

REFORMS TO MODERNISE AUSTRALIA'S VISA SYSTEM

SUBMISSION

**AUSTRALIAN TOURISM
EXPORT COUNCIL**

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1. ABOUT THE AUTHOR

The Australian Tourism Export Council (ATEC) is the peak industry body representing the thousands of companies throughout Australia that provide tourism services to foreign visitors. Whilst the tourism export sector is experiencing positive growth, ATEC's role is to maximise opportunity for Australian businesses in both existing and emerging markets, and to ensure any impediments to that growth are managed and kept to a minimum.

Our core functions are to...

- Facilitate business-to-business opportunities for our members;
- Provide business development advice, opportunity and support to our members;
- Foster and promote excellence in service delivery and business best practice management;
- Represent the collective views of our membership to governments and other external stakeholders;
- Liaise with industry and government to facilitate cohesion between commercial imperatives and policy development;
- Raise the profile of the tourism export sector to the broader community.



ATEC is a 45 year old industry organisation servicing a member footprint of thousands of businesses, small & large



ATEC members attract & service international visitors from over 50 countries and trade in more than 25 foreign currencies



ATEC members directly employ more than 400,000 Australians



ATEC members collectively hold 20,000 years of experience in tourism exports

2. FOREWORD

ATEC welcomes the opportunity to present this submission on Australia's visa system for the Minister's consideration. Australia has enjoyed a long and successful immigration history and the tourism industry's partnership with the Department of Immigration and Border Protection (and its former iterations) is both positive and practical. ATEC acknowledges the significant reforms that have been undertaken in visa policy in recent times, all with the explicit objective to support bona fide tourism to Australia.

This submission is therefore largely centred on temporary entry. It does not attempt to explore or investigate the intricacies of permanent migration and the framework surrounding those elements of the Migration Act (1958). Rather, it attempts to position tourism as a key driving force in Australia's modern economy and, and such, the global systems supporting visa application and issuance must be progressive, efficient, accessible and stringent.

3. BACKGROUND

Tourism: key to development, prosperity and well-being

The tourism industry has a critical role to play in Australia's economic prosperity. An ever-increasing number of destinations worldwide have embraced, and invested in tourism, turning it into a key driver of socio-economic progress through the creation of jobs and businesses, export revenues, and infrastructure development.¹

As reported in the World Tourism Organisation's *Tourism Highlights* journal, tourism has continued to expand and diversify over the last six decades, becoming one of the largest and fastest-growing economic sectors in the world. Many 'new' destinations have emerged which now actively compete with the traditional stalwarts of Europe and North America.

The experience of tourism and its involvement in the movement of people from one country to the other is an important influence on perceptions of other countries. Furthermore, the enormous effort that various countries devote to modelling international perceptions could be attributed to tourism. Tourism promotion and marketing efforts executed by countries could possibly be one of the most powerful external communication efforts that has the largest targeted reach into foreign populations.

Australia's export tourism industry is now more valuable to the national economy than coal or rural exports, and with international tourism spend growing at more than 10% a year the future looks extraordinary.

Internationally we are seeing more people engaged in global travel with demand driven by a huge growth in the number of people who now have disposable income from countries like China, Indonesia and India.

The World Travel & Tourism Council predicts the travel and tourism sector will remain resilient and continue to grow at a faster rate (3.1%) than the wider global economy.²

The South East Asian region is set to be the powerhouse of tourism growth through to 2020 and beyond, and while China will continue to be strong, India is forecast to become the fastest growing travel and tourism economy closely followed by Vietnam and Indonesia.

With 2017 named as the World Tourism Organisation's Year of Sustainable Tourism, we must develop policy that is growth-focused, measured and industry-enabled. Our visa system is a core component of enabling this growth. We must be ambitious, competitive, bold and work with our partner nations to develop a global system which facilitates seamless passenger movement of bona fide tourists.

