

SUBMISSION TO JOBS & SKILLS AUSTRALIA ON THE DRAFT CORE SKILLS OCCUPATIONS LIST (CSOL)

MAY 2024

Joint Submission of the Australian Hotels Association and Accommodation Australia

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Summary of Recommendations

1. *As the government implements its new approach to assessing skill needs for migration purposes, it is important to remember that the most responsive and successful system for temporary skilled migration was when employers could sponsor any skilled occupation provided that a skills gap could be identified without the necessity for national shortage assessment or complicated lists.*
2. *To avoid significant economic consequences of removing temporary skilled migration sponsorship for occupations in shortage, there should be a transitional arrangement where occupations can be flagged for future review once data is available that will more accurately reflect migrant and employment outcomes of sponsored migrants in the new system.*
3. *JSA should broaden its Migration Model to increase importance in the analysis of future skill needs and, in addition, include the measurement of the economic impact on industries and businesses if skill shortages cannot be addressed by migration.*
4. *For those occupations that are not assessed as in shortage on a national basis, JSA should identify those that would satisfy the Migration Model criteria on a state or regional level and recommend that those skilled occupations in shortage in those regions be met through migration sponsorship.*
5. *The list of occupations available for permanent employer sponsored migration (ENS visa) should be more extensive than the proposed CSOL in order to accommodate regional and state needs as well as occupations in shortage but which may not have otherwise been assessed as suitable for temporary migration given that permanent migrant outcomes will not be impacted by the temporary nature of employment.*
6. *Jobs & Skills Councils should be specifically tasked with identifying ways of improving trade apprenticeship design to improve their attractiveness, deliver mid-point qualifications (in unlicensed occupations such as food trades), and encourage full completion.*
7. *Governments, both state and Federal, should work with industry to better improve the linkages between VET delivered at school and apprenticeship completion beyond school.*
8. *In recognition of the economic and social value of apprenticeships, State and Territory governments should fully subsidise the cost of training delivered as part of an apprenticeship or traineeship regardless of the industry or occupation.*
9. *Payments to employers in the early period of an apprenticeship are critically important in encouraging commencements as they directly address the early costs in supervision and the lower productivity value of a new apprentice.*
10. *The Federal government should retain/reintroduce employer incentives for hospitality traineeships in recognition of the benefits of the apprenticeship model, to encourage a continuing connection between the industry and the training system as well as deliver post-secondary qualifications to hospitality workers.*
11. *There should be a targeted commencement incentive relating to the employment of first year adult (over 20 yo) trade apprenticeships.*

12. That JSA include the following occupations on the Core Skills Occupation List:

- Chef
- Cook
- Pastry cook
- Hotel & Motel Manager
- Hotel Service Manager
- Café & Restaurant Managers
- Finance Managers
- Specialist Manager NEC (Security Managers)

13. Given that chefs are ANZSCO Skill Level 2 (which is the same level as professional occupations), migrant Chefs paid above \$135,000 should be eligible for the specialist category of the Skills in Demand visa and not treated the same as other trade occupations (most of which are Skill level 3) which are proposed to be not eligible for the specialist category irrespective of salary paid.

Introduction

The Australia Hotels Association (AHA) and Accommodation Australia (AA) welcome the opportunity to comment on the Draft Core Skills List (CSOL) issued for consultation by Jobs & Skills Australia. The AHA represents more than 5,000 members across Australia, including hotels, pubs, taverns and bars, serviced by a network of branches based in every state and territory, plus a Canberra-based National Office. Accommodation Australia, as a division of the AHA, represents more than 1400 of those properties ranging from independent regional motels and caravan parks to the largest local and international hotel and resort groups.

This submission:

- Urges that there be transitional arrangements reflecting the significance of the shift from a system that uses shortages and skill needs as the core assessment criteria, to one that seeks to include migrant and employment outcomes based on data that pre-dates the TSMIT increase and reflects the current rather than proposed system.
- Comments on the methodology being used by JSA, including the need for shortages to be addressed at a state or regional level.
- Focuses on key occupations relating to the hotels industry that are either in the category for consultation, or in the “confident-off” category including priority occupations such as chefs, cooks, hotel & motel managers and restaurant managers.
- Seeks clarification on the occupations that will be available for permanent employer sponsored migration.
- Urges more support for hospitality-related training and apprenticeships to improve the supply of skills to the industry,

Our submission has been informed by extensive consultations undertaken with AHA and AA members during April 2024 which were held concurrently with discussions about apprenticeship incentives. A summary of comments made by members that are relevant to this submission are found at Attachment A.

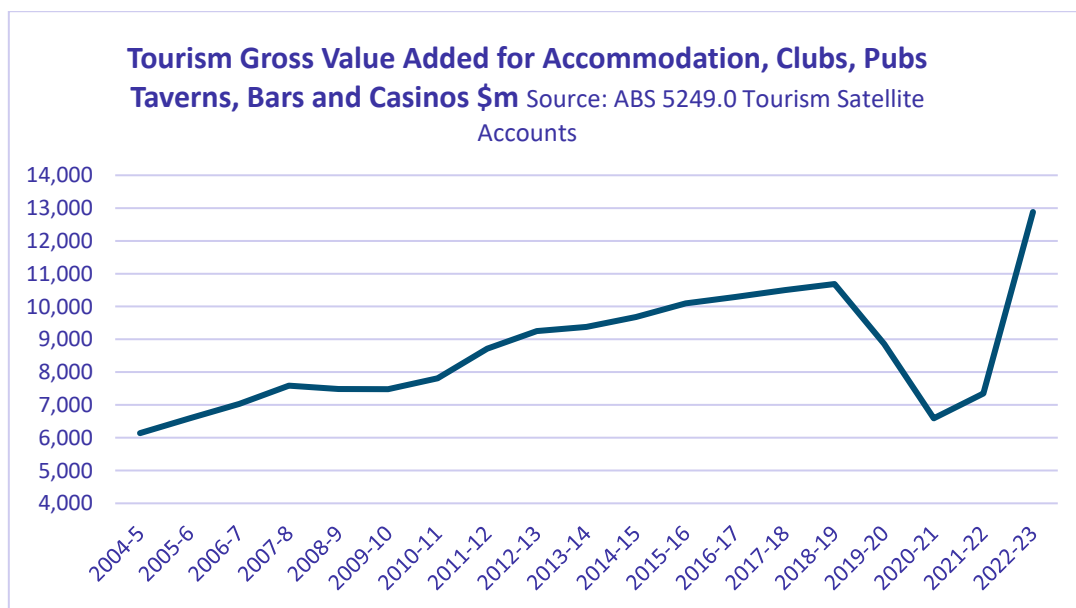
Hotel and Accommodation Sectors

Economic Contribution

The hotel, pub and accommodation sectors represented by AHA and AA fall within the ABS-defined Accommodation and Foodservice industry (AFS - often termed “hospitality”). According to the ABS, the industry value-add (IVA) for the Accommodation and Food Service Industry in 2022-23 was \$60.36¹ billion (compared with \$45.7 billion in 2021-22) on revenue of \$141.2 billion. Wages and salaries paid by AFS employers in 2022-23 totalled over \$37 billion, with FBT paid \$44 million and payroll tax \$991 million, amounting to total labour costs of \$42.2 billion.

According to the ABS Tourism Satellite accounts, for pre-COVID 2018-19 the gross value add to tourism by sectors represented by the AHA/AA was \$10.6 billion. As can be seen in Figure 1, the impact of COVID was profound, with the contribution to tourism dropping to a low point of \$6.6 billion in 2020-21, before recovering some lost ground to \$7.3 billion in 2021-22² and more recently surpassing previous contribution levels with \$12.9 billion in 2022-23, over 21% higher than pre-COVID level.

Figure 1. Direct contribution to tourism by Accommodation, Clubs, Pubs, Taverns, Bars and Casinos



¹ ABS, 81550DO001_202223 Australian Industry, 2022-23 released on 31 May 2024.

