



## AUSTRALIAN HOTELS ASSOCIATION

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27 January 2023

Hon Dr Jim Chalmers MP  
Treasurer  
Parliament House  
Canberra ACT 2601

Dear Treasurer,

### **Pre-Budget Submission 2023**

Please see the submission below.

## **1 BACKGROUND**

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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 diverse membership includes pub-style hotels, bars, taverns, restaurants plus three, four and five-star international accommodation hotels located in each state and territory. The size and scope of the AHA hotel industry includes:

- Over 5,000 businesses
- Generating over \$12,000,000,000 economic benefit
- Providing over 270,000 jobs with
  - over 60% female participation
  - persons aged under 24 years comprise 36%
- Providing over 150,000 accommodation rooms across the country
- Supporting over 50,000 community groups

Analysis in July last year by EY of the Accommodation and Food Service Sector<sup>1</sup> found:

- Total Accommodation and Food Service (AFS) sector debt grew 15.2% in the 32-month period from July 2019 till April 2022
- Out of all 19 industries the ABS analyses, the AFS sector has recovered least from Covid-19 and conditions have still not returned to pre-pandemic levels
- The AFS sector was the 2<sup>nd</sup> hardest hit during the pandemic – with only the Arts and Recreations Services industry hit harder, e.g., live music (which also impacts hotels)
- The AFS sector has the highest level of job vacancies (ABS estimate 51,900) after only the Health Care and Social Assistance industry.

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<sup>1</sup> EY report to the AHA “Economic analysis of the Accommodation and Food Service Sector”, July 2022

## 2 TRANSITION TO RENEWABLE ENERGY

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The AHA recommends

- Amending Australian Consumer Law to enable small/medium enterprises to join renewable energy power purchase agreements (currently prohibited due to laws limiting maximum fixed terms)
- If the government is to press businesses to transition from gas to electricity, ensure subsidies are in place to ensure they are not financially worse off
- Provide hospitality businesses with financial assistance to undertake energy audits identifying inefficiencies

### 2.1 RENEWABLE ENERGY POWER PURCHASE AGREEMENTS

The AHA is a leader in the transition to renewable energy. The Federal Government has a commitment for Australia to achieve a 43% reduction in emissions by 2030. Apart from likely limited rooftop solar, many small and medium businesses are not able to directly source renewable energy. AHA NSW has devised a world-first way for single businesses to aggregate their power needs so as to:

- Enable multiple businesses to participate in directly sourcing renewable energy as their majority source of energy
- Source energy at prices far lower than standard commercial agreements

AHA NSW is embarking on the second round of its world first aggregated renewable energy power purchase agreement (PPA). The Queensland Hotels Association is embarking on its first PPA.

- 260 hotels in NSW signed up to the first PPA
- This represents a collective load of approximately 150,000 MWh/annum (or 150 GWh)
- This is the equivalent energy supply of 10,000 Australian households per year

Economic Savings include:

- The PPA includes a fixed price for the procurement of solar-generated energy, and a floating price for the non-solar component. For 2022 and 2023, the average price under the PPA is 9.87c/KWh
- A recent competitive quote from a large multi-hotel owner for 1 July 2022 – 20 June 2024 include a peak rate of 36c/KWh, a shoulder rate of 25c/KWh and an off-peak rate of 18c/KWh
- For one of the hotels in this portfolio, the PPA results in savings of 47% over this competitive offer.
- A typical monthly bill under the PPA is \$6,569, compared with \$12,452 under the market offer. This represents annualised savings of \$70,592.

Environmental Benefits/Savings include:

- Participating hotels are contracted to purchase 100% of their annual electricity load from local NSW solar farms in Parkes and Griffith
- 150,000 MWh/year procured from the solar farm by AHA members lead to a saving of 123,000 tonnes of CO<sub>2</sub> equivalent per year

## 2.2 TRANSITION FROM GAS TO ELECTRICITY

The AHA understands from media reports that the Government has made commitments to the Greens to introduce measures which will “assist households and businesses transition to more renewable energy”. The media reports also “confirmed the government would work with the Greens ahead of the May Federal Budget to develop a package around electrification.”