¹ UNWTO, *Tourism Highlights 2016 Edition*

² World Travel & Tourism Council, *Global Travel & Tourism Global Impact Update 2016*

4. SUMMARY OF RECOMMENDATIONS

4.1 Australia's visa system must be ambitious and internationally competitive

- Invest in **digital technology** and **biometrics** to reach a 2030 goal of passport-free and visa-free travel
- Simplify the current application process to allow for **online lodgement for all travellers**
- Explore solutions which **engage the consumer** via smart phones/devices
- Implement "**visa for life**" to approved applicants

4.2 Australia's visa system must be simple, consistent, nimble and intuitive

- Condense visa classes to reflect **purpose of visit** only
- Remove inconsistencies with visa application **fees** and visa **validities**
- Implement a system which allows for **native language** completion online
- Allow for **flexibility in ETAs**, particularly for business travellers
- Allow for challenges with **labour shortages** for the tourism & hospitality sectors
- Review the **caps policy for 462** visa sub-class, including the reciprocity requirement

4.3 Engage with industry partners to create visa efficiency

- Extend the DIBP's **Trusted Trader** program to include the services sector, particularly tourism exports

5. TOURISM EXPORTS – a growth industry

The tourism industry is proud of its contribution to the Australian economy. With international expenditure now pegged at \$40+ billion³, it is clear that tourism is delivering on its Deloitte (Positioning for Prosperity? Catching the next wave) label as one of Australia's five super-growth sectors⁴. Furthermore, international education is also named as one of the five – which has natural synergies with the business of tourism.

Visitors from China are the world's fastest-growing source of international tourism, with total tourism expenditure by visitors from China increasing almost tenfold since the year ending 2000. Australia is enjoying the fruits of this growth along with numerous other destinations – most of which are in the Asia Pacific region. It is interesting to note that, despite China delivering around 1.2 million visitors in 2016, Australia is still a long way down the list compared to the likes of Thailand, South Korea, Japan, Singapore, Malaysia, the United States and Indonesia⁵ - which illustrates that there is enormous potential for further growth.

Importantly for Australia, our traditional markets are seeing strong growth. Trips from markets including the UK and USA have both recorded increases⁶ and it is critical that our industry and governments remain committed to these markets. As a destination, our key assets include our proximity to Asia, beauty in our natural assets, safety and a divergence of spoken languages, lower cost aviation and excellence in our educational offering.

Tourism is projected to be among the world's fastest-growing industries. According to the UNWTO, demand for international tourism remained robust in 2016 despite global challenges. International tourist arrivals grew by 3.9% to reach a total of 1,235 million and some 46 million more tourists (overnight visitors) travelled internationally last year compared to 2015.⁷ Deloitte forecasts have tourism growing at 4% per annum from now to 2033 – that is, more than doubling in size over the next two decades⁸. With global tourism now representing 7% of the world's exports in goods and services, tourism ranks third after fuels and chemicals and ahead of food and automotive products.⁹ Tourism has grown faster than world trade for the past five years.

The UNWTO also reported that 2016 was the seventh consecutive year of sustained growth following the 2009 global economic and financial crisis. A comparable sequence of uninterrupted solid growth has not been recorded since the 1960s. As a result, 300 million more international tourists travelled the world in 2016 as compared to the pre-crisis record in 2008. The UNWTO also reports that by 2030, a global population of 8.5 billion people will take nearly 2 billion international trips.¹⁰

Tourism has boasted virtually uninterrupted growth over time, despite some occasional shocks, demonstrating the sector's strength and resilience. International tourist arrivals have increased from 25 million globally in 1950 to 278 million in 1980, 674 million in 2000, and 1,235 million in 2016. Similarly, international tourism receipts earned by destinations worldwide have surged from US\$ 2 billion in 1950 to US\$ 104 billion in 1980, US\$ 495 billion in 2000, and US\$ 1220 billion in 2016¹¹.

Tourism is a major category of international trade in services. In addition to receipts earned in destinations, international tourism also generated US\$ 216 billion in exports through international passenger transport services rendered to non-residents in 2016, bringing the total value of tourism exports up to US\$ 1.4 trillion, or US\$4 billion a day on average¹².