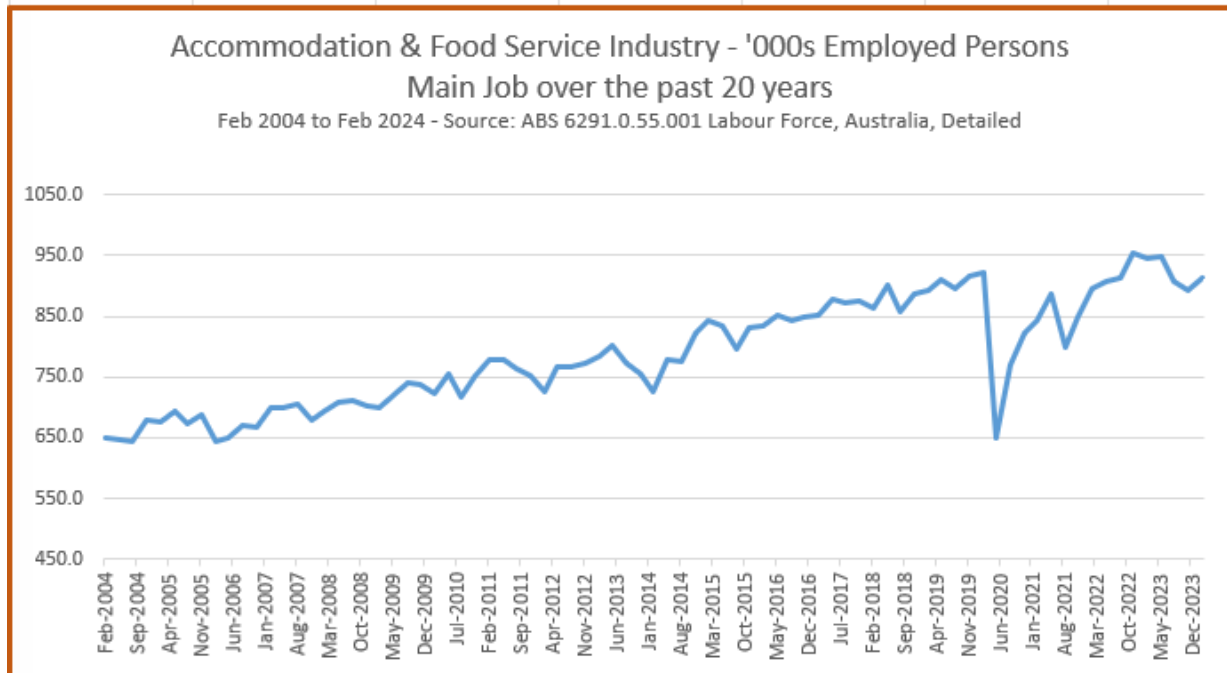
² ABS, 5249.0 Australian National Accounts, Tourism Satellite accounts 2022-23 released 6 Dec 23

Employment

Accommodation and Food Service Industry

As at February 2024, there were 911,600³ people who identified that their main job was in the accommodation and food service industry, of which hotels, motels, pubs and taverns are a significant part. As Figure 2 shows, jobs growth over the last twenty years has been considerable, except for the dramatic fall during the COVID-19 pandemic.

Figure 2. Employment in the Accommodation and Food Service Industry



It is important to note that this employment data underestimates the total number of people employed in the accommodation and food service industry as it categorises the labour force according to their main job. As there are many people who supplement their household income through a second job working in hospitality, the total number of employees who derive valuable income from our sector is much higher.

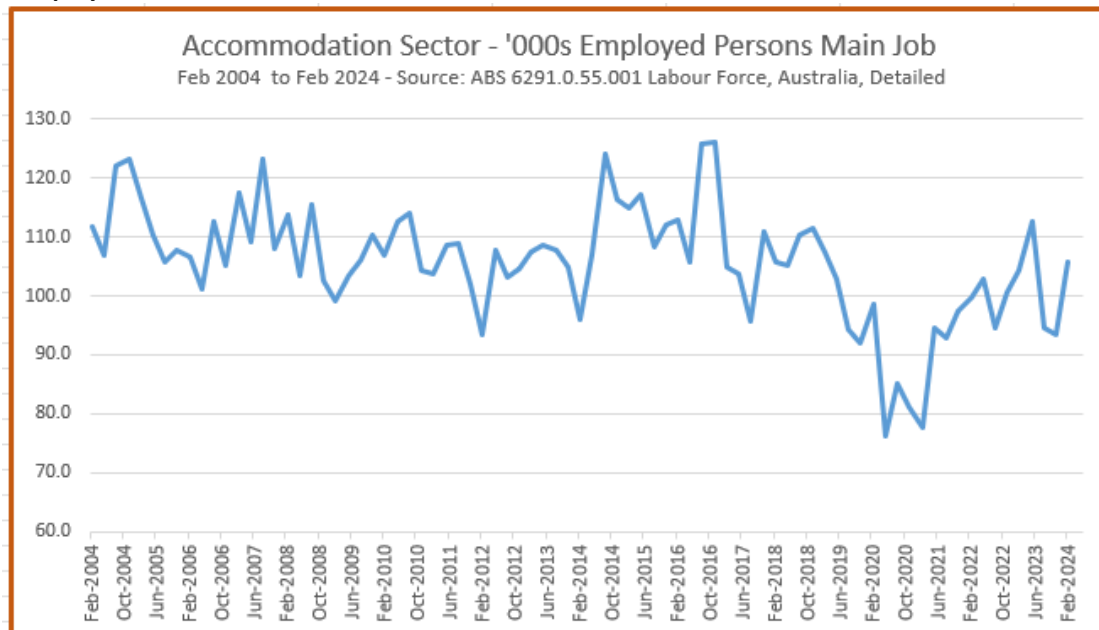
Accommodation Sector

As a subset of the broader AFS industry, as at February 2024, there were 105,700⁴ people who identified that their main job was in the accommodation sector, 62% of which were female. As Figure 3 shows, jobs growth during and post-pandemic in the accommodation sector has been mixed and employment levels are still over 5% below a pre-pandemic high of over 126,000 reflecting that job recovery in the accommodation sector remains incomplete. Due to difficulties recruiting labour and specialisations, there has also been an increasing trend for some accommodation properties to outsource some of their operations, notably housekeeping services, which would shift some sector-dependent jobs into other industry categories.

³ ABS, 6291.0.55.001 Labour Force, Detailed, Feb 2024

⁴ ABS, 6291.0.55.001 Labour Force, Detailed, Feb 2024

Figure 3. Employment in the Accommodation Sector



Employment projections

Although JSA in its call for submissions on the CSOL noted that it was not necessary to quote Jobs & Skills Australia data, for the sake of context and the benefit of readers beyond JSA, the commissioned Victoria University employment projections to 2033 for industries and occupations are included below. As Table 1 shows, overall, the Accommodation and Food Services (AFS) industry is predicted to grow by 59,400 jobs or 6.3% over the five years to May 2028, and 118,100 additional jobs in the ten years to May 2033. The accommodation sector is predicted to grow faster than the AFS average, at 17.1% over 10 years compared to the AFS average of 12.5%.

Table 1. JSA Employment Projections for AFS, Pubs and Accommodation

Industry Employment	Employment - May 2023 ('000)	Projected employment May 2028	Projected employment May 2033	Projected 5 yr growth		Projected 10 yr growth	
				('000)	(%)	('000)	(%)
Accommodation and Food Services	945.0	1004.4	1063.1	59.4	6.3%	118.1	12.5%
Accommodation	105.5	113.9	123.5	8.4	8.0%	18.0	17.1%
Pubs, Taverns and Bars	100.5	106.8	112.8	6.3	6.3%	12.3	12.2%

As shown in Table 2, growth projections for key occupations in hospitality are also robust, with the number reliant on the food trades career pathway rising from 201,300 in May 2023 to over 227,000 by 2033. This is a net increase of 26,000 chefs and cooks over the next ten years. Importantly, the training need is much greater as this is a conservative estimate of the net increase, and with attrition rates, the number of chefs needed to be trained will be much higher. It is also unlikely that the Victorian University model has taken into account the federal government’s Thrive 2030 tourism growth projections, illustrating the limitations created when government strategies and economic modelling do not connect.

Table 2. JSA Employment Projections for key roles

Employment by Occupation	Employment -	Projected	Projected	Projected 5 yr growth		Projected 10 yr growth	
	May 2023 ('000)	employment May 2028	employment May 2033	('000)	(%)	('000)	(%)
Food Trades Workers	201.3	215.0	227.6	13.7	6.8%	26.3	13.1%
Chefs	119.7	128.8	136.8	9.1	7.6%	17.1	14.3%
Cooks	38.3	41.1	43.6	2.8	7.2%	5.3	13.9%
Bakers and Pastrycooks	29.0	30.3	31.7	1.3	4.5%	2.7	9.3%
Hospitality Workers	304.9	326.4	344.8	21.4	7.0%	39.8	13.1%
Waiters	132.3	141.6	149.6	9.4	7.1%	17.4	13.1%
Bar Attendants and Baristas	111.5	119.3	125.9	7.8	7.0%	14.4	12.9%
Cafe Workers	32.7	34.9	36.8	2.2	6.7%	4.1	12.5%
Hotel Service Mgrs (Exec Housekeeper)	9.1	9.9	10.6	0.8	8.5%	1.5	16.3%
Gaming Workers	5.9	6.3	6.6	0.4	6.7%	0.7	12.5%
Food Preparation Assistants	209.6	220.1	232.8	10.5	5.0%	23.2	11.1%
Fast Food Cooks	54.1	56.6	59.5	2.5	4.7%	5.4	10.0%
Food Trades Assistants	6.0	6.1	6.3	0.1	1.9%	0.4	6.1%
Kitchenhands	148.2	156.1	165.5	7.8	5.3%	17.3	11.7%
Accommodation and Hospitality Managers	107.8	113.2	120.5	5.4	5.0%	12.7	11.8%
Cafe and Restaurant Managers	64.7	67.6	71.6	2.9	4.4%	6.9	10.6%
Hotel and Motel Managers	22.6	23.9	25.5	1.3	5.7%	3.0	13.1%
Other Accommodation and Hospitality Mgrs	8.9	9.5	10.4	0.6	7.0%	1.5	16.5%
Caravan Park and Camping Ground Managers	4.3	4.6	5.0	0.3	6.9%	0.7	15.7%
Accommodation workers							
Housekeepers	31.1	32.0	34.4	0.9	2.9%	3.3	10.7%
Receptionists (not just AFS)	187.0	192.6	209.7	5.5	3.0%	22.6	12.1%

Domestic Skills supply

Although almost all key occupations in the AFS industry are not licensed, access to experienced and well-trained job seekers is very important as it injects productive value into the industry's workforce, with skills developed largely by VET qualifications in addition to a smaller (and declining) cohort completing hospitality related higher education degrees.