To date there has not been much more detail. The AHA is a leader in reducing emissions and the transition towards renewable energy. We would support measures designed to assist this, but would not support measures to penalise those businesses that are not yet able to make the transition.

## 2.3 ENERGY AUDIT

Energy costs are a major cost item for hospitality businesses. Assisting hospitality businesses in undertaking energy audits can provide them with the knowledge needed to invest in key areas such as:

- Replacing inefficient or poorly operating refrigeration systems,
- Installing more efficient cooking appliances,
- Installing more efficient heating and cooling systems,
- Installing triple glazing,
- Installing more energy efficient lighting systems, and
- Installing more energy efficient hot water services.

Funding energy audits budgets will result in a significant investment by hospitality businesses in new equipment and systems, which will also see a substantial reduction in greenhouse emissions.

## 3 TAXES

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The AHA recommends

- Given the hospitality sector was the second hardest hit sector during the pandemic and is still in recovery mode from the pandemic, we recommend no new taxes
- Continuing to provide tax depreciation measures including full expensing and instant asset write off

### 3.1 NO NEW TAXES

As set out in the introduction, the accommodation and food service sector is still carrying the burden of:

- Sector debt grew 15.2% in the 32-month period from July 2019 till April 2022
- Recovered the least from Covid-19 and conditions have still not returned to pre-pandemic levels
- Was the 2<sup>nd</sup> hardest hit during the pandemic
- Has the highest level of job vacancies (ABS estimate 51,900)

Given the position of the sector it is strongly recommended that no new taxes or disincentives be applied.

## 3.2 DECREASE LIQUOR EXCISE

The AHA recommend that the excise for all liquor be frozen for 12 months.

The AHA recommends the Government freeze the excise rate for all liquor at its current rate for 12 months. the following is relevant:

- The increase in beer tax announced to take effect on 1 February 2023 will mean that the tax has gone up by around 8 per cent in the past six months.
- Hotels are having to pass on almost 90 cents of tax on every pint of beer they pour.
- We estimate that these increases will cost a small pub around \$5,400 a year and come after several years of difficult trading conditions associated with COVID-19 restrictions.

As pubs are still trying to rebuild and pay back debt after Covid, and consumers are faced with rising living costs, this would assist consumers and the Australian hospitality industry. A 12-month freeze would have the following benefits:

- Not force hotels to pass a tax increase onto consumers, thus increasing the cost of living
- Not create a further price distinctive for people to visit their local hotel, thus decreasing business sustainability and confidence

## 3.3 REMOVE FRINGE BENEFITS TAX ON HOSPITALITY

The AHA recommends the Government enable all taxpayers who carry on a business:

- Be allowed to claim a tax deduction and GST inputs on meal and beverage entertainment
- Together with allowing a credit for the related GST and not requiring any FBT for the business owner or their employees.

The Australian Hotels Association (AHA) proposes structural reform of Fringe Benefit Tax (FBT) to enable all taxpayers who carry on a business:

- Be allowed to claim a tax deduction and GST inputs on meal and beverage entertainment
- Together with allowing a credit for the related GST and not requiring any FBT for the business owner or their employees.

Costs estimated by EY to range from \$171m to \$286m<sup>2</sup>, but would deliver the following positive impacts over three years:

- Impact on GDP – ranging from \$539m to \$850m
- Impact on employment FTE – ranging from 3,844 to 4,230
- GDP per dollar of cost to government – ranging from \$1.89 to \$3.25

The current structure of FBT:

- Stifles expenditure in hospitality businesses, thus suppressing employment in the hospitality and accommodation sectors – sectors hard hit by COVID
- Is unfair and favours large scale sophisticated employers at the expense of smaller employers.