³ *International Visitor Arrivals, Tourism Research Australia June 2017*

⁴ *Deloitte (2013) Positioning for Prosperity? Catching the next wave*

⁵ *Travel China Guide 2016 / China National Tourism Administration*

⁶ *Source: International Visitors in Australia: September 2016*

⁷ *UNWTO, Sustained growth in international tourism despite challenges 17 Jan 2017*

⁸ *Deloitte (2013) Positioning for Prosperity? Catching the next wave*

⁹ *UNWTO, Tourism Highlights, 2017 Edition*

¹⁰ *UNWTO, Tourism Towards 2030*

¹¹ *UNWTO, Tourism Highlights 2017 Edition*

¹² *UNWTO, Tourism Highlights 2017 Edition*

With this ground-breaking global growth in total passenger movements, it is critical that we are well-positioned to facilitate Australia's increasing inbound passengers to ensure their passage both into and out of our nation is efficient, seamless, cost-competitive and engaging.

In a world where there is a heavy focus on border security, progressive yet firm refugee policies, anti-terror measures and protectionist economic strategies, it is important that Australia positions itself as a nation which embraces industries and partnerships that drive economic growth and solidify regional alliances that benefit the Asia-Pacific region. It is also a world where the reliance on fuels/minerals has slowed and the end of the mining boom has driven the economic imperative to look to other industries for economic growth.

The UNWTO defines tourism as “a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities, some of which involve tourism expenditure.”

Despite wars, political turmoil, natural disasters, medical scares, terrorist attacks, and economic and energy crises in various parts of the world, international trade in tourism services has grown enormously since the 1970s. Historically, only developing countries actively pursued tourism exports as a key economic development strategy and only wealthy individuals could afford to travel internationally, and they tended to travel to affluent countries with quality tourism infrastructure and services. In recent decades however, tourist arrivals in emerging countries have grown much faster than in developed ones. The Asia-Pacific region has seen—and will continue to see—the fastest growth.

While growing affluence and falling real travel costs have been primary reasons for the enormous growth in post-1970s international travel, changes in government policies have also played an important role. Japan is an excellent example. Japanese citizens were prohibited from international leisure travel until after the Tokyo Olympics in 1964, and spend restrictions on foreign travel remained in effect until the late 1970s. Eventually, with large and growing trade surpluses, the liberalisation of outbound travel helped to defuse international political tensions stemming from trade imbalances. During the late 1980s, the Japanese government actively encouraged overseas travel and, by 1989, Japan led the world in international tourism expenditure.

China is another example. The country was essentially closed to the outside world during the Cultural Revolution (1966-1976). Its subsequent opening led to a surge in foreign arrivals that have made China the world's fourth most-visited country, receiving almost 60 million tourists in 2015. In the late 1980s, China began to formalise an outbound travel liberalisation policy that allowed its citizens to travel abroad in tightly controlled, escorted group tours to countries that had been granted “Approved Destination Status” (ADS). Since then, the growth has spread to non-group, fully independent (FIT) travellers, who are globally savvy and driven by unique experiences.

The global spread of tourism in industrialised and developed states has produced economic and employment benefits in many related sectors - from construction to agriculture and telecommunications.

Tourism effectively underpins the Australian culture. Australia is a friendly, welcoming, safe destination that offers a diversity of experiences which are marinated in the essence of the Australian identity. Tourism can be argued as the bridge between cultural differences: a catalyst for peace and a vehicle to unite people who seek to learn about another part of the globe. Tourism therefore should be seen as an important tool in international relations to foster global unity and to erode historical dissent between nations.

Australia boasts an excellent track record on developing solid economic partnerships with regional neighbours to drive mutual tourism growth. Initiatives such as the reciprocal working holiday maker programme, the bilateral agreement with China for group leisure travel (Approved Destination Status) and

the recent open skies agreement with China are all strong examples of progressive international partnerships with our national interests in mind.

Recent innovations in visa policy including e-lodgement and the ten-year visa for China and Indonesia are good examples of bilateral agreements with other nations to advance commercial opportunity via travel between partner nations. The tourism industry firmly believes that the implementation of technology, information-sharing with partner nations and mutual agreements with our trade partners can effectively enable a 'divorce' between pure border security and the movement of tourists.