Apprenticeships

The most important apprenticeship in hospitality is for cooks and chefs, where training is dominated by Certificate III Commercial Cookery. Much smaller numbers undertake a Certificate IV in cookery or kitchen management and an even smaller number who undertake a trade waiter apprenticeship. In all other apprenticeship contracts, the training is via a traineeship, with the dominant qualification being a Hospitality Certificate III. This traineeship prepares employees for a career largely in food & beverage or front office.

Table 3 indicates the number of apprentices and trainees in training in roles relevant to our industry, extracted from the latest NCVER data on apprentices and trainees for September quarter 2023. The table shows the recent and dramatic decline in apprentices in training in our industry, a fall which in most cases significantly exceeds the 9.8% decline experienced across all industries and occupations when compared to September 2023.

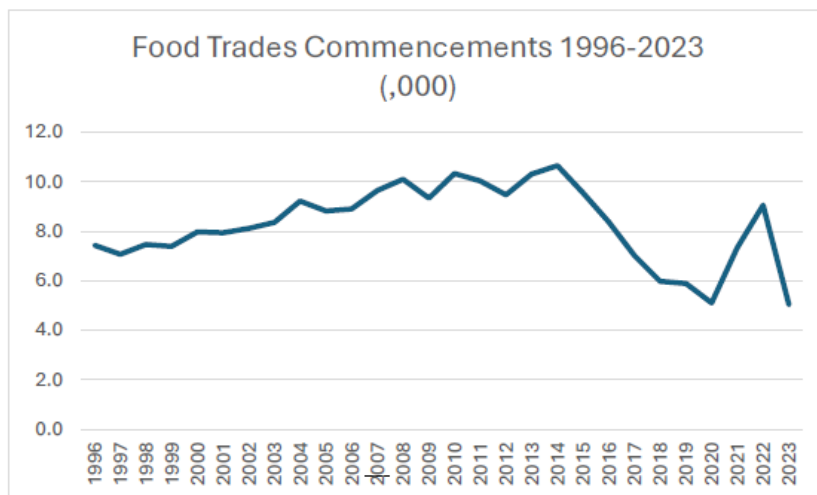
Table 3. Hospitality-related apprentices and trainees in training. Source: NCVER

NCVER Apprentices and Trainees in training as at September 2019 to 2023						
Occupation	2019	2020	2021	2022	2023	2023 v 2022
Hospitality Managers	35	50	185	315	145	-54.0
Pastry Cook	100	120	185	230	205	-10.9
Chef (Certificate IV)	240	260	390	495	260	-47.5
Cooks (Certificate III)	7445	6205	7255	7280	6665	-8.4
Kitchenhands	150	195	260	335	235	-29.9
Hospitality workers (Cert I)	105	95	80	95	105	10.5
Hospitality workers (Cert II)	525	460	585	805	675	-16.1
Hospitality workers (Cert III)	6705	6100	10,015	12,410	8695	-29.9
Hotel Service Managers	725	595	1240	1940	1090	-43.8
Waiters	80	55	95	145	170	17.2
All hospitality apprentices and trainees	16110	14135	20290	24050	18245	-24.1
All industries apprentices and trainees	274,530	263,135	352,175	405,290	365,420	-9.8

Most alarmingly for our industry, the number of critically important cooking apprentices in training has dropped below pre-COVID levels. Of even greater concern is that this trend is set to continue as the 2,760 cooking commencements in the year to September 2023 were 27% less than in the previous corresponding period. This compared with the peak of 4,255 commencements in the year to September 2021 which were stimulated by the BAC incentive.

The long-term trend in food trades commencements is also disturbing, as Figure 4 illustrates. The dramatic fall after 2013 followed a significant wage case decision in the Fair Work Commission. As food trade apprentices in the first and second year were relatively more highly paid compared to other apprenticeships, this decision particularly impacted adult apprentices. The decline in the number of adult apprentice cooks also impacted completion rates, as they were more likely to complete than their younger counterparts. The impact of the wage subsidies introduced during COVID is also clearly shown in the graph.

Figure 4. Food Trades Commencements⁵



In relation to industry traineeships, hospitality worker traineeship commencements (Cert I, II & III) have fallen even further than food trade apprenticeships over the same period, with a 51% drop to only 6,735 commencements in the year to September 2023 compared to the previous corresponding year where they reached a height of 13,615. The industry is extremely concerned about the removal

⁵ NCVER data extracted by Tourism Training Australia (TTA) in its submission to this inquiry

of incentives for our traineeships post 1 July 2024 as it is likely to reduce the number of hospitality traineeships to a trickle.

Training qualifications

Student enrolments in hospitality qualifications (which includes apprenticeships) has also fallen since COVID. Although the industry and students received government funding support during COVID to fully fund students studying hospitality related programs in VET, the long-term trend of governments, either reflected through national training or partnership agreements, or directly via decisions of State and Territory Governments, has been to reduce the subsidies available to students studying hospitality. These funding decisions, when coupled with the low unemployment rate which has enabled an increase in the number of job seekers securing employment in the industry without training, has resulted in an overall decline in people who have undertaken structured training prior to working in the industry.

Government-funded students enrolled in VET qualifications covered within the Tourism, travel and hospitality training packages had fallen to 64,960 in 2022 compared with pre-COVID funded enrolments of 85,280 in 2018 and 78,655 in 2019. This fall is opposite to the upward trend across all training package funded enrolments of 1,456,865 in 2022 compared with 1,305,945 in 2018 and 1,372,145 in 2019. If it was not for VET hospitality qualifications undertaken by school students, these falls would be even greater as hospitality remains a popular choice for school students. Unfortunately, not many of these students progress beyond school to a career in hospitality.

The fall in the number of government-funded Hospitality Diploma students has fallen by more than half, from 3260 in 2018 to 1,410 in 2022. In the critical certificate III Cookery enrolments, which would include apprenticeship commencements has dropped from 11,595 in 2018 to 9,880 in 2022.

The lack of funding support for qualifications in our industry has a significant impact on industry productivity. There is a strong bias in vocational funding against industries such as hospitality, where formal training is often seen by funding decision-makers as nice to have rather than need to have. There is no doubt that the lack of formal licensing informs this decision, but the reduction in funding does not take into account the economic benefit to a labour-intensive industry such as hospitality of having access to a formally trained workforce. Clearly, the burden then falls on the employer to train new staff, and the lack of funding support for traineeships means that such training is almost always on-the-job non accredited training.

Key Policy Issues

There are a number of key policy questions that the release of the Draft Core Skills Occupation List has raised:

- Employers should be able to sponsor migrants for any skilled occupation when they can demonstrate the skills gap.
- Critical need for a proper transition from the existing skilled migration program, to one that broadens the criteria for inclusion on access lists beyond shortages to include employment and migration outcomes
- Need to review the JSA assessment criteria to include an economic assessment of the productivity benefit of migrants, the economic cost of not having access to migrants in skilled occupations and the need to more broadly assess skill needs beyond just shortages to include future skill needs
- Non-responsiveness of the proposed approach to state and regional skill needs
- Lack of clarity about what occupations will be eligible for employer nominated permanent migration
- Need to increase the number of apprenticeships available to Australians, the potential for migrant apprenticeships and the call for more support from government for training in our industry

Although these policy questions are largely ones for government, it is important that Jobs & Skills Australia understands the impact of these broader questions on decisions taken about which occupations are on the list.

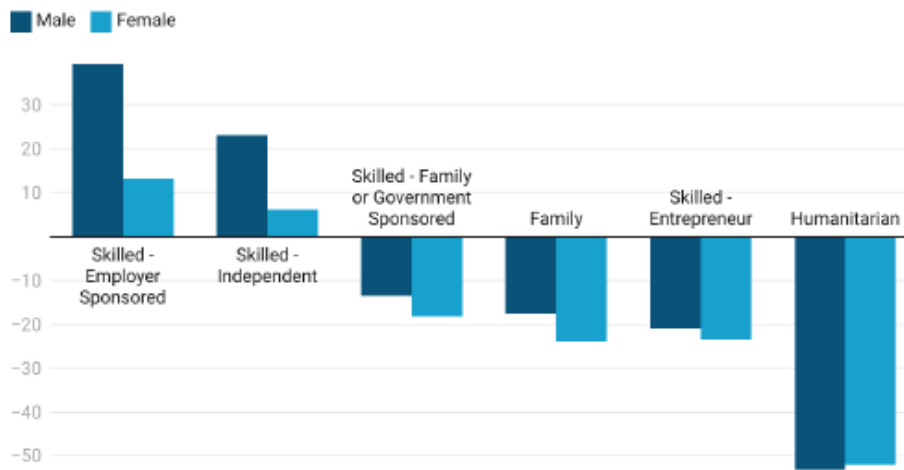
Migration should be responsive to skill needs

Australia's economy and society have significantly benefited from migration, particularly when the program has been well targeted and responsive to the skill needs of businesses and the economy. A focus on relatively young skilled migrant workers has been highly beneficial to an otherwise aging workforce, with the most successful migrants being those that are employer sponsored.