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<sup>2</sup> EY Summary report to the AHA, Economic impact of stimulus for the Accommodation and Food Service Sector, January 2021

At the expense of smaller businesses, FBT favours large scale businesses which have had the:

- Expertise to devise work arounds aimed at defeating the intent of the FBT scheme
- Scale and financial ability to re-develop their business premises as first-class hospitality venues

The arguments against suspending FBT are often based on the “equity principle”. Unfortunately, the equity principle of FBT has been circumvented largely by those who it was intended to capture. Many large-scale firms provide employee benefits ‘in house’ which would otherwise attract FBT, e.g.,

- Board room lunches
- Baristas
- Car parking

This circumvention gives those firms with the scale to avoid FBT an unfair advantage over smaller to medium enterprises which do not have the required scale or capacity. Exempting businesses and workers from FBT on meals, entertainment and accommodation will provide a much-needed stimulus creating instant jobs to a sector hard-hit by the pandemic. Exempting all business from FBT will increase the number of functions and events held in hospitality businesses. This will:

- Enable employers to provide more hours and more stable employment
- Increase GDP
- Remove the current inequity between businesses of different size

### 3.4 TAX DEPRECIATION INCENTIVES

In 2020, tax depreciation measures were introduced including full expensing and instant asset write off. These measures should be continued.

## 4 INCREASING WORKFORCE PARTICIPATION

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The AHA recommends measures to increase the participation and skills of Australian workers:

- Increase the capacity of women to return to the workforce by ensuring affordable and available childcare
- Increase the level of mature aged employment income for the age pension
- Pilot new regional mature aged “place-based” approaches
- Initiate an awareness campaign amongst the mature aged highlighting the transportability of their “soft skills” to sectors such as hospitality and accommodation
- Incentives to encourage businesses to employ mature aged apprentices
- Implement workplace internships for the most disadvantaged
- Increase the mobility of workforce mobility of younger Australians by expanding “gap year” schemes
- Fix the employment service provider model
- Increase housing availability and decrease cost

### 4.1 ENSURE AVAILABLE AND AFFORDABLE CHILDCARE

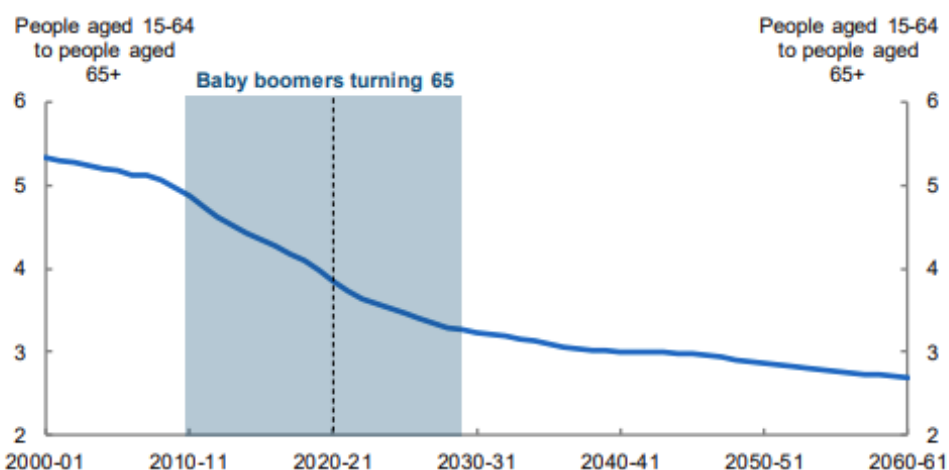
The hospitality and accommodation sector is proud of the high participation of females in the industry (55%). However, it was reported last year that 272,000 people across the country were not in the labour force due to caring for children. The main barrier to the return to work of many women in the hospitality and accommodation sector is available and affordable childcare. At the highest levels of our Associations, we are taking steps to increase the number of females at the executive, board and council levels.

## 4.2 EXEMPT EMPLOYMENT INCOME FROM THE AGE PENSION MEANS TEST

We note the announcement from the Jobs and skills Summit that age pensioners will be provided with a temporary upfront \$4,000 income bank credit to allow them to work and earn more before their pension is reduced, to be used by the end of the financial year on June 30, 2023. This means they will be able to earn \$11,800 a year, or approximately \$75 more a week. In the context of the current jobs shortage, the cost of this policy is a relatively minor \$55m. However, this temporary policy does not go far enough and it should be made permanent and not temporary.