There is more that can be done to foster growth for Australia, and to re-position our country as a world leader in visa innovation. A longer-term opportunity lies in "life-long" visas, where mutual transnational objectives of cultural exchange, passenger facilitation and free trade are realised.

Australia's tourism industry touches all parts of the globe, from both a trade and consumer perspective. Our outbound and inbound sectors mean that businesses, small and large, are engaged in trade relations with partners from across the globe. Australian tourism operators are, quite simply, trade diplomats who invest in destination Australia every time they meet with an international travel wholesaler, airline or foreign government agency.

From a consumer perspective, the growth in the international education sector has led to an all-time-high in "VFR" travel – visiting friends and relatives. Family members studying in Australia has led to multiple nations increasing their interest in Australia, and countless trans-national alliances between educational institutions, including the recent extension of the collaboration between UNSW and Shanghai Jiao Tong University.

Australia has a broad network of Austrade offices across the globe. There is an excellent opportunity to elevate the role of the Austrade team to include tourism, specifically tourism exports, in their charter. Austrade has traditionally been focused on goods ("widgets and gadgets") rather than the services sector, and, given the right guidance, the Austrade team of professionals could provide support to both local tourism communities (that is, locales in which they are based) and to potential overseas investors in the tourism and hospitality sector here in Australia. They can be effective advocates for businesses here that are "international ready" which could dovetail into the Department of Immigration and Border Protection's *Trusted Trader* program. We believe there is real opportunity to expand the *Trusted Trader* program to include services, particularly in the tourism sector.

Australia needs to be ambitious

We are now ready to start the strategic planning process for "beyond 2020" – many policy makers are referring to "Tourism 2030" as the working title, but some argue that the strategy could extend beyond 2030 and focus on longer term objectives. Wherever we land, we must go beyond traditional thinking and consider "out of the box" goals and/or reforms that drive growth. The Tourism 2020 target of doubling overnight domestic and international visitor expenditure to between \$115 and \$140 billion is well on track to achieve the upper end of the target. Whilst we have significant domestic and supply-side considerations to address in order to continue on this trajectory, our relationships off-shore also play a significant role.

The global trend of surging passenger movements is taking its toll on antiquated systems built decades ago. Today, with more than 1.2 billion international travellers going to great lengths and costs to obtain a visa, wasting time waiting in lines, many with old fashioned paper documents in hand, we face new challenges that cannot be addressed by legacy systems. Threats such as terrorism and disease go beyond borders and are outside the ability of any one country to control.¹³ The right to travel should be based on who you are, not where you were born or the colour of your passport. Arne Sorensen, President and CEO of Marriott International states "Governments will need to adopt new policies that enable greater information and data-sharing across national borders. Building these digital bridges will enable security agencies to integrate many disparate national systems and better protect their borders and citizens by allowing them to focus

¹³ Arne Sorensen, *Disrupting Travel for 2030: Building Bridges not Walls 2017*

resources on the true threats.....moving to a fully digital process built on biometrics will help to protect and verify a traveller's identity..."

The travelling global population need to become an active part of the solution: enabling passengers to voluntarily participate in biometric data sharing programs can thereby mitigate risk and ensure borders are not an open door to threats, but rather a gateway to opportunity.

The factors and considerations outlined above set the scene for much-needed reform of Australia's visa system. We need to embrace technology, be nimble with change, enhance the visitor experience and at the same time maintain strong vigilance on border integrity and security.

6. DISCUSSION

Simplifying our visa arrangements

6.1 What would a system with approximately 10 visas look like?

ATEC supports the government's objective of re-structuring the visa system to be more streamlined, easier to use and intuitive. One of government and industry's jointly supported Tourism 2020 goals was to make Australia's visa system "easier, quicker and competitive"¹⁴. In fact, it was one of the top six key reform areas. In recent times, the introduction of online applications, 10-year validities and faster processing times have greatly improved Australia's position on the global stage with regard to passenger facilitation. A recent survey of ATEC's buyer (also known as distributors or inbound tour operators) revealed that 70% of respondents believed that Australia's visa system had improved in recent years¹⁵. Respondents also indicated that there was more to be done, but the introduction of online applications was the resounding positive that has been industry-supported.

