enrolments were in subsidy Bands A or B in 2013. This compares with 43 per cent of enrolments in Band E.

See Appendix A for a list of courses with associated subsidy bands for 2012 and 2013.

Figure 4.1: Enrolments by subsidy band, government subsidised, 2013



Regional training activity

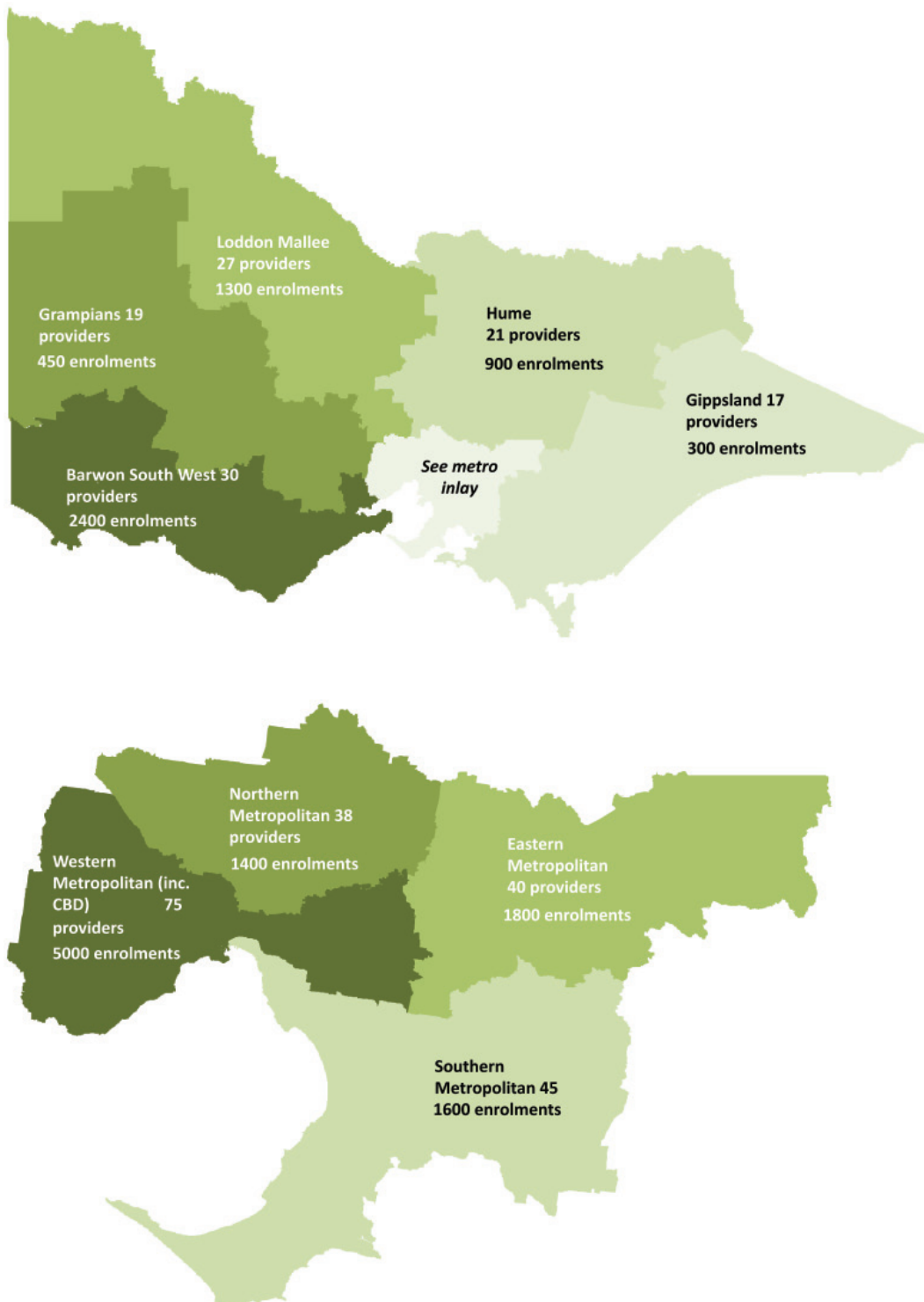
In 2013, the largest region in terms of Retail Trade training delivery was Western Metropolitan (which includes the Melbourne CBD), accounting for 32 per cent of industry enrolments. This was followed by Barwon South West (16 per cent of enrolments) and Eastern Metropolitan (12 per cent).