According to an analysis undertaken by CEDA (Figure 5) employer sponsored migration delivers the most economically beneficial outcomes to the migrant with wages being significantly better than other categories of migrants as well as over 30% above the average for Australian-born workers.

Given these beneficial migrant outcomes, it is important to note that up until mid-2017 employer sponsored migrants, both permanent and temporary, could be sponsored under practically any skilled occupation provided there was a proven skill need under the "old" CSOL list (Consolidated Skilled Occupation List) which encompassed almost all ANZSCO occupational codes in Skill levels 1 to 3. This program was the most responsive as it was able to fill the skills gaps which may have been local to a business or reflecting a regional shortage without reliance on lists and assessment of shortage.

Figure 5. Wage outcome compared with Australian born workers for migrants arriving 2015-19⁶



The discontinuation of this successful pre-2017 approach to employer-sponsored permanent and temporary migration has not only reduced the responsiveness to local skill needs, but it has also increased complexity, cost and uncertainty. Although it is essential that any occupation list that controls migration is reviewed regularly, the uncertainty created for employers and industries, and the effort required to ensure that vital occupational needs are not lost or are recaptured through the review process, should not be underestimated.

Although no commentary on migration-related lists should escape reference to this proven and more responsive pre-2017 approach to skill needs as outlined above, the remainder of this submission focuses on the draft CSOL which is the government’s proposed approach to the middle category of the new Skills In Demand temporary migrant visa.

Recommendation:

1. As the government implements its new approach to assessing skill needs for migration purposes, it is important to remember that the most responsive and successful system for temporary skilled migration was when employers could sponsor any skilled occupation provided that a skills gap could be identified without the necessity for national shortage assessment or complicated lists.

Transitional arrangements are essential

The proposed approach to the Core Skills (middle) category of the new Skills in Demand Visa will regulate access to employer sponsored temporary skilled migration for migrants with a market salary between the TSMIT and \$135,000. Given the broadening of the assessment criteria, the approach has the potential to deny migration options to many important occupations that currently can be sponsored for either 4 + 4 years, or 2 + 2 years.

In our industry, JSA has indicated in their draft that important occupations, including cooks, chefs, hotel & motel managers, hotel service managers and restaurant managers, are not in the “confident on list” category. All of these occupations are currently available for temporary migration

⁶ Barker, A & Tofts-Len, S (2024), *Making Better Use of Migrants’ Skills*, CEDA

sponsorship, and to bluntly turn off that option despite a skill shortage (whether that be national or regional) would be very harmful to businesses, the industry and the economy generally.

The migration strategy released in December 2023 stated:

“The Core Skills Occupation List (CSOL) will be a single consolidated list, developed by Jobs and Skills Australia, who will:

- *start with the Jobs and Skills Australia Skills Priority List, constructed through a comprehensive evidence-based process that takes account of a range of factors and includes extensive tripartite engagement and input from across Commonwealth and state and territory governments*
- *analyse whether migration is an appropriate path to address the identified shortages, considering how well migrants do in the labour market upon arrival, reliance on sponsored skilled visa holders relative to employment size and vacancy data, the likelihood of domestic supply for those occupations and the market salary for occupations*
- *support this analysis through proactive stakeholder engagement, including with business and unions, and a structured qualitative research component. This will involve semi-structured interviews with a range of labour market participants, targeting both those experiencing shortages and those that aren't, to gain a broad range of views on the appropriateness of migration pathways for a range of occupations*
- *supply a list of occupations that the Government considers are required to be on the list to fulfil Australia's obligations under international trade agreements.*

The inclusion of the new criteria such as migration and employment outcomes has led to many of the concerns currently being raised, not just by our industry but others, about occupations which are currently available for sponsorship potentially being removed from the list.

The most relevant and recent data on migrant outcomes in the public domain, which the JSA Migration Model identifies, is the Continuous Survey of Australia's Migrants for 2019 which predates both COVID and the more recent significant increase in the TSMIT from \$53,900 to \$70,000 (soon to be \$73,150 from 1 July 2024) which occurred in July last year.

Although we understand that JSA has access to more recent data, it is procedurally unfair if industry is not able to examine this evidence. Even more importantly, as not enough time has passed, it is not possible that any evidence will currently be available that will more appropriately test medium to long term economic migrant outcomes following the TSMIT rise.

Given this important context of data inadequacy, we strongly recommend that an appropriate transitional arrangement be implemented by government until such time as more up to date and publicly available data can properly ascertain the likely employment and migrant economic outcomes from the new system.

In the interim, to properly take into account the spirit and objective of the new strategy, JSA could, within the single list proposed by the Migration Strategy, flag those occupations which currently meet the shortage criteria but may not satisfy an assessment based on the migrant and employment outcomes. This would put all stakeholders on notice that, subject to the review of the more recent and relevant data, flagged occupations may become unavailable in the future for sponsorship.

This transitional arrangement will provide a more orderly approach to migration rather than a hard stop that could result from the implementation of new criteria not previously part of the system. The economic impact of turning off migration as an option for occupations clearly in shortage would be too great without an appropriate transitional arrangement. For example, if a kitchen cannot open for some meals due to a shortage of chefs, then there is no work for the waiters, baristas, bar staff and kitchen hands. Also, the property's dining assets, including all of their capital equipment, remain underutilised and unproductive.

Recommendation:

2. *To avoid significant economic consequences of removing temporary skilled migration sponsorship for occupations in shortage, there should be a transitional arrangement where occupations can be flagged for future review once data is available that will more accurately reflect migrant and employment outcomes of sponsored migrants in the new system.*

Assessment criteria

The JSA Migration Model does not include any analysis of the projected impact on occupations and industries if migration sponsorship currently available was removed, nor does it sufficiently account for future skill needs. Although JSA states that its Skills Priority List (SPL) “provides a detailed view of occupations in shortage and the anticipated future demand for occupations in Australia”, the emphasis in the commentary and analysis is on current shortages.

Given the employment projections for our industry (see above), our future skill needs are significant and will be even greater should the projected growth in tourism driven by the Government's THRIVE 2030 tourism strategy be realised.

As, in part, the brief to JSA is to “analyse whether migration is an appropriate path to address the identified shortages”, it is recommended that the assessment criteria be broadened to pose the question of what would be the economic consequences of not having access to migration to meet skill shortages and future skill needs. In the JSA Migration Model, there is no indicators or datasets that addresses this issue. In our industry, for example, a shortage of skilled managers and chefs would reduce trading hours or reduce the number of rooms available to guests. This lowers productivity and reduces the utilisation of existing assets.

The economic impact of not accessing skilled migrants when there is a genuine shortage is the counterbalancing point to the inclusion of migrant outcomes. Clearly, migrant outcomes is examining the economic impact of the migrant experience on the worker; the other is identifying the economic impact of the skill shortage on the business and industry if the role is unable to be filled.

Recommendation:

3. *JSA should broaden its Migration Model to increase importance in the analysis of future skill needs and, in addition, include the measurement of the economic impact on industries and businesses if skill shortages cannot be addressed by migration.*

Meeting State and regional needs

The proposal in the Migration Strategy for a single Core Skills Occupation List is appreciated in the context of reducing complexity, but it has the disadvantage of not enabling regional needs. The current JSA Skills Priority List which will heavily inform the recommendations for the CSOL assesses both state/territory as well as national needs. However, the single list CSOL approach will not enable

these regional and State/Territory shortages to be met even if the occupation in that region meets the other criteria that would assess the occupation as being suitable for migration sponsorship.

In addition, a national-only approach does not take into account the reality that lower wage outcomes (but still above the TSMIT) for migrants in the region where the occupation is in shortage may deliver similar economic outcomes for the migrant as the cost of living is likely to be lower.

In our consultations it was very clear that skill shortages were particularly being felt in the regions. Our industry is geographically very diverse, requiring a range of skills both in terms of occupation and management levels. A migration system that does not enable the meeting of regional skill needs will result in significant impediment to regional economic growth.

Recommendation:

4. *For those occupations that are not assessed as in shortage on a national basis, JSA should identify those that would satisfy the Migration Model criteria on a state or regional level and recommend that those skilled occupations in shortage in those regions be met through migration sponsorship.*

Permanent employer sponsored migration list

One of the most positive aspects of the Migration Strategy is a return to the policy that all temporary skilled migrants should have a pathway to permanency thus eliminating the previous distinction between short-term and medium-to-long-term TSS.

However, what is not clear at this stage is what list of occupations will be eligible for sponsorship under the permanent Employer Nominated Scheme visa (ENS). Consistent with the policy recommendation (*Recommendation 1*) that employer sponsored migration should be able to access all skilled occupations, the ENS scheme should also ideally embrace all skilled occupations. Should this broader approach not be adopted, then at the very least, a more extensive list than the proposed CSOL should guide the ENS scheme to take into account regional differences as well as to recognise that migrant and employment outcomes for permanent residents will not be influenced by the temporary nature of the migration.