Currently, Australia's visa system presents 99 different visa classes. A system that condenses visa types must be developed with the user interface in mind. Australia currently uses the *Visa Finder* service to ask applicants some leading questions in order to filter the applicable visa types. The challenge comes with numerous secondary offerings within the results returned: for example, a French citizen is eligible for three different offerings (although the working holiday maker visa sub-class 417 does not display) and then there are references to the *Frequent Traveller* scheme that is available to citizens of the People's Republic of China in the displayed results. ATEC supports an intuitive system that filters visa offerings from the initial engagement and only offers two options:

1. I want to **VISIT** Australia
2. I want to **STAY PERMANENTLY** in Australia

From there, the applicant is then filtered according to **purpose of visit**. These sub-categories could include the following:

For **VISITING** Australia:

- a) Travel, tourism, leisure
- b) Work
- c) Study
- d) Medical treatment

For **STAYING** in Australia:

- a) Pathway to permanent residency
- b) Refugee/humanitarian consideration

With this model, it could be argued that the visa offering can be condensed to just six categories, although ATEC accepts that there are further considerations within each category and wide consultation is absolutely necessary when it comes to condensing visa classes. One of the challenges of the vast number of visa types is the widely varying conditions, fees and restrictions applied to the various visas. ATEC is of the view that a significant number of conditions, particularly in the temporary entry stream can be modified to deliver consistency and uniformity to remove complexity.

RECOMMENDATION

1. Condense visa classes to reflect **purpose of visit**

¹⁴ *Austrade, Tourism 2020 Implementation Plan August 2015*

¹⁵ *ATEC, Review of Australia's Visa System – a stakeholder poll September 2017*

6.2 What factors should we consider when simplifying the visa system?

a) Global changes in visa policy

In 2016, destinations worldwide required 58% of the world's population to obtain a visa prior to departure.

This is a significant improvement from 2008, when 77% of the world's population was made to apply for a traditional visa. In general, the great majority (approximately 85%) of countries have reduced, at least partially, the burden of obtaining a tourism visa in the past two years.¹⁶

An overly restrictive visa policy can mean lost opportunities for economic growth and jobs. Travellers consider visas as a formality, which also incur a cost. This can be a deterrent to travel if costs – whether monetary or indirect – including distance, wait times, requirements and service, go beyond a traveller's tolerance.

Research conducted by the UNWTO and World Travel and Tourism Council predicted that improved visa processes could generate an additional \$206 billion in global tourism receipts and create up to 5.1 million jobs over a three-year period.¹⁷

The World Economic Forum's 2017 *Digital Borders Report* presents a vision for the future of travel, where eligibility to travel is based on the individual, rather than the legacy system of the traveller's country of origin. Digital needs to be integrated across the travel journey – from identification and authentication through biometrics to a frictionless airport transfer.¹⁸

b) The smart stuff – phones, tablets, wearables

Travellers are becoming increasingly autonomous as they facilitate their own passage from domicile to terminal to aircraft to hotel via hand-held or wearable technology. Consumer reliance on their smart device(s) has changed the way they plan, execute and enjoy their travel, as well as how they manage their expectations and provide feedback. At the same time, the growing number of connected travellers provides a unique opportunity for governments to benefit. Connectivity has become an excellent mechanism to "digitise" passenger movements and processing.

c) Australia as a competitive global destination

Australia is a long haul destination for many of our key source markets. Conversion remains our greatest challenge as we strive for greater visitation, high yielding business and penetration of new and emerging markets. According to a 2013 study conducted by Tianxun.cn, most Chinese tourists admit that visa applications influence their travel plans. More than 90% of the consumers polled "take visa applications into consideration" before choosing a destination. The survey also showed that the US, Australia and France would be the top three desired destinations if there were no visa restrictions: desire to travel is high but conversion impacted because of visa policy.

