



## **Australian Hotels Association**

Submission to:

### **Skilled Migration and 400 Series Visa Programmes Review**

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## About AHA

The Australian Hotels Association (AHA) is an organisation of employers in the hotel and hospitality industry registered under the *Fair Work (Registered Organisations) Act 2009*. Its membership of more than 5,000 licensed hotel businesses includes pub-style hotels plus three, four and five-star accommodation hotels located in each state and territory. The AHA's members are serviced by branches located in every Australian capital city and a Canberra-based national office. Accommodation hotels are represented by Tourism Accommodation Australia, a division of the AHA.

## AHA Position

The AHA seeks the following changes to the skilled migration and 400 series visa programmes;

- The Working Holiday Visa should be adapted to more easily meet the needs of the hospitality sector, increase access to workers, and allow greater retention of good staff.
- Cooks and Café/Restaurant Managers should be added to the Skilled Occupations List. Chefs must remain on the list.
- A review of the visa process for employers to sponsor overseas workers is needed.
- Adjustments to visa components should be made
  - Increase the age thresholds to better reflect an increasingly older labour market
  - Decrease the English IELTS standards to reflect the level of proficiency actually required for occupations in the hospitality industry
- The addition of a new Temporary Worker Visa to address labour shortages

## Background

There is a well-documented shortage of labour shortages in the tourism and hospitality industry.

In 2012 the Department of Resources Energy and Tourism commissioned Access Economics to assess labour shortages in the tourism industry. The results of this 2012 Australian Tourism Labour Force Report backed up the anecdotal information that there was a shortage of labour in the tourism industry and that future growth of the industry towards 2020 will mean that labour shortage pressures will continue<sup>1</sup>.

Many employers have faced challenges in recruiting from the Australian market due to a number of reasons, such as the lack of mobility in the Australian workforce challenging regional and seasonal establishments. Attracting workers has been impeded by a lack of understanding by the broader public of career opportunities and pathways, and the Australian perception that the hospitality industry is not an industry of choice; a view not shared by many other nations. Service Skills Australia outlines further issues with attraction and retention of hospitality staff in their 2014 Environmental Scan of Tourism, Travel & Hospitality<sup>2</sup>.

Overseas workers play a key role in the hospitality and tourism workforce. This is particularly relevant in the management of seasonal demand for labour. Working Holiday

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<sup>1</sup> <http://www.ret.gov.au/tourism/Documents/nltts/DAE-RET-Aus-Tourism-Labour-Force-Report-Pt-1.pdf>

<sup>2</sup> [http://www.serviceskills.com.au/sites/default/files/SISC1178%20TTH%20EScan\\_FA%20MR.pdf](http://www.serviceskills.com.au/sites/default/files/SISC1178%20TTH%20EScan_FA%20MR.pdf)

Makers (WHMs) were estimated to account for 7 per cent of the total tourism and hospitality workforce in the Deloitte Access Economics Australian Tourism Labour Force Report<sup>3</sup>. Access to workers through the Seasonal Migration and Working Holiday Visas is imperative, and flexibility is needed through these schemes to meet the growing need.

The AHA submitted a pre-election policy statement to the Australian Government in May 2013. The Access to Overseas Workers policy statement from this submission is attached at Appendix A.

## **Response to Request for Input**

### **1. Are there any specific aspects of the programmes or the processes that could be simplified?**

#### ***Working Holiday Visas***

Conditions attached to The Working Holiday Visa should be varied to ensure it meets the demands of the hotel industry including:

- Allowing working holiday makers in the hospitality and tourism industry to extend their visa for a second 12-month period in the same manner available to agricultural workers.
- Increase the maximum age of visa holders from 30 to 35 to reflect changing traveller demographics.
- Allow travellers to access to the visa twice, provided the person returns to their home country in between.
- Expand visa availability to include Australia's emerging tourist markets such as China, India, Singapore, Indonesia, Malaysia, Korea, Thailand and Philippines.
- Remove the requirement for employers to make superannuation contributions on behalf of working holiday makers.

### **2. Do you have skilled migration needs that are not being currently met within the existing skilled migration visa programme?**

#### ***Occupations List***

The hospitality sector is experiencing a shortage of both managers (café and restaurant) and cooks. The shortage could be minimized by adding these occupations to the Skilled Occupations List (SOL), enabling employers to fill these positions with appropriately qualified workers. This process is much more accessible than "unskilled" sponsorship via the 400 series visas.

The addition of the occupation Chef to the SOL is considered a significant achievement for the hospitality sector. Employers believe it will contribute to a reduction in the shortage of chefs in the hospitality sector.