The Government has announced a much larger proportion of the permanent migration planning levels for 2023-24 has been allocated to employer nomination under the ENS visa. However, it has not made it clear as yet what occupations will be eligible for sponsorship under the ENS visa. JSA should seek clarity of this prior to finalising the CSOL as it may impact what is included, and certainly would impact the way the JSA Migration Model is applied if it is to also be used as the basis for permanent migration. Migrant and employment outcomes differ for temporary versus permanent residents.

The benefits of a more extensive occupation list for ENS sponsorship is that it will:

- ensure the important objective of pathways to permanency for all temporary skilled migrants is achieved.
- Enable occupations that are in shortage on a regional or state basis be more accessible for permanent employer sponsored migration.
- Recognise that the assessment of permanent migrant outcomes will be different than for temporary migrants

Recommendation:

5. *The list of occupations available for permanent employer sponsored migration (ENS visa) should be more extensive than the proposed CSOL in order to accommodate regional and state needs as well as occupations in shortage but which may not have otherwise been assessed as suitable for temporary migration given that permanent migrant outcomes will not be impacted by the temporary nature of employment.*

Need to increase apprenticeship and training funding

One of the factors JSA has been asked to take into account in making its recommendations on the CSOL is to review *“the likelihood of domestic supply for those occupations”*. As is evident from the data provided above, our sector is suffering on the skill supply side by:

- a reduction in the number of food trades apprenticeship commencements;
- a removal of traineeship incentives which is likely to accelerate the already severe downturn in numbers; and,
- a reduction in the number of publicly funded students undertaking hospitality qualifications.

In relation to apprenticeships, AHA and AA have made a number of recommendations to the current apprenticeship incentive inquiry due to report later this year. Hopefully, that inquiry will lead to action by government to reverse the declining trend in apprenticeship and traineeship numbers. Without this assistance, there is a real possibility that the hospitality industry will increasingly disengage from the nationally accredited training system, thus exacerbating the difficulties with domestic skills supply.

In comments made by AHA/AA members as part of consultation for this inquiry (Attachment A), there are a number of references to the food trades model including:

- The value of better linkages with schools so that training can commence at school, particularly through school-based apprenticeships, which enable the apprentice to complete at a younger age
- That the “younger generation” is not interested in a four-year commitment to an apprenticeship and ways of shortening the time period without “dumbing down” the value of the qualification and the skills needed for a qualified chef.
- The training package should be designed so that if an apprentice leaves after the second year, they should still receive a post-school qualification at Certificate II, with the opportunity to complete their Certificate III either in their own time, or through future recognition of skills, or with the cooperation of their employer.
- There is value in mentoring.

All of these options are worthy of exploration. Over the last decade, there has been a number of attempts to look at trade apprenticeship redesign, not the least of which was the federal government funded “accelerated apprenticeship” program from a decade ago, as well as the funded mentoring program. In reality, apprenticeship redesign and acceleration can largely be achieved within the existing framework if there is a universal commitment by unions, employers, governments and training providers to implement pilot programs and subsequent broader change.

It would be beneficial through the JSA tripartite mechanism to encourage industry parties to look at the various delivery options particularly with trades apprenticeships and identify opportunities to improve the attractiveness and completion of apprenticeships. The Jobs & Skills Councils, being tripartite mechanisms, as well as JSA could have an important role to play both in facilitating discussions for change, but also in ensuring the training package could be structured in a way that delivers a mid-point qualification outcome in occupations such as food trades which don't require completion as a pathway to a licensed trade. Arising from our member consultations, the AHA/AA will also be engaging with other stakeholders and pursuing ways to improve the linkages between VET in schools and apprenticeships as well as more flexible delivery options.

As the data presented in the employment summary (above) demonstrates, employer apprenticeship hiring incentives are proven to work in increasing the number of apprenticeship and traineeship opportunities particularly in industries such as ours. There is a long-term correlation between incentives and the number of apprenticeship commencements. Employers respond to incentives and provide commencement opportunities when the support is sufficient to overcome the reluctance to put someone on who has no relevant skills on commencement.

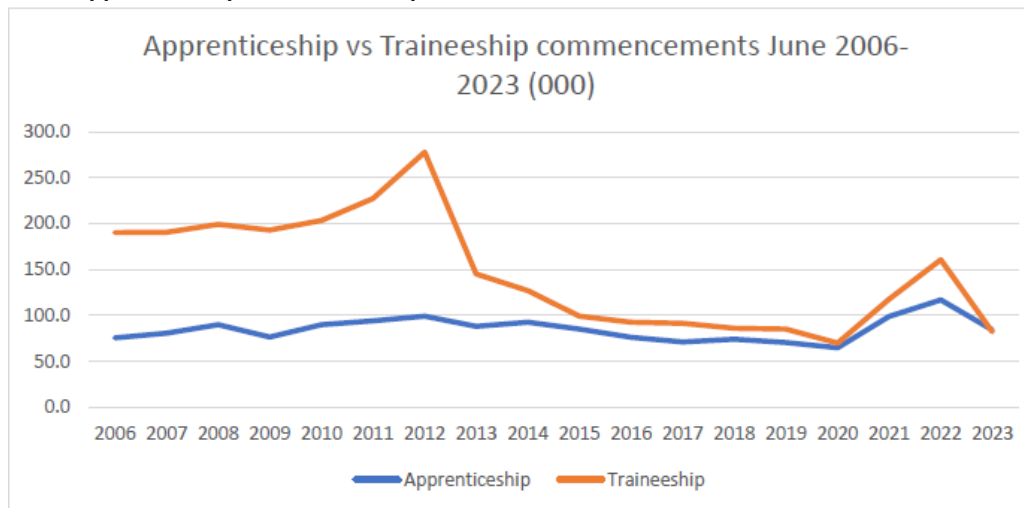
One of the most striking examples of the impact of changes to incentives on the numbers of apprentices was the reductions to traineeship employer incentives in 2011 and 2012. These had a significant downward impact on the number of commencements, firstly with the removal of the Certificate II traineeship employer incentives in the May 2011 budget, followed by the reduction in Certificate III traineeship incentives in 2012.

2012 also saw the removal of regular monthly payments "Support for Adult Australian Apprentices" and replaced with a \$4000 payment at end of 12 months and resulted in a significant decline in recruitment of adult apprentices. Adults (21 plus) are seen as a significant and valuable cohort for apprenticeship recruitment, particularly in our industry where maturity in handling the highly pressured kitchen environment can be a big plus. However, once again, cost is a major barrier and adult apprentice wages are a major inhibitor as it damages the business case for the employer to consider hiring an apprentice aged over 20. The reintroduction of an adult trade apprenticeship incentive for employers focusing on the commencement would yield positive dividends. This recommendation was supported by evidence from member consultation seen in Attachment A.

None of the drivers to complete a qualification that exist in licensed trades are in place in the food or waiting trade apprenticeships, let alone in hospitality traineeships. In our industry, the lure of higher wages as a cook working outside of an apprenticeship is a strong incentive to opt out early. Both the AFS industry and the worker still benefit from the skills acquired, but the productivity benefit of completing the qualification is not fully realised. In order to achieve a post-school qualification, a completion incentive to the apprentice should be considered to be paid to the worker regardless of whether they complete their qualification within or beyond their apprenticeship contract.

In relation to traineeships, the 2012 reduction in traineeship incentives at Certificate III level also resulted in a significant reduction in traineeship numbers, as illustrated by the history of apprenticeship commencements since 2006 in Figure 6.

Figure 6. NCVER Apprenticeship and Traineeship Commencements since 2006⁷



This dramatic fall in traineeship numbers after 2012 is evidence that the business case for the employer matters. In industries such as ours, the cost to the employer often includes training delivery as state and territory governments have all too frequently not chosen to fully subsidise the cost of training of hospitality and retail traineeships which shifts the cost onto the employer. The employer incentive was important, therefore, in offsetting this cost, and their removal significantly reduced the attractiveness of offering a traineeship opportunity. Even in situations where the training is “fee free”, the training provider often still charges resource, administration or tuition fees that are passed on to the employer.

This example of the interplay between employer incentives and cost of training also demonstrates that it is the total business case to employers that makes the difference in committing to hiring an apprentice. In our submission to the apprenticeship incentive inquiry we have recommended that State and Territory Governments commit to fully fund the cost of training of an apprentice or trainee regardless of the industry or occupation. The employer is also making a commitment by offering the job opportunity and agreeing to supervise and train a person who commences with no skills or experience in that vocation.

With regard to hospitality traineeships specifically, the removal of employer incentives is accelerating the already declining trend in traineeship numbers in our industry. This will lead to further significant disengagement between workplaces and the training system and will do nothing to contribute to the rise in post-secondary qualifications held by workers in an industry that employs close to a million people.

⁷ NCVER (2023) Apprenticeship data extracted by the ACCI submission to this inquiry.