Australia's universal visa system requires that all those travelling to Australia who are not Australian citizens or residents have a visa to enter Australia, except New Zealand citizens who can apply for a visa on arrival. The visa options available have varying conditions, fees, validities, application processes and documentation requirements. By way of contrast, a temporary visitor to Canada from Brazil, China or India (by way of three different examples) can all apply and lodge online, all pay CAD\$100 and all have a validity of up to 10 years.

¹⁶ UNWTO, *The Travel & Tourism Competitiveness Report 2017*

¹⁷ UNWTO & WTTC, *The impact of visa facilitation on job creation in the G20 economies May 2012*

¹⁸ World Economic Forum, *Digital Borders Report, 2017*

As a travel destination, we have a responsibility to deliver simple, efficient, cost-effective, consistent and seamless entry protocols. Simpler, faster visas translate into increased visitation and positive consumer sentiment.

RECOMMENDATIONS

1. Simplify the visa application process to allow for **online lodgement** for ALL travellers from ALL markets
2. Explore solutions which **engage the consumer** via smart phones/devices

6.3 What should be the key characteristics of a simplified and flexible visa system?

Australia must continue to monitor trends and developments globally to ensure we keep pace with advancements in technology and are nimble in adapting to change. For as long as we maintain an actual application platform (that is, until we reach a point of pure digital and biometric identification and authentication at the time of physical travel), the priorities for a simplified and flexible visa system must include and/or consider:

1. Intuitive, intelligent application platform
2. Native-language enabled
3. E-lodgement available for ALL travellers
4. Consistency in visa application charges across ALL markets
5. Consistency in visa validity across ALL markets
6. Consistency in documentation type(s) to support applications
7. System is nimble and responsive in meeting the seasonal needs of short term labour shortages for the tourism and hospitality sector
8. Price competitive with global tourism competitors

We should also consider Australia's high-yielding business visitor market. Statistics show that despite a global increase in business events travel, Australia's share of this lucrative sector has contracted. In its submission to this review, the Association of Australian Convention Bureaux (AACB) has proposed a reform whereby business travellers can access an electronic travel authority (ETA) instead of being forced through the subclass 600. This model, they argue, can be funded as a cost-neutral exercise by the government removing the e-visa, fee-free for Shengen countries to the ETA, which attracts a (current) AUD\$20 fee. ATEC is of the view that this appears to be a sensible reform, given that many countries (including the EU) are moving to cease fee-free e-visitor type models, and we support the AACB's recommendation.

ATEC is also supportive of a "visa for life" concept. With the advancements in modern technology and the ability to easily "track" the movements of bona fide travellers across countless borders, ATEC would position a "visa for life" concept as a true contender for efficiency, sensibility and cost-effectiveness (for both government and the traveller alike).

It is important to maintain a strong focus on the commercial impacts of inefficient visa systems. In ATEC's recent member survey, over 90% of respondents indicated that visa processing delays or issues resulted in direct loss of revenue to their business through cancellation¹⁹.

RECOMMENDATIONS

1. Remove inconsistencies with visa application **fees** and visa **validities**
2. Implement a system which allows for **native language completion** online
3. Allow for flexibility in **ETAs** particularly for business travellers
4. Implement a "**visa for life**" to approved applicants

¹⁹ ATEC, Review of Australia's Visa System – a stakeholder poll September 2017

Modernising Australia's visa arrangements

6.4 What role does the visa system play in ensuring Australia remains attractive to the best and brightest temporary and permanent migrants?

6.5 Do you think an efficient visa system that is simple to understand and quickly assesses risk will make Australia a more attractive destination? Why?

a) Visitor visas

It is widely reported throughout tourism scholarly articles, research reports and competitiveness indicator reports that visas act as an impediment to tourism, not solely due to the requirement for a visa or other form of travel authorisation but also due to the manner in which this requirement is administered. Also, perception and reputation may be as important as reality when it comes to destination choice.

Visa processing times can also impact a traveller's decision when choosing a destination. Travellers today, for example millennials, are planning a trip on far shorter lead times than ever before. Decisions to travel can be made impulsively, and passengers crave real time, instant gratification outcomes. Destinations with cumbersome, slow, costly visa systems will undoubtedly be impacted negatively.

The UNWTO and World Travel & Tourism Council's (WTTC) joint report on visa facilitation in ASEAN nations demonstrates through case studies and research that there is a direct correlation between destination attractiveness and visa facilitation.²⁰ Put simply, visas are a critical component of Australia's 'welcome mat' and any measures that discourage growth will impact upon our reputation as a friendly, easy-going place to visit.

b) Labour and skills

Current labour and skills shortages acutely felt by the tourism and hospitality sector limit its productive capacity and hamper efforts to compete with other global destinations. Access to adequate and properly trained staff is critical to ensuring we have a tourism workforce capable of giving visitors a world-class experience. A new visa system must address the labour shortage issues being felt by regional Australia. Recent reforms to the former 457 visa have in many cases presented further challenges by making access to foreign labour harder and more costly. Whilst this review is not the process for addressing reforms to the Skilled Migration Visa policy settings, it is an opportunity to investigate more thoroughly the unique position of the tourism and hospitality sector with regard to sourcing willing, able, trained and mobile staff. Any changes to Australia's visa system must consider tourism in the context of its need to access skilled labour and the associated pathways to permanent migration. We should also consider constraints, such as the caps on the 462 visa. We encourage the government to re-visit bilateral agreements where reciprocity arrangements are thwarting Australia's growth potential.

RECOMMENDATIONS

1. Allow for challenges with **labour shortages** for tourism and hospitality sectors
2. Review the **caps policy for 462** visa sub-class, including the reciprocity requirement

²⁰ UNWTO & WTTC, *Impact of visa facilitation in ASEAN member states*, 2014

c) The Trusted Trader program

ATEC has over the past twelve months been keen to elevate the importance of what it means to be an “internationally ready” operator in the tourist export industry. Any program, including *International Ready*, should be both meaningful and relevant, but more importantly deliver tangible and commercial benefits and competitive advantage. Whilst we agree that *International Ready* certainly differentiates itself from “accreditation”, it is difficult to deliver tangible, commercial returns unless the international trade recognise it as the “must have” in order to transact. In today’s real time, dynamic environment, we must continually be on the lookout for programs that focus on business “readiness”, but also can deliver commercial advantage and therefore an incentive to participate.

We are aware of the government’s program administered by the Department of Immigration and Border Protection called the Australian Trusted Trader program. It is currently very much focused on exporters of goods (rather than services) and ATEC believes there is an excellent opportunity to explore how this program might transfer to services – particularly tourism exports. Ideally, we foresee an opportunity whereby Australian tourism operators (for example, inbound tour operators or destination management companies) which meet ATEC’s *International Ready* criteria could be anointed by DIBP as Trusted Traders, and would thereby receive trade benefits: for example expedited visa processing and labour mobility. Whilst we do not purport to have a full solution as to how this might be administered, nor what protocols or systems may be required, we see this as an excellent example of broadening a current program to facilitate mutual benefits between government and industry. ATEC’s recent poll of buyer members indicated that over 60% of respondents would support a program where they could effectively act as visa processing agents and believe this would deliver a commercial benefit to their offshore clients.

We encourage the government to work with ATEC on exploring this opportunity further through stakeholder consultation.

RECOMMENDATION

1. Extend the DIBP’s **Trusted Trader** program to include the services sector, particularly tourism exports

6.6 To what extent should the Government collect biometrics from visa applicants?

ATEC supports biometric collection and cross-border collaboration with partner nations to build and develop digital passenger processing solutions that will enable a future that is effectively passport-free and visa-free. Considerations around privacy and a consumer/passenger’s willingness to submit biometric data must be explored more thoroughly, but anecdotal commentary suggests that bona fide travellers with a passion for wanderlust and chasing one’s travel dreams are willing to move with the advancements of technology.

RECOMMENDATION

1. Invest in **digital technology** and **biometrics** to reach a 2030 goal of passport-free and visa-free travel

7. IN CONCLUSION

ATEC congratulates the government on its ongoing commitment to growing our tourism export sector. Australia must embrace bold reform to ensure we facilitate the ever-changing needs of the travelling global population to position us for growth in this highly competitive and increasingly mobile world.

We thank you for the opportunity to make a submission.

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