Table 4.5: Victorian regions ranked by 2013 enrolments, government subsidised, 2008-2013

| Region | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-----------------------|-------|-------|-------|-------|--------|-------|
| Western Metropolitan | 5,400 | 4,100 | 6,100 | 9,200 | 13,100 | 5,000 |
| Barwon South West | 1,700 | 1,900 | 2,400 | 3,900 | 3,800 | 2,400 |
| Eastern Metropolitan | 4,800 | 4,100 | 3,000 | 4,100 | 3,800 | 1,800 |
| Southern Metropolitan | 3,000 | 3,100 | 4,500 | 6,300 | 6,300 | 1,600 |
| Northern Metropolitan | 1,500 | 1,500 | 3,100 | 3,100 | 2,500 | 1,400 |
| Loddon Mallee | 800 | 1,100 | 1,700 | 2,800 | 2,700 | 1,300 |
| Hume | 650 | 700 | 750 | 1,000 | 1,500 | 900 |
| Grampians | 450 | 450 | 550 | 800 | 650 | 450 |
| Gippsland | 700 | 600 | 450 | 650 | 850 | 300 |

Note: regional enrolment figures sum to slightly more than the overall Victoria-wide figures due to a small number of students undertaking training in campuses in more than one region

Figure 4.2: Retail Trade training providers and enrolments, 2013



Student characteristics

Students from diverse backgrounds engage in vocational training in Retail Trade fields.

Students from a Culturally and Linguistically Diverse (CALD) background represent 17 per cent of the student base in this industry, while unemployed students account for 9 per cent of the total. This is less than the average across all industries, where both CALD and unemployed students represent 25 per cent of the student base. Five per cent of students flagged that they had a disability, while 1 per cent were from an Indigenous background.

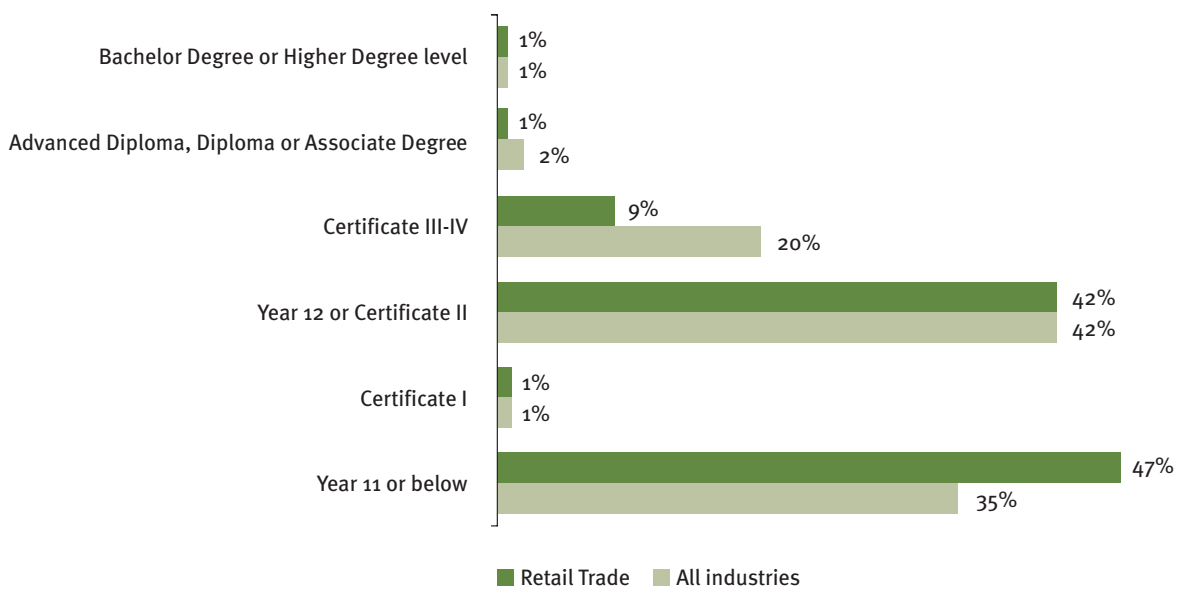
The age profile of Retail Trade students is relatively young when compared with the average student age profile across all industry training. Thirty per cent of students in this industry are aged 25 or older compared with an all-industry average of 56 per cent.