Recommendations:

6. *Jobs & Skills Councils should be specifically tasked with identifying ways of improving trade apprenticeship design to improve their attractiveness, deliver mid-point qualifications (in unlicensed occupations such as food trades), and encourage full completion.*
7. *Governments, both state and Federal, should work with industry to better improve the linkages between VET delivered at school and apprenticeship completion beyond school.*
8. *In recognition of the economic and social value of apprenticeships, State and Territory governments should fully subsidise the cost of training delivered as part of an apprenticeship or traineeship regardless of the industry or occupation.*
9. *Payments to employers in the early period of an apprenticeship are critically important in encouraging commencements as they directly address the early costs in supervision and the lower productivity value of a new apprentice.*
10. *The Federal government should retain/reintroduce employer incentives for hospitality traineeships in recognition of the benefits of the apprenticeship model, to encourage a continuing connection between the industry and the training system as well as deliver post-secondary qualifications to hospitality workers.*
11. *There should be a targeted commencement incentive relating to the employment of first year adult (over 20 yo) trade apprenticeships.*

Recommendations on key occupations

351311 Chefs

Current status on the Skills Priority List - In shortage in every state and territory.

Chefs have been on priority skills lists consistently for decades. The difficulty in securing skilled chefs has been a constant challenge for the hospitality industry. Skills supply from the domestic training system as evidenced above has been part of that concern but even more so, chefs (and cooks) are not readily substitutable across cuisine styles nor skill and experience level. There is vast difference in skills needed in a fine dining restaurant versus a café versus a function venue.

In addition, the customer expectation for authenticity in cuisine, as well as the different skills required across cuisine styles results in the sourcing of appropriate chefs for the nature of the business very challenging. Australia is well known for the quality and variety of its foodservice offerings, something appreciated by both domestic consumers as well as international tourists.

Importantly the occupational code Chef is rated within the ABS ANZSCO framework as skill level 2 which is the same as for professional occupations. Chefs include all levels from the Commis Chef just completed their apprenticeship, through to the Executive and Head Chefs that run major or multiple dining and venue outlets.

From discussions with JSA, it is clear the current shortage and future needs of Chefs is not in question and comments from industry in attachment A supports this analysis if such further evidence is needed. Instead, it is understood that the occupation is categorised on the draft CSOL as “subject to further consultation” due to the existing data on migrant and employment outcomes and our commentary now focuses on this issue.

In addition to the previous comments about the outdated data that is measuring this criteria, it is a concern that the much more positive employment and wage experiences of migrants in sectors such as hotel and accommodation will be impacted by practices in other sectors.

It is strongly recommended that Chefs be included on the Core Skills List as it embraces multiple levels of chefs, many of which, particularly in our sectors, have market salaries well above the TSMIT. The evidence presented in Table 5 which comes from the AHA/AA Australia salary survey 2023 of accommodation properties (295 responses) supports this. The data also highlights the substantial wage differences across properties, even those of a similar size. This reflects the duties within each establishment can vary enormously depending on the nature of the food & beverage outlets and the responsibilities around venues and events. Junior and apprentice wages will also be a factor in the lower levels.

Table 4: Accommodation sector minimum, average and maximum salary range for chefs 2023

	National			Smaller Non CBD hotel			Large CBD hotel		
	Average	Min	Max	Average	Min	Max	Average	Min	Max
Commis Chef		\$49,143	\$85,000	\$62,835	\$60,000	\$65,332	\$61,632	\$61,632	\$66,675
Demi Chef	\$65,525	\$52,000	\$95,000	\$66,734	\$60,000	\$69,412	\$66,554	\$54,984	\$70,135
Chef de Partie	\$69,738	\$53,000	\$105,000	\$71,261	\$70,000	\$73,000	\$72,725	\$60,452	\$105,000
Sous chef	\$82,688	\$60,000	\$120,000	\$81,429	\$75,000	\$90,000	\$86,782	\$70,697	\$104,000
Exec Chef	\$111,602	\$55,000	\$192,336	\$99,995	\$80,000	\$120,000	\$138,771	\$80,000	\$192,336

More recent data supplied by members as part of this consultation process, including pubs as well as accommodation, indicates that generally wages for Commis, Demi and Chef de Partie reflect the Hospitality Industry General Award. Although the award rates would indicate that the average market salary for Commis and Demis would generally be paid below the current TSMIT, as the table above indicates, some chefs at these levels are paid above the TSMIT and should be available for sponsorship where the sponsoring employer pays this level of chef across their business above the TSMIT.

As additional evidence in support of the high number of chefs employed in our industry which are Chef de Partie or above, one of the larger hotel groups has supplied to AHA/AA a breakdown of chef numbers. This group employs 517 chefs (all job titles chef – no cooks) broken down as follows:

Commis Chef	25.0%
Demi Chef	17.4%
Pastry chef	0.8%
Chef de Partie	35.8%
Sous Chef	11.0%
Area Exec Chef, Exec Chef	
Chef de Cuisine, Head Chef	10%
<i>Percentage of all chefs which are Chef de Partie or above</i>	<i>56.9%</i>

In addition to the above evidence, it is noted that as at 1 May 2024 on Seek, the average salary for a chef is \$70,000, Sous Chef \$78,000, a Head Chef \$85,000-\$100,000 and an Executive Chef \$105,000 to \$125,000. The title “head chef” tends to be more commonly used in pubs and restaurants which is why it is not part of the accommodation survey. Pub groups also have area chefs, or Chefs de Tournant which oversee the kitchens across a number of pub outlets. Salary information supplied by members for this submission would indicate that the average salary for an area chef is \$150,000.

As an aside from the direct CSOL commentary (but important contextually) as can be seen from the industry salary data, many chefs are being paid above the \$135,000 which would otherwise put these chefs in the specialist category of the proposed Skills in Demand visa (>\$135,000) where no occupation lists or other assessment criteria apply. However, the Migration Strategy has stipulated that the Specialist category is not available to trade occupations. We have recommended to government that this trades exemption from the specialist visa should not apply to Chefs, given that chefs are ANZSCO skill level 2, which is the same as professional occupations. We have urged the government to apply the trades exemption only to those trades that are skill level 3.

Given all of this additional evidence, there should be no concerns about including chefs on the Core skills Occupation List. Any possibility of chefs not being available for sponsorship would cause major dislocation for the hotel industry.

351411 Cook

Current status on the Skills Priority List - In shortage in every state and territory.

For AHA/AA members, this occupation is more widely used in a pub or tavern than in accommodation. Feedback provided by members for this submission indicates there would be strong concerns if cooks were no longer available for sponsorship. Now that the TSMIT is \$70,000 and soon to rise further to \$73,150, sponsorship of Cooks will focus on those more highly skilled cooks that cannot be sourced from the Australian domestic workforce, particularly in regional areas.

AHA/AA have no additional salary data for cooks, but we note that the jobs website, Indeed, estimate the average salary for cooks is \$63,057 as at 19 May 2024. Although some may see this as evidence for cooks not being on the list, our view is that given the acknowledged shortage of this skilled occupation, there should be no concerns about Cooks being on the list as the sponsoring employer would need to demonstrate that the cook is earning above the national average wage in the position they are offering, and was in line with other cooks they are employing and/or other cooks in similar roles in their market.

We also repeat the comments made for chefs, that diverse cuisine offerings demand certain skills that cannot be sourced locally.

If the transitional arrangement recommended above is taken up, it is recommended that Cooks be on the CSOL and flagged for future review relating to migrant outcomes.

351112 Pastrycook

Current status on the Skills Priority List - In shortage in every state and territory.

As can be seen in Attachment A, AHA/AA members consistently raised the difficulties in sourcing pastry cooks. In many accommodation properties, this difficulty has led to an outsourcing of the supply of pastries, but this does not alleviate the need for the skills along the supply chain.

According to the national accommodation salary survey, the average salary for an in-house pastry chef across all properties responding to the survey as \$77,826, with a wide range from a minimum of \$51,740 to a maximum of \$109,000.

According to Seek, the average annual salary for Pastry Chef jobs in Australia ranges from \$65,000 to \$75,000, which would reflect the broader employment of this specialisation across the supply chain.

It is recommended that Pastry Cook be included on the CSOL.

141311 Hotel and Motel Manager

Current status on the Skills Priority List - In shortage in WA, Tasmania and the NT.

In the hotel and accommodation sector, this occupation encompasses a wide range of job roles that are vitally important to the hotel industry. Our extensive consultations on the difficulties with this role indicated that there is a strong impact on the availability of experienced supervisors and managers currently due to the enormous loss of experienced hospitality workers during the COVID pandemic. Experienced workers in 2020 who would normally have progressed to management today are not available as they took up job roles in other industries due to the unpredictability of trading during the pandemic as a result of lockdowns and restrictions.

Member feedback indicates that managers are in shortage across all of Australia, and that the contradiction between this evidence, and the data-based analysis of JSA, is due to the fact that businesses are receiving applications for the roles and they are being filled, but the quality of the applications is nowhere near what it was before COVID and productivity is suffering due to the loss of experience during the pandemic.

Managerial roles have to be filled, and access to experience hotel managers including migrant workers is critically important to the industry's economic future, and importantly to assist in training and guiding the existing workforce. This strong and consistent feedback about the lack of experienced supervisors and managers particularly due to the pandemic is a key comment included in the consultation found at Attachment A.

As can be seen by the information from the accommodation survey in Table 5, the occupational code encompasses a wide range of roles with a significant salary level differential (and the managers listed are only a selection of the many roles). As reflected in member feedback (Attachment A) this range means that many of the managerial roles are not interchangeable, so sourcing managers with experience and the skills needed for a particular role in a certain type of establishment is very challenging.