Australia has a structural problem with an increasing aged population and a decreasing workforce to support those in retirement and on the pension. Today, we have nearly 4 people aged 15-64 for every person aged 65 and over. Within 40 years, there will be just 2.7 people aged 15-64 for every person aged 65 and over.

**Chart 2.17 Old-age dependency ratio**



Note: Number of people of traditional working-age (15-64) for every person aged 65 and over.  
Source: ABS National, state and territory population, September 2020, and Treasury.

Australia needs to act now and remove the disincentives for older people to continue participation in the workforce if they wish to do so. The AHA proposes the Government exempt employment income from the Age Pension means test to boost work force participation and help meet the nation's critical labour shortages.

The current worker shortfall could be reduced by:

- Permitting pensioners with limited wealth to work without penalty by exempting employment income from the Age Pension income test.
- The exemption could be targeted by using the assets test to limit eligibility.

The policy could be applied to the whole economy or targeted at sectors with critical labour shortages, in particular hospitality. The benefits include:

- Addresses critical workforce shortages by encouraging pensioners to remain in the workforce, re-join the workforce or work more hours.

- Increases income for low-wealth pensioners, especially women.
- Increases superannuation balances for low-wealth pensioners, especially women.
- Improves health and wellbeing through ongoing workforce engagement.

### 4.3 PILOT NEW “PLACE BASED” REGIONAL MATURE AGED WORKER PROJECT

The AHA recommends piloting new regional “place-based” approaches tapping into mature aged residents who are not currently in the labour force to draw them into hospitality work by matching their availability to employer needs.

Workforce participation by people aged 55-64 varies significantly across regional Australia. There are major economic benefits from increasing participation – even slightly. This project seeks to address chronic shortages in the regional hospitality workforce by re-engaging some of these residents into tailored hospitality work shaped to suit their interests and availability.

A case study by the Regional Australia Institute research from 2017 estimated on the Central Coast of New South Wales, a 3 per cent increase in the participation rate of 55–64 year-olds could increase total local income by \$33 million per annum. A similar increase in Victoria’s Hume and Loddon Mallee regions could deliver \$80 million additional income per annum. In 2016 there were over 350,000 regional residents aged 55-64 who were not in the labour force.

### 4.4 MATURE AGED WORKER AWARENESS CAMPAIGN

The AHA recommends an awareness campaign highlighting the “soft” skills many mature aged people have and their adaptability to the hospitality and retail industries. The AHA believes there is an underutilisation or underemployment of mature aged people with valuable “soft” skills which can be transferred to industries such as hospitality. The objective is to have mature aged people who have not considered the hospitality industry for employment, to take on casual or part time employment.

In particular, we believe there is a cohort of retired or semi-retired mature aged Australians **not** listed with Centrelink who may be open to work but have not realised that their life and work skills are transferrable. For example, mature aged people who have retired from careers in the trades, management may not have realised how easily they can transfer to hospitality – and how valuable their “soft” skills are. There would also be benefits relating to being more active and socially engaged via workplace participation.

### 4.5 BOOST ADULT APPRENTICESHIPS

Levels of hospitality occupation commencements have dropped from 15,000 to 5,500 despite the incentives and income support being offered. We understand there is a declining trend in the numbers of adult apprentices. This is largely a result of:

- the discontinuation and changes to incentive arrangements for adult apprentices and existing workers under the Commonwealth Australian Apprentices Incentives Program (Hargreaves & Blomberg 2015); and
- the decision of the Fair Work Commission to increase minimum wages for adult apprentices from 1 January 2014. Prior to 2014, the minimum wages applying to apprentices was the same regardless of age.

An adult apprentice is an apprentice who is 21 years of age or over at the commencement of their apprenticeship. Adult apprentices represent about 28% of trade apprentices. Adult apprentices are a different group from younger apprentices:

- Generally have greater skills prior learning and experience in the labour market and education sectors, as indicated by both the higher proportions of older apprentices who are existing workers and hold a qualification at certificate III or above.
- More likely to be undertaking training at a higher level than younger apprentices and are more likely to complete their apprenticeship.