Table 4.6: Learners Facing Barriers (student numbers), government subsidised, 2008-2013

| Learner Groups | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------|-------|-------|-------|-------|--------|-------|
| Indigenous | 150 | 100 | 200 | 200 | 300 | 150 |
| Disability | 750 | 800 | 1,100 | 1,500 | 1,700 | 750 |
| CALD | 2,400 | 2,300 | 3,200 | 4,600 | 5,600 | 2,600 |
| Unemployed | 1,000 | 1,100 | 2,100 | 2,900 | 3,700 | 1,300 |
| Aged 25+ | 4,400 | 4,200 | 5,100 | 8,100 | 10,000 | 4,700 |

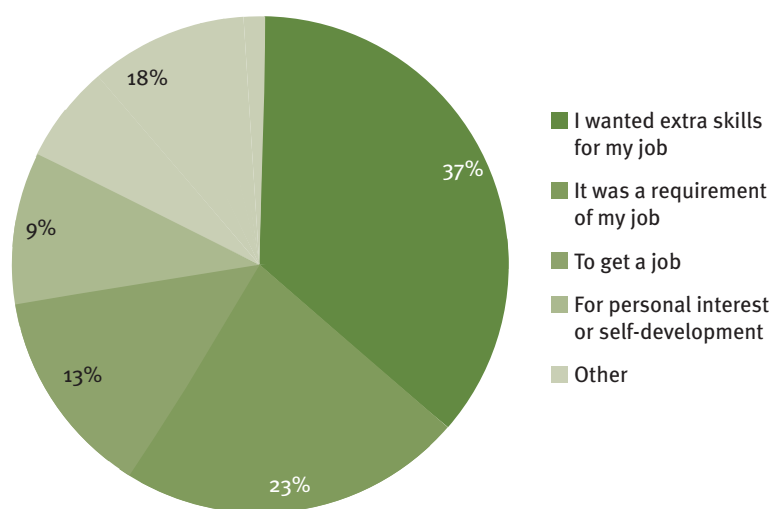
At the time of enrolment, students enrolling in Retail Trade were typically less qualified than the average across all industries. Within the sector, 9 per cent of enrolments were by students with a highest prior qualification of Certificate III or above, compared with an average of 20 per cent across all industry training (see Figure 4.3). In contrast, 47 per cent of enrolments were by students whose highest prior qualification was Year 11 or below. This compares with an all-industry average of 35 per cent.

Figure 4.3: Enrolments by highest prior qualification, government subsidised, 2013



The main reasons students were enrolling in vocational training related to Retail Trade were for 'Job Skills' (37 per cent) or 'Job Requirement' (23 per cent). 'To Get Work' was also important at 13 per cent.

Figure 4.4: Enrolments by reason for study, government subsidised, 2013



Note: 'Other' includes To get a better job or promotion, To try for a different career, To develop my existing business, To start my own business, To get into another course of study.