#### ***Sponsorship Process***

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<sup>3</sup> <http://www.austrade.gov.au/ArticleDocuments/5499/DAE-RET-Aus-Tourism-Labour-Force-Report-Pt-1.pdf.aspx>

A complimentary measure would also be the review of the visa process for employers to sponsor overseas workers. The current failings of the visa system could be improved by:

- Reducing the English IELTS standards to reflect the level of proficiency actually required for the occupation as the current requirements are unreasonably high for many hospitality jobs.
- Allowing sponsored employees to be indentured to the host employer for an agreed period to ensure the initiating employer is able to retain the sponsored worker for a reasonable period.
- Minimum employment terms should be the relevant award such as the Hospitality Industry General Award 2010 for hotel employees, rather than the Temporary Skilled Migration Income Threshold (TSMIT, currently \$49,033 per annum). The TSMIT applies universally regardless of local labour market conditions. Skilled overseas workers should be paid at the same rates as Australian workers as stipulated in modern awards.
- Reviewing the recognition of prior learning and qualifications to ensure appropriate weight is given to demonstrated and relevant experience.

### **3. To what extent should the current key visa components be incorporated into a new skilled migration visa programme?**

Access to hospitality workers would be increased with adjustments to the following visa components;

- **Age threshold:** The upper age threshold of 50 years should increase. This will better reflect the state of the labour market as people work later in life.
- **English Language Proficiency:** Reducing the English IELTS standards to reflect the level of proficiency actually required for the occupation as the current requirements are unreasonably high for many hospitality jobs. This is particularly relevant to lower-skilled occupations.

#### ***New Temporary Worker Visa to Address Labour Shortages***

The shortages of labour facing the hospitality industry **cannot be met by the local Australian workforce or from the skilled migration stream**. The industry needs access to workers in lower-skilled occupations that do not qualify for 457 visas or the Skilled Occupation List. Currently the industry attempts to maximise the workforce potential of working holidaymakers and overseas students, but these are not adequate solutions to meet business needs.

What is required is the creation of a new worker visa allowing workers in high-demand, lower-skilled occupations to enter Australia and work for up to two years. To protect the integrity of the permanent migration scheme, this new visa should not offer any pathways to residency, and the workers should be required to return home for a period before returning on another visa.



# Access to Overseas Workers

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## AHA Position

The AHA's members are suffering from shortages of both labour and skilled labour that are not being met by the Australian workforce or the current immigration system. Addressing this requires:

- A review of Employer Sponsored Visas including underpinning employment under award, reducing English language requirements, broadening recognition of prior learning and experience and imposing a minimum sponsorship period with the sponsoring employer.
  - A new two-year working visa for temporary workers should be created for industries such as hospitality with genuine short-term labour shortages that cannot be addressed through skilled migration.
  - Allowing the hospitality and tourism sectors access to the extended stay provisions of the Working Holiday Visa, increasing the maximum age of visa holders from 30 to 35, expanding the range of countries included in the program, and allowing visa holders to access the scheme twice.
  - Amend the Graduate Visa to allow graduates to stay in Australia and work in their field of study for up to three years after graduation. This Visa should specifically include graduates of Australian hotel schools.
  - The immediate reinstatement of Chefs to the Skilled Occupation List and for Hotel/Restaurant Managers and Cooks to be added to the List in recognition of existing shortages.
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## Background

The hotel industry in many parts of Australia is suffering from acute shortages of labour and skilled labour due to low unemployment and the ongoing impact of the mining boom. The Department of Resources, Energy & Tourism estimates the tourism industry faces a shortfall of more than 56,000 workers by 2015 in the absence of a change in policy. The AHA has actively pursued strategies to maximise the potential of the Australian workforce by undertaking programs to match job seekers to hotel jobs, engage indigenous workers and promote the benefits of mature age workers. Despite some encouraging returns, labour shortages have not been addressed.

The Government has recently acknowledged the industry's need for greater access to overseas workers by expanding the Pacific Seasonal Worker Scheme to include the accommodation industry, developing a Tourism/Hospitality template Labour Agreement with concessions on skills and language requirements, and adjusting working restrictions on international students. However, more is required to ensure the Australian economy has access to the labour required to deliver the products and services being demanded from businesses.

## APPENDIX A

### Skilled Hospitality Workers

The recruitment in the number of skilled managers, chefs and cooks would be greatly improved by adding these skilled occupations to the Skilled Occupation List (SOL), enabling employers to fill these positions with appropriately qualified workers without needing to engage in complicated recruitment and sponsorship processes.

A complimentary measure would also be the review of the visa process for employers to sponsor overseas workers. The current failings of the visa system could be improved by:

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