## 4.6 RETAINING APPRENTICES

The AHA supports the Government's plan for 6 monthly \$2,000 payments for the life of apprenticeships in sectors with labour shortages such as hospitality and accommodation.

Apprentice enrolment and completion rates are declining. There is also a structural and critical need for chefs in the hospitality and accommodation sector. For Food Trade Workers, there were 13,070 in training in a trade occupation as at 31 December 2021. To satisfy current and future demand, we require at least 20,000. The proposal by the government would assist in lowering the current dropout rate in our sector, especially in the early years of training.

<b>Projected Attrition Rates within:</b>	<b>6 months</b>	<b>1 Year</b>	<b>2 Years</b>	<b>3 Years</b>	<b>4 Years</b>
Food Trades	27%	41.9%	54.6%	58.7%	59.2%
Hospitality Service Workers	31%	48.4%	57.0%	58.3%	58.4%

Possible reasons for the high dropout rate are set out below:

- Competition from other industries such as Uber drivers, retail assistants, logistics (packing, sending, online shopping). Many of our entry level employees are being drawn into these industries. This is because of the scarring experience of lockdowns and snap lockdowns - State governments gave employees the impression that employment (and wages) in our industry was not guaranteed. Employees commence in our industry, but then find an easier and "more secure" job elsewhere.
- Critically, in this tight labour market apprentices and trainees can find higher wages by switching employers within our industry. Employers are taking on workers who haven't completed their qualifications simply because they need staff. Workers have already learnt the foundational skills, and employers are taking the risk that the workers can learn the rest "on the job". Staff are commanding higher wages without completing their qualifications, and so stop their apprenticeship/traineeship.
- In the hospitality and accommodation industry, apprentices/trainees start with very few skills. The greatest productivity growth of an apprenticeship/traineeship comes at the start. Therefore, commencements are the most important measure. The rate of dropouts significantly plateaus after 2 years.
- In a tight labour market, more workers have pre-employability issues which mean their longevity in employment is short. This may explain the high dropout rate within 6 months.

## 4.7 IMPLEMENT WORKPLACE-BASED INTERNSHIPS FOR THE MOST DISADVANTAGED

The previous Government implemented the PaTH internship scheme aimed at the medium to longer term unemployed. Unfortunately, the scheme was criticised for:



- Being heavily bureaucratic and complicated - resulting in low take up by industry associations and employers
- Interns not being paid full wages
- The scheme commenced with two weeks classroom-based training, which many of the participants were not suited to

Our suggestion is for retail industries such as hospitality and accommodation that internships be conducted in the workplace, rather than the classroom. Industries such as hospitality and retail have a focus on “soft skills” such as customer service, punctuality, presentation. These soft skills are best taught within the workplace, given classroom teaching is simply not suited to many in the disadvantaged cohort.

The scheme should recognise the effort and cost employers need to make on training and mentoring staff unfamiliar with the workplace, or perhaps less motivated, and not yet in a position to be fully productive.

#### **4.8 INCREASE WORKFORCE MOBILITY OF YOUNGER AUSTRALIANS BY EXPANDING “GAP YEAR” SCHEMES**

Encourage the take up by young Australians of “gap year” schemes such as the Accommodation Association “The Gappa” scheme. We note the Australian Defence Force has a similar “ADF Gap Year” scheme, aimed at those young Australians considering a career in the defence forces.

The Accommodation Association “Gappa” scheme is aimed at young Australians, especially those unsure about their next steps such as whether to study or which career to embark on. The Gappa scheme has the benefit of placing young Australians in areas of business need, whilst at the same time giving them experience in the hospitality workforce, and seeing Australia.

<https://www.aaoa.com.au/Careers/The-Gappa>

#### **4.9 FIX THE EMPLOYMENT SERVICE PROVIDER MODEL**

Ensure the employment service providers are incentivised to service the tourism, hospitality and accommodation sectors including:

- Provide outcome payments to providers for multiple casual or part- time jobs
- Provide placement support across the full range of welfare recipients
- Review the operation of work experience or internship programs such as PaTH to become more vocational (particularly in the Prepare phase) and link to a job or hosted work experience or internship opportunity

There is a relatively low level of placement of candidates from the government supported employment services such as Job Active and DES providers into tourism, hospitality and accommodation. This is substantially because the recruitment model used across these industries is not well aligned to the placement funding model. As a result, the providers of employment services do not service the tourism, hospitality and accommodation sectors.