The Hotel General Manager role is included here, although it is more probable that Hotel GMs will be sponsored under the CEO ANZSCO code. In the ANZSCO review we have recommended that Hotel GM is noted as a specialisation in the general manager code. The remaining examples of hotel managers would more clearly be covered by the Hotel & Motel Manager code. Also covered by this code will be hotel managers, publicans and licensees that manage pubs and taverns.

Table 5 Accommodation sector national salary levels for hotel managers 2023

	Average Salary	Minimum	Maximum
Hotel General Manager	\$158,166	\$40,000	\$300,000
Exec Assistant Manager	\$106,899	\$45,000	\$180,000
Director of Food & Beverage	\$116,402	\$68,000	\$254,085
Director of Revenue/Yield	\$117,491	\$75,000	\$180,000
Food & Beverage Manager	\$79,947	\$54,992	\$114,007
Banquet & Events Manager	\$83,447	\$65,000	\$139,000

As the data shows, there is a wide range of salaries offered in these managerial job roles, with averages all sitting well above the TSMIT. In the broader industry encompassing pubs, Seek indicates that the typical salary on offer for hotel manager roles is \$95,000. Given this evidence of average salary range for managers covered within this occupation, there should be no concerns about migrant and employment outcomes for experienced hotel managers being sponsored for migration.

As a result of the additional industry evidence of a severe shortage in experienced workers being available for hotel managerial roles, together with salary evidence of strong employment outcomes, it is recommended that hotel & motel managers be included on the CSOL.

431411 Hotel Service Manager

Current status on the Skills Priority List – Only in shortage in WA.

The difficulties in finding experienced skilled workers to fill Hotel Service Manager roles are the same as for Hotel managers, and consultation with industry has reinforced the difficulties in recruitment, and questions the JSA analysis that the roles are largely not in shortage.

It is important to note that this ANZSCO coded occupation is misleading and we are in active consultation with the ABS to rename the occupation to Accommodation Services Manager and shift it alongside Hotel Managers at the managerial level. This occupation covers important job roles in the accommodation sector including front office manager and Executive Housekeeper. Table 6 provides the salary data from our annual accommodation survey relating to these roles.

Table 6 Accommodation sector national salary levels for hotel service managers 2023

	Average Salary	Minimum	Maximum
Rooms Division manager	\$97,951	\$65,000	\$141,000
Front Office Manager	\$78,015	\$40,000	\$97,761
Chief Concierge	\$78,089	\$64,675	\$95,344
Executive Housekeeper	\$79,226	\$40,000	\$114,000

As can be seen from the above, the average salary of all of these managerial roles is above the TSMIT and in many cases, hotels are paying well above this to attract and retain experienced managers in these important roles.

It is recommended that Hotel Service Managers be included on the CSOL.

141111 Café & Restaurant Manager

Current status on the Skills Priority List – Only shortage in Tasmania and NT.

In the draft Core Skills List, JSA has placed this occupation in the “confident not on list” category. We understand that this is as a result of both the assessment of skill shortages, as well as concerns about the migrant outcomes.

As can be seen in Attachment A, our members are definitely experiencing shortages relating to experienced restaurant managers, with strong evidence of difficulties in the regions. In relation to migrant outcomes, our sector’s experience in employing migrants and Australians in restaurant manager roles is definitely very positive and we are concerned that good practices in our sector may be impacted by concerns from other sectors.

One consideration that could assist in reflecting this industry differential in the settings would be that for migration purposes restaurant managers working in hotels, casinos and accommodation properties could be treated as a category of hotel manager rather than under this occupational code. Alternatively, access via the Café & Restaurant Manager occupation could be restricted via caveat to managers working other than in stand-alone restaurants. This outcome would be similar to the current caveats that apply in the migration system to restaurant manager where the take-away food managers are not eligible for sponsorship.

In hotels and resorts, the restaurant manager role is often combined with other functions. For example, Restaurant & Bar Manager, Restaurant & Events Manager, or Restaurant, Bar & Banquet Manager.

The AHA/AA accommodation salary survey in 2023 indicates that the average salary for restaurant managers is \$79,676, ranging from \$53,000 to \$115,000. We note Seek has the typical salary of a restaurant manager as being \$80,000 – almost identical to our own survey. In the larger accommodation hotels, \$85-90,000 was more typical. Salaries at these levels, that sit above the TSMIT, should deliver favourable employment and migrant outcomes, and reflect the improved wage outcomes for managers working within the hotel sector.

It is recommended that Café & Restaurant Managers be included on the CSOL, and if necessary in a transitional arrangement, be flagged for future review based on more recent data of migrant outcomes.

132211 Finance Manager

Current status on the Skills Priority List – Only in shortage in Tasmania and NT.

Although this occupation is not particular to the hospitality industry, consultation with members consistently provided feedback concerning the difficulty in filling finance manager positions in accommodation businesses. Attachment A reflects these sentiments.

The AHA/AA National Salary survey indicates that the average salary of a financial controller within an accommodation hotel is \$127,615 with a minimum of \$40,000 and maximum of \$270,000.

It is recommended that finance managers be included on the CSOL.

139999 Specialist Manager NEC

Current status on the Skills Priority List – Only in shortage in Victoria, Tasmania and NT.

This is another managerial role not exclusive to hospitality, but it is used by members to sponsor Hotel Security Managers, as Security Manager (non-ICT) is one of the specialisations within this occupational code.

ANZSCO codes that are NEC are very difficult to analyse from a labour market perspective, and this may be the reason why JSA has placed this occupation in the “confident not on list” category. However, currently this occupation is accessible for migration purposes under the Short-Term list, and the removal of the opportunity to sponsor hotel security managers will create skill shortages in our industry. According to Seek, the typical salary range for a security manager (non-ICT) is \$100K-\$115K as at 6 June 2024. At this level, the migration and employment outcomes would be strong.

It is recommended that 139999 Specialist Managers NEC be included on the CSOL in order to facilitate the sponsorship of Security Managers

Recommendations:

12. *That JSA include the following occupations on the Core Skills Occupation List:*

- *Chef*
- *Cook*
- *Pastry cook*
- *Hotel & Motel Manager*
- *Hotel Service Manager*
- *Café & Restaurant Manager*
- *Finance Manager*
- *Specialist Manager NEC (non-ICT Security Manager)*

13. *Given that chefs are ANZSCO Skill Level 2 (which is the same level as professional occupations), migrant Chefs paid above \$135,000 should be eligible for the specialist category of the Skills in Demand visa and not treated the same as other trade occupations (most of which are Skill level 3) which are proposed to be not eligible for the specialist category irrespective of salary paid.*

About the Australian Hotels Association



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 of more than 5,600 businesses includes pub-style hotels plus three, four and five-star international accommodation hotels. AHA members provide a wide range of services to the Australian public including accommodation, food, beverage, wagering, gaming, retail liquor, functions, events, live music, and entertainment.

The AHA's members are serviced by branches located in every Australian state and territory and a Canberra-based national office. As well as being members of their respective state or territory branch, accommodation hotels are represented by Accommodation Australia.

The Australian hotel industry is a 24/7 labour intensive service industry and is a key element of Australia's tourism industry. The makeup of the hotel workforce is extremely diverse and includes adults of all genders and ages. The AHA member workforce comprises:

- Over 300,000 workers
- 50% of members offer apprenticeships
- 60% of employees are female
- 65% of businesses are family owned with family members working in the business

About Accommodation Australia



Accommodation Australia
A DIVISION OF THE AHA

Accommodation Australia (AA) is the nation's only peak body representing the entire accommodation sector. AA was formed on 1 July 2023 after the merger of Tourism Accommodation Australia and the Accommodation Association of Australia. AA represents more than 1400 properties ranging from independent regional motels and caravan parks to the largest local and international hotels and resort groups, including Best Western, Choice, Golden Chain, Lancemore, Ovolo, Crystalbrook, Accor, Hyatt, IHG, Marriott, Crown, Pan Pacific, TFE, Minor, Ascott & Quest Apartments, EVT Group, Star, Hilton and Wyndham Destinations.

AA is the accommodation division of the peak hospitality body – the Australian Hotels Association.



ATTACHMENT A - AA/AHA SUBMISSION ON JSA DRAFT CORE SKILLS LIST

AHA/ACCOMMODATION AUSTRALIA WORKFORCE DEVELOPMENT MEETING NOTES

This document provides a summary of comments made by members about staff shortages, migration, the draft core skills list, and apprenticeships. The apprenticeship comments are included for completeness and additional context. Dates of the consultations and organisations represented can be found at the end of the document.

Staff and Skill Shortages

Is it better or worse than pre COVID as well as 12 months ago?