Appendix A

Table 5.1: Enrolments by occupation, course and subsidy band, 2012-2013

| Occupation | Course name | Subsidy band | 2012 | 2013 |
|-----------------------------|--|--------------|------------|------------|
| Baker | Certificate III in Food Processing (Retail Baking - Bread) | Band A | 150 | 50 |
| | Certificate III in Food Processing (Retail Baking - Cake and Pastry) | Band A | 40 | 20 |
| | Certificate III in Food Processing (Retail Baking - Combined) | Band A | 80 | 50 |
| | Certificate III in Retail Baking (Bread) | Band A | 100 | 200 |
| | Certificate III in Retail Baking (Cake and Pastry) | Band A | 150 | 400 |
| | Certificate III in Retail Baking (Combined) | Band A | 80 | 150 |
| | Certificate IV in Advanced Baking | Band B | - | <10 |
| | Total | | 550 | 850 |
| Bicycle Mechanic | Certificate II in Bicycle Mechanical Technology | Band C | - | <10 |
| | Certificate II in Bicycles | Band C | 80 | 50 |
| | Certificate III in Bicycle Workshop Operations | Band C | - | <10 |
| | Certificate III in Bicycles | Band C | 30 | 20 |
| | Total | 100 | 70 | |
| Butcher or Smallgoods Maker | Certificate III in Meat Processing (Meat Retailing) | Band B | 400 | 200 |
| | Certificate III in Meat Processing (Retail Butcher) | Band B | 150 | 350 |
| | Total | | 550 | 550 |
| Fashion Designer | Certificate IV in Fashion and Textiles Merchandising | Band C | 30 | 20 |
| | Diploma of Fashion and Textiles Merchandising | Band D | 20 | 20 |
| | Advanced Diploma of Fashion and Textiles Merchandising | Band D | 10 | 10 |
| | Total | | 50 | 50 |

| Occupation | Course name | Subsidy band | 2012 | 2013 |
|--------------------------------|--|--------------|------------|---------------|
| Florist | Certificate II in Floristry | Band B | 70 | <10 |
| | Certificate II in Floristry (Assistant) | Band B | 20 | 50 |
| | Certificate III in Floristry | Band B | 300 | 250 |
| | Certificate IV in Floristry | Band B | 30 | 10 |
| | Diploma of Floristry Design | Band D | 10 | <10 |
| | Total | | 400 | 300 |
| Food Trades Assistant | Certificate II in Meat Processing (Meat Retailing) | Band B | 10 | <10 |
| | Total | | 10 | <10 |
| General Clerk | Certificate III in Automotive Administration | Band C | 20 | 10 |
| | Total | | 20 | 10 |
| Hair or Beauty Salon Assistant | Certificate II in Retail Cosmetic Services | Band C | <10 | - |
| | Certificate II in Retail Make-up and Skin Care | Band C | 300 | 300 |
| | Total | | 300 | 300 |
| Mechanic's Assistant | Certificate I in Automotive | Band B | 50 | 20 |
| | Certificate II in Automotive Body Repair Technology | Band B | - | 10 |
| | Certificate II in Automotive Mechanical | Band B | 40 | 50 |
| | Certificate II in Automotive Studies (Pre-vocational) | Band A | 100 | 100 |
| | Certificate II in Automotive Tyre Servicing Technology | Band B | - | <10 |
| | Certificate II in Automotive Vehicle Servicing | Band B | 50 | 50 |
| | Certificate II in Marine | Band C | <10 | - |
| | Total | | 250 | 250 |

| Occupation | Course name | Subsidy band | 2012 | 2013 |
|--|---|--------------|------------|--------------|
| Motor Mechanic (General) | Certificate III in Automotive Engine Reconditioning | Band A | - | <10 |
| | Certificate III in Automotive Mechanical Technology | Band A | 1,000 | 1,300 |
| | Certificate III in Automotive Specialist | Band A | 50 | 80 |
| | Certificate III in Heavy Commercial Vehicle Mechanical Technology | Band A | - | <10 |
| | Certificate III in Light Vehicle Mechanical Technology | Band A | - | 10 |
| | Certificate III in Marine | Band A | <10 | <10 |
| | Certificate III in Mobile Plant Technology | Band A | - | <10 |
| | Certificate III in Motorcycle Mechanical Technology | Band A | - | <10 |
| | Certificate III in Recreational Vehicle Servicing | Band B | <10 | - |
| | Certificate IV in Automotive Management | Band B | <10 | <10 |
| | Certificate IV in Automotive Mechanical Diagnosis | Band A | - | 20 |
| | Certificate IV in Automotive Performance Enhancement | Band A | - | <10 |
| | Certificate IV in Automotive Technology | Band A | 100 | 150 |
| | Diploma of Automotive Management | Band C | 10 | <10 |
| | Diploma of Automotive Technology | Band C | 10 | <10 |
| | Total | | | 1,200 |
| Motor Vehicle or Caravan Salesperson | Certificate II in Automotive Sales | Band C | 50 | 10 |
| | Certificate III in Automotive (Sales - Parts Interpreting) | Band B | <10 | <10 |
| | Certificate III in Automotive Sales | Band B | 400 | 300 |
| | Total | | 450 | 300 |
| Motor Vehicle Parts and Accessories Fitter (General) | Certificate II in Automotive Electrical Technology | Band B | 20 | <10 |
| | Certificate III in Automotive Retail, Service and Repair | Band B | 40 | 30 |
| | Total | | 60 | 30 |

| Occupation | Course name | Subsidy band | 2012 | 2013 |
|---------------------------|--|--------------|---------------|---------------|
| Nurseryperson | Certificate III in Horticulture (Retail Nursery) | Band B | 40 | 10 |
| | Certificate III in Retail Nursery | Band B | 10 | 20 |
| | Certificate IV in Retail Nursery | Band B | <10 | <10 |
| | Total | | 50 | 40 |
| Pastrycook's Assistant | Certificate II in Retail Baking Assistance | Band B | 10 | <10 |
| | Total | | 10 | <10 |
| Pharmacy Sales Assistant | Certificate II in Community Pharmacy | Band D | 100 | 50 |
| | Certificate III in Community Pharmacy | Band D | 2,300 | 1,900 |
| | Certificate IV in Community Pharmacy | Band D | 40 | 150 |
| | Total | | 2,500 | 2,100 |
| Retail Manager (General) | Diploma of Retail Nursery Management | Band C | 10 | - |
| | Advanced Diploma of Retail Management | Band D | <10 | - |
| | Total | | 10 | - |
| Retail Supervisor | Certificate III in Retail Supervision | Band D | - | 250 |
| | Certificate IV in Retail Management | Band D | 2,700 | 1,300 |
| | Diploma of Retail Management | Band E | 700 | 200 |
| | Total | | 3,400 | 1,800 |
| Sales Assistant (General) | Certificate I in Retail Services | Band E | 30 | 30 |
| | Certificate II in Food Processing (Sales) | Band C | - | 10 |
| | Certificate II in Retail | Band E | 9,500 | 1,100 |
| | Certificate II in Retail Services | Band E | - | 250 |
| | Certificate III in Food Processing (Sales) | Band D | 350 | 500 |
| | Certificate III in Interior Decoration (Retail Services) | Band C | <10 | <10 |
| | Certificate III in Retail | Band E | 15,700 | 4,200 |
| | Certificate III in Retail Operations | Band E | - | 800 |
| | Certificate III in Seafood Industry (Sales and Distribution) | Band D | - | 10 |
| | Total | | 25,600 | 6,900 |

| Occupation | Course name | Subsidy band | 2012 | 2013 |
|---|--|--------------|---------------|---------------|
| Sales Representative (Building and Plumbing Supplies) | Certificate II in Timber Merchandising | Band B | <10 | <10 |
| | Certificate III in Timber Merchandising | Band B | 10 | 10 |
| | Total | | 10 | 10 |
| Small Engine Mechanic | Certificate III in Outdoor Power Equipment | Band A | <10 | <10 |
| | Total | | <10 | <10 |
| Stock and Station Agent | Certificate III in Rural Merchandising | Band B | <10 | 10 |
| | Total | | <10 | 10 |
| Visual Merchandiser | Diploma of Visual Merchandising | Band D | 350 | 300 |
| | Total | | 350 | 300 |