#### **4.10 INCREASE HOUSING AVAILABILITY AND DECREASE COST**

The AHA recommends the Federal and State Governments to take actions to increase housing affordability and to decrease housing cost.

The availability and cost of housing is having a significant impact on connecting employees with employers. Ongoing rental increases across Australia are pricing especially lower income workers out of the market. The rental prices in major cities across Australia have steadily increased over the past three years, in some cases by as much as 28 per cent. This problem has exacerbated in regional centres where residential housing stock has shifted to short-term letting on platforms such as Air BnB, leaving very little housing for workers and their families.

An operator in North Queensland has rented a local home to house workers migrating from interstate. In addition to cost, problems for the employer include the conduct of individuals in group housing, and managing FBT compliance and obligations.

## 5 USING MIGRATION TO FILL WORKER SHORTAGES

The AHA recommends:

- Continue the provision of resources to reduce the backlog of visa applications
- That the permanent skilled migration cap is increased to 210,000 and the distribution between skilled and family migrants be restored to 2/3 to 1/3.
- Benchmark Australia's competitiveness on pricing and ease of application for visas as compared to the countries we compete with e.g., (Canada, NZ, UK)
- Establish a scheme to assist businesses to employ refugees
- That skilled migration in the following occupations are provided with a maximum stay of four years (plus the option to renew for an additional 4 years) and a pathway to permanent residency: Café and Restaurant Manager, Hotel or Motel Manager, Accommodation and Hospitality Manager nec., Cook, Pastry Cook, and Hotel Service Manager.
- International students working in the hospitality industry be permitted to continue to work up to 30 hours per week until June 30, 2024;
- That an ANZSCO review is undertaken as soon as possible to ensure the 2023/24 migration program and skills lists are responsive to the needs of the labour market, and ongoing funding is provided to allow for regular reviews of ANZSCO.
- That the Skilling Australians Fund levy be halved to \$600 per year for small business and \$900 for large business for each sponsored temporary migrant.
- That the Skilling Australians Fund levy be refunded in all cases where a skilled migration application is not successful.
- That the Temporary Skilled Migration Income Threshold (TSMIT) – currently \$53,900 is increased at a level that will not inadvertently exclude occupations in the accommodation and hospitality industry that might otherwise be eligible for skilled migration. This will ensure hospitality roles in cooking and supervisory roles can be sponsored. Wages will still be determined by the Annual Market Salary Rate (AMSR)
- That the maximum validity of the 485 visa Graduate Work Stream be increased from 18 months to four years.
- That the temporary Hotel and Accommodation industry labour agreement is turned from temporary to ongoing and that reputable industry organisations with high levels of industrial compliance among their membership sponsored visa applications are expedited.

## 5.1 THE NEED FOR SKILLED MIGRATION

Hiring Australian workers is always first priority for hospitality businesses. It is cheaper, more reliable and sustainable solution to workforce shortages. However, not for want of trying, labour shortages following Covid-19 are now at record highs in the licensed hospitality and accommodation industry. The current worker shortage is set out below.

Occupation	Vacancies <sup>3</sup>
Chef	8,218
Sous Chef	2,422
Chef de Partie	2,892
Kitchen Hand	7,656
Pastry Chef	1,427
Restaurant Manager	3,318
Restaurant Assistant Manager	857
Café Manager	3,716
Waitstaff	8,778
Barista	14,442
Bartender	8,225
Host	2,191
Housekeeper	5,946
<b>TOTAL</b>	<b>70,088</b>

## 5.2 HIRING AUSTRALIANS FIRST

Our members objectives are always to:

- hire Australians first
- and only then fill skill and labour shortages with immigration

We are aware employing migrant workers cannot be at the expense of Australians. We appreciate we must get the balance right. The greatest incentive to training and hiring Australians first is the time and cost involved of hiring skilled overseas workers. We note:

- Whereas an Australian can often start work immediately or after a brief notice period, bringing in workers from overseas can take two to nine months
- Apart from advertising costs and sometimes re-location costs, there are basically no costs to hire an Australian worker. In contrast, the cost of bringing an overseas skilled worker is immense

Cost estimate to bring Chefs and Cooks from overseas	Chef cost \$	Cook cost \$
Skills Assessment per applicant	3,280	3,280
English Test	400	400
Relocation Accommodation - 14 days	1,400	1,400
DHA Nomination Application fee	333	333
MLTSSL - DHA Visa Application fee	6,298	2,640
POEA/OEC per applicant (authority to leave Philippines)	520	520

<sup>3</sup> <https://www.seek.com.au/jobs> 23 January 2023

Skilling Australians Fund (N.B. 1,818.18 per year)	7,172	3,636
Migration agency fees (application and nomination)	3,945	3,657
Airfare (one way)	2,000	2,000
Recruitment fee	5,000	3,000
<b>Total</b>	<b>30,348</b>	<b>20,867</b>

### 5.3 INCREASING THE CAP ON SKILLED MIGRATION

Always in the first instance hospitality businesses seek to hire Australians first. Unfortunately, many of the roles on offer are not taken up by Australians. For example, over the last 12 months there have been at least 8000 chef roles available on Seek. We recognise that as part of the social licence of filling such roles by migration, business must contribute to the training of Australians. Businesses contribute by way of their own training schemes but also via contributions to the Skilling Australia Fund. For cooks and chefs, the contribution ranges from \$3,636 and \$7,172.

### 5.4 ENSURING AUSTRALIA’S VISA SYSTEM IS COMPETITIVE AGAINST GLOBAL COMPETITION

The AHA recommends benchmarking Australia’s competitiveness on pricing and ease of application for visas as compared to the countries we compete with e.g., (Canada, NZ, UK).

Where Australia is uncompetitive, temporarily incentivise Working Holiday Makers to come to Australia, e.g., rebating visa fees for arrivals before the end of the year. Australia is in a global contest for visitors and students against a range of other countries. Compared to pre-pandemic, Australia is short 100,000 working holiday makers and 150,000 international students. There is a range of reasons for this, including:

- Australia is considered “expensive and hard to get to” by many working holiday makers. Airfares are expensive and flights are limited.
- Australia has also suffered brand reputational damage in being considered the least considerate towards migrant workers at the start of the pandemic by saying “if you are a visitor in this country, it is time to return home”.

Australia needs to have an outward focus on the global competition for tourism, labour and skills.

### 5.5 PROVIDE OPPORTUNITIES FOR REFUGEES WITH LOW ENGLISH LANGUAGE

The AHA recommends establishing a scheme to assist businesses to employ refugees. The Government is considering the plight of Afghan refugees and is considering granting circa 20,000 humanitarian visas. Roles in hospitality and accommodation such as kitchen staff and housekeepers can be performed successfully by people with low English skills. Training is based on “show” rather than “tell”. Recognising, however, that some cultural barriers may need to be overcome, the opportunity exists to place those incoming refugees within our sector.

An issue is that corporate engagement has been low in similar schemes. A 2019 project commissioned by the Federal Government on the experience of employers who hired refugees can be found here: <https://www.sydney.edu.au/news-opinion/news/2019/11/20/employer-engagement-key-to-boosting-jobs-for-refugees.html>

## 6 HELP LIVE MUSIC WITH A TAX OFFSET

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The AHA recommends a tax offset for live music venues.

The AHA supports the proposal and analysis by APRA AMCOS that a combined tax offset for existing live music venues and those not currently hosting live music could boost the incomes of musicians and artists by \$205 million per year with an additional 203,200 gigs, supporting the creation of 7,400 direct and indirect jobs across entertainment, hospitality and tourism. <sup>4</sup>

Yours faithfully,



**STEPHEN FERGUSON**  
**NATIONAL CEO**

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<sup>4</sup> BIS Oxford Economics “The economic impact of tax offsets upon the live music industry”, September 2022