- Difficulty in getting Australian applicants as majority of applicants are looking for visa sponsorship
- Experience pre-COVID comparison is now lesser quality of applicants post-COVID
- Candidates lost to other industries during COVID
- Post-COVID burnout, particularly at management level
- Still tough, more working holiday visa holders, challenging to find candidates with supervisory / management experience
- Job Seeker requirement of more flexibility in job market
- Difficulty for staff finding affordable rental accommodation
- Front line roles easier to fill but mostly casual positions. Skilled roles are more of a struggle (i.e. chefs, maintenance, tech service roles) as are those requiring licences (i.e. electrician, HR driver licence)
- Shift in customer service expectation and spend of money in the industry post-COVID, heavily reliant on international employees providing expected Australian service conditions.
- Pre-COVID visas required 6mth placements but candidates now leaving 88 days or less which makes it difficult to replace mid-season
- Some candidates going through the interview process only to use offer made at one venue to get better role at another or improved conditions at current employer
- Can the working holiday visa be changed to remove the requirement to move to regional area in second or third year.
- Partnering with TAFE to “grow your own” program to change numbers and difficulty in finding apprentice or trainee candidates
- We have had visa chefs with no experience apply to come into the country as "qualified" as well as TAFE graduates apply for a Head Chef roles less than 6months out of their course with minimal trade experience. I feel we get the locals apply because they know we are needing chefs and the standard is lower at the moment.
- it was hard during covid and is still hard to find employees.



What is the confidence of whether it is going to get better? How important is it to have a migration sponsorship option?

- Loss of skilled workers to other trades, (mature aged apprenticeship in other trades earn more money), aged care is only one area of many that chefs and cooks moved to (i.e. civil engineering, construction, mining)
- Looking at applicants and understanding that the skill level is limited or applicants not yet completed their training
- Need to fill numerous positions in the kitchen not just chefs so need a broad range criteria when reviewing applications
- Applicants looking for salary usually reserved for top 20% of roles so having to pay more for less and accepting that this is now average standard and acceptable
- Super increases 0.5% plus national wage possibly +4.5%, in a high demand v supply we all experience market increases to pay rates being negotiated with preferred working rosters. Larger organisations can offer more to stay and or head hunt that creates a knock on effect and impact smaller and medium hospitality businesses. At apprentice level its less attractive for many than other industries ie civil construction that offers
- Last December had 50 adverts running across numerous platforms and received two responses but now getting 15-20 responses with little or no quality. Most are new immigrants with permanent residency, little skills and no qualifications
- Cultural exchange specialist running exec chef positions on behalf of employee partners to try different approach to get skilled labour but there is definitely a skills shortage in chefs
- Losing potential to attract and retain apprentices and chefs from civil construction when business hours and better money available than cookery (particularly in TAS)
- Question was asked how industry would work if chefs were not on migration list
- It is not expected to ease anytime soon and customer expectations are not met when kitchens close early or not able to meet demand and work efficiently
- Labour shortages have eased in CBD but not reflected in regional areas
- Requirement for level of experience for sponsorship. Entry level positions all on visa but staff only staying 6mths before they have to move to regional locations (and takes minimum 3mths to gain competency of roles)
- Won't be a one response to the skills shortage and needs to be combined
- Fear that Government will not invest in apprenticeships to make up what is being used in context of migration
- Need speedier response (eg currently looking to fill 10,000 positions but apprentices will not be available for 4-5 yrs following training) -will need skilled trainers to take on these apprentices
- If hiring from overseas and sponsorship was removed, would devastate the industry. TSMIT levels also hard to manage with impact on internal relationships (visa holders versus Australians)
- Domestic workers are not applying for jobs in Sydney CBD. This is similar to pre covid. DM shortage and cooks/chefs being recruited are now mostly international.
- Applicants now have shorter experience. This was a view strongly agreed with by others. Loss of experience during COVID.
- There was burnout in senior mgmt. after working in covid.
- The impact if migration was not an option would be drastic – we couldn't staff our regional venues if this was the case

Member input on the specific occupations

- Hidden challenge for skilled level (i.e. admin-office based role)
- WA are specifically looking for



- Finance Manager – can require up to 6mths to find suitable replacement, limited succession available, tasked with a number of duties
- Hotel & Motel Manager – opportunity to grow and develop in role is really important and bringing through other managers to fill gaps is super important. Agreed position to remain as hard to develop to that level
- House Keeping Manager and 2IC roles should remain on list as we lost many of these employees due to COVID and regularly used to recruit
- Pastry Cook – used for venues with speciality
- Cooking team can be recruited but find it difficult to find someone with experience to manage department with costings, recruitment, team
- Talent hard to get to remote locations (NT) and applicants all international but not willing to travel for the salary on offer
- Numerous categories in the Chef role and needs to be separated
- Relocation of manager roles to higher level in list than where currently placed.
- Difficulty in filling Café & Restaurant manager and should not be removed from list, can also be quite seasonal with majority requesting sponsorship
- 40% of tourism roles on Seek.com.au are looking for Café & Restaurant managers
- Struggle to find international applicant to match skills with regulated experience in finance roles
- Critical shortage in finance roles and generally long gaps between cessation of first employee and commencement of replacement, also need additional time in training to get up to required skill level if applicant from outside hospitality industry
- Each portfolio in Hotel & Motel Manager has different background so cannot share candidate across different properties. Utilising more searching for suitability and experience with most locations remote Australia requiring a different skill level
- Applicants are looking at value of job, quality of employer, accommodation, perks etc. Need to look at drivers to become employer of choice
- Pastry chef difficult position to fill with some venues choosing to outsource product and using existing staff to dress and serve
- Head chef position applicants needing visa to work but now have a higher TSMIT so cannot sponsor due to minimum wage and therefore cannot keep them employed
- Having pay transparency (same role / same pay) makes it difficult when you have a mix of sponsored and non-sponsored employees
- Disparity about names for Chefs and Cooks regardless of qualifications
- Housekeeping roles always hard to fill particularly for supervisory / management roles
- Level of quality required in numerous venues, large volume of sponsored employees and rely on this experience to bring service back to the industry – not believed to be a career
- Restaurant Manager is sponsored role and would be a huge disadvantage if taken off the list
- Housekeeping Manager – constantly seeing lack of longevity in the role and majority sponsored candidates however issues with remote settings and experience required for ordering and managing time frames for delivery
- Support and experience is required and surprised that F&B Manager is not on the list
- Designated Area Migration Agreement (DAMA) is being used in some regional and remote locations but requires positions to be on the list for it to be available.
- Build concepts based on experience and candidate where need for skills, impact on team, key attractor for industry are used for promotion
- 6month wait to fill a finance team member role
- Human Resource Managers –
- Hotel and Motel Manager –hard to develop people within the organizations
- There should be greater flexibility for intercompany transfers
- Any management roles need to stay on the list



- Hotel Managers - agree it is a key role, we have found internal leadership development programs to assist with having a talent pool. However can still be a challenge to get people to move regionally
- Roles difficult to fill - Sous Chef/Chef De Partie level sponsoring is needed
- Pastry, Chef de Partie's and senior chefs
- Need to sponsor Pastry Cooks due to lack of skilled Australian applicants.
- HIGA is out of step with TSMIT - would want to see Cook/Chef's in the new visa stream for under TSMIT level
- Finding chefs is absolutely difficult! Was shocked it was not on the confident to remain list That is echoed in our hotels we have heard this week in some info sessions we held- paying above market to get anyone in chef positions.
- Being able to sponsor chefs is critical if our businesses are to survive - the skills required to manage a kitchen aren't there - managing costs, understanding budgets, building and leading teams just aren't there - the domestically trained chefs don't seem to have these skills
- Difficulty hiring and retaining mid manager roles, reflective of the wages versus cost of living in the cities. If I could advocate for one aspect, it would be for the government to relax the years (2 years) required to be eligible to sponsor someone in, for example, a Duty Manager role and for these occupation codes to remain eligible as a pathway to PR
- Sometimes we are opening and closing positions quickly to attract more talent
- We would categorise our Assistant Managers as Café/Rest Mgrs – definitely need restaurant managers on the list.
- (hotel opening soon) We would be seeking for a specialised understanding of the type of international cuisine for the restaurant that we are opening. A knowledge of that particular area is going to be substantial part of our selection process. I am not convinced that we will be able to find anyone locally.
- will the café/restaurant manager be included in hospitality, retail and services - if not they need to stay - incredibly hard to find

Apprentices and Trainees

The meeting provided a brief explanation of the inquiry and the likely direction, with the submission due in mid-May. Inquiry to tease out what can be done and what are the right incentives.

Focus on cooking / food trades but need to ensure we don't forget food and beverage trainees. During COVID saw an increase in traineeships and apprenticeship incentives. Over 40% reduction in commencement in food trades. Numbers in training is now lower than pre-COVID and need to unpack this.

Chefs – Why have the numbers fallen? What are the main barriers?

- Attraction from numerous candidates but not all interested in role once explained
- Plenty of apprenticeship vacancies to be filled
- Some venues agree to pay apprenticeship at adult rates regardless of candidate age but not all venues can afford this
- During COVID, most colleges moved their training online which was not available for cookery so students and apprentices lost their connections and interactions
- Money and hours required are not always attractive as well as requiring skilled trainers and supervisors.
- Generational shift, current generation not interested in split shifts, hours, salary, working nights and weekends (customer service required 24/7)
- Finding suitable candidates but not able to access incentives when they are on a visa – they can't be enrolled as apprentices



- School-based connections to be rejuvenated, highest reasons for drop-outs is lack of support (either from parents or school) or conflict with supervisor. Need to ensure trainer has the skills to manage the trainee
- Appetite for sub-qualification to be offered when trainee drops out or have units to complete at their own pace
- Create a flexible model for trainees to make more attractive and better aