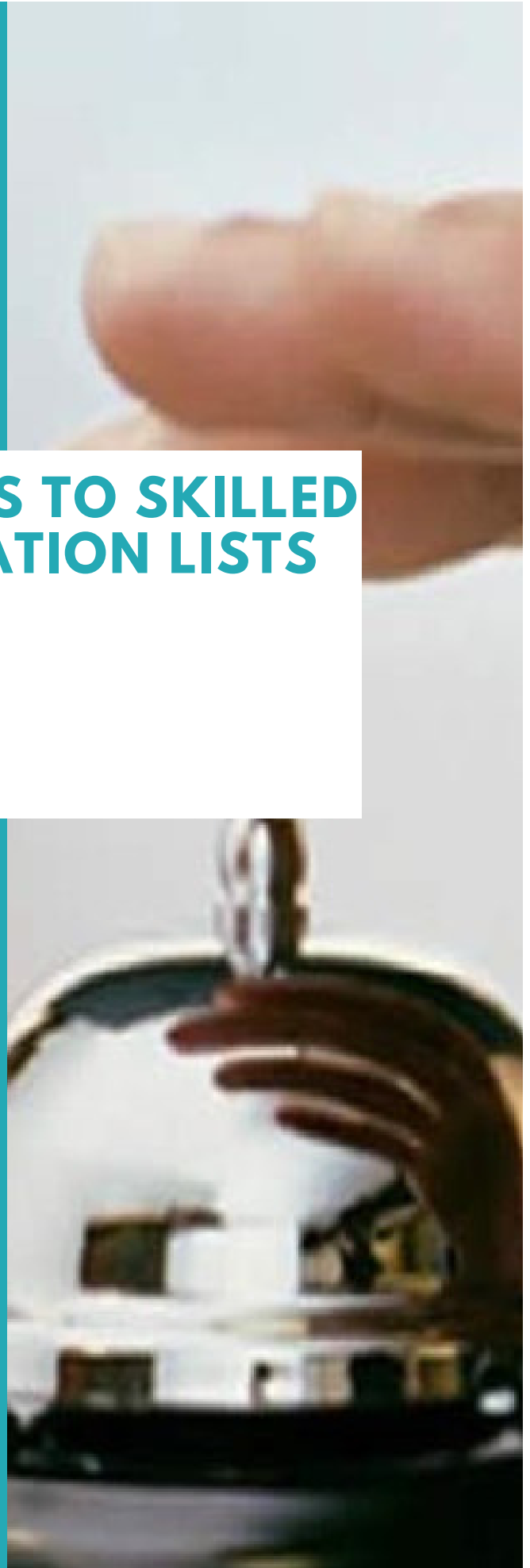


PROPOSED CHANGES TO SKILLED MIGRATION OCCUPATION LISTS

SUBMISSION

**AUSTRALIAN TOURISM
EXPORT COUNCIL**

NOVEMBER 2017



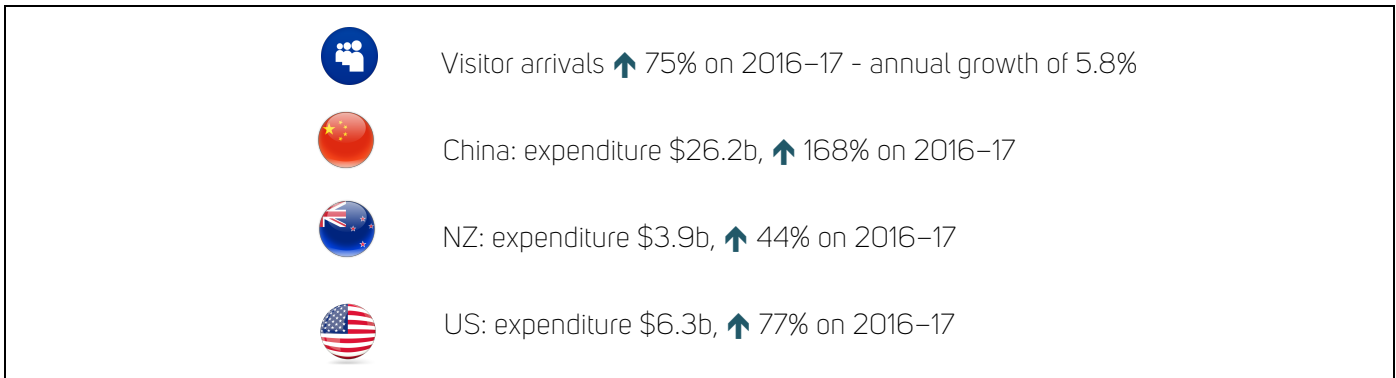
FOREWORD

ATEC welcomes the opportunity to present this submission on proposed changes to the Short Term Skilled Occupation List for the Department's consideration.

The tourism industry is proud of its contribution to the Australian economy. With international expenditure now pegged at \$40+ billion¹, 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 sectors².

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 2015.³

With this ground-breaking global growth in total passenger movements, it is critical that we are well-positioned to deliver the best quality experiences to Australia's international visitors. With such stunning forward projections for our sector – projected to be 15 million international visitors by 2027⁴ - we must ensure that businesses have ready access to a labour force with the right skills, mobility and a commitment to service that can deliver on the expectations of those visitors. Tourism Research Australia predicts that by 2026–27:



Source: Tourism Research Australia, Tourism Forecasts 2017

For the tourism and hospitality sectors, we have a labour market crisis. With the Deloitte Australian Tourism Labour Force Report 2015-2020⁵ predicting a shortage of 123,000 jobs by 2020, we must implement policies that allow businesses both small and large simple and nimble access to workers. The Deloitte report stated that translating this shortage across the entire visitor economy (direct and indirect employment), an additional 150,000 workers will be needed to close this gap by 2020.

The recent changes to the 457 visa conditions have had a mixed impact on the tourism and hospitality sectors. The industry certainly welcomes the commitment from government to six-monthly reviews of the STSOL, however is very concerned that the Accommodation and Hospitality Managers occupation is flagged as one to potentially be removed, and the Travel Agency Manager remains “off” both the STSOL and the MLTSSL. It should also be noted that ATEC still retains some concerns about the methodology for the skilled occupations lists – primarily that there are two lists and occupations can “shift” between them. ATEC asserts that one list of skilled occupations is a less bureaucratic and more easily utilised by industry. Furthermore, as outlined in our submission on the methodology, ATEC also suggests that the skilled occupation lists alone is inadequate and submissions made by individual businesses and companies need to be given far higher importance than the review consultation paper implies.

ATEC, in the context of this review, also supports the submission lodged by the **Australian Chamber of Commerce and Industry – Tourism**.

¹ International Visitor Arrivals, Tourism Research Australia June 2017

² Deloitte (2013) Positioning for Prosperity? Catching the next wave

³ UNWTO, Sustained growth in international tourism despite challenges 17 Jan 2017

⁴ Tourism Research Australia (2017) Tourism Forecasts

⁵ Deloitte Access Economics (2015) Australian Tourism Labour Force Report 2015-2020

DISCUSSION & RECOMMENDATIONS

The tourism and hospitality sector is facing critical issues relating to staffing, which are impacting opening hours and operations at a time when occupancies are improving year on year. While the tourism industry has undersupply issues across the country, this is particularly evidenced in regional Australia where it regularly takes two to six months to fill advertised positions.

We need to create sustainable opportunities for both Australian and foreign skilled workers immediately to simply keep operations going today and tomorrow. And long term, to invigorate, encourage, mentor, train and upskill young Australians to provide a quality Australian culture of service to sustain the tourism industry into the future.

ATEC recommends the following with regard to the Skilled Migration Occupation Lists:

1. RETAIN *Accommodation and Hospitality Managers not elsewhere classified (141999)* on the **STSOL**

This occupation encompasses a number of roles including:

- Backpackers Manager
- Boarding House Manager
- Casino Duty Manager
- Guest House Manager
- Hostel Manager
- Reception Centre Manager

Industry has previously used this as a pathway to appoint suitably qualified candidates from overseas to roles that it has not been able to fill with Australians. This particularly applies in regional areas where backpacker and youth establishments suffer severe staff shortages – for example Darwin.

An added benefit of candidates from overseas is that with 70% of backpackers to Australia being international, there are many advantages to having Backpacker/Hostel Managers with the language and cultural skills to successfully meet their needs.

2. RESTORE *Travel Agency Manager (142116)* to the **STSOL**

The growing numbers from Asian markets such as China also highlight the needs for labour that have the skills to foster commercial relations with the tourism trade both here and in China. Many inbound tour operators face challenges in attracting staff with the required skill-set to manage the inbound operations and look to overseas labour sources, particularly those that may be appropriate for pathway to permanent migration.

3. RETAIN *Pastry Cook (351112)* and *Hotel/Motel Manager (141311)* on the **STSOL and *Chef (351311)* on **MLTSSL****

We are pleased to note that the occupations of *Pastry Cook (351112)*, *Chef (351311)* and *Hotel or Motel Manager (141311)* are all currently marked as green “NO CHANGE” in the Traffic Light Bulletin of November 2017. We strongly recommend that this remains the position and that these occupations do not move from their current inclusion on either the STSOL or the MLTSSL.

4. MOVE *Cook (351411)* and *Café or Restaurant Manager (141111)* from the **STSOL to the **MLTSSL****

In order to ensure consistency of service and quality standards, maintaining a stable workforce is essential. Hospitality operators invest significant resources in upskilling and training staff to ensure food and cuisine is of a standard that reflects their business operation. In addition, the Australian workforce benefits from the skill transfer and knowledge of key source markets of these workers.

By maintaining Cooks and Café and Restaurant Managers on the STSOL, businesses continue to report the significant opportunity cost in re-training staff. Moving these occupations to the MLTSSL would allow for greater skills transfer and productivity for hospitality businesses.

The Deloitte Access Economics report highlighted that Kitchenhands, Waiters, Café and Restaurant Managers and Chefs will be the most in-demand occupations. Demand for kitchenhands, waiters and café and restaurant managers is expected to account for approximately one-third of all demand for workers within the tourism sector. In terms of skilled workers, Chefs, Café and Restaurant Managers and Waiters are expected to experience the greatest shortfalls, representing 36% or 5,400 workers⁶.

CONCLUDING STATEMENT

It is important that there is an acceptance from government of the critical role that the hospitality and tourism sectors play for Australia's economic growth – especially in regional areas with low levels of other industry.

The process for recruiting overseas staff is expensive and onerous. ATEC points this out only to demonstrate that businesses would undoubtedly avoid those costs if they were in a position to recruit Australians which is far less costly.

In order to deliver on the promises of global marketing and promotion of destination Australia, the industry urgently needs a viable and highly skilled ongoing workforce.

Understanding from the government of the high service levels at which many members of ATEC operate and how this, as well as our regional locations, already increases the difficulty in recruitment and retention of an appropriate work force. Changes to foreign worker requirements will have a crippling effect on our members' operations.

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⁶ Deloitte Access Economics (2015) Australian Tourism Labour Force Report 2015-2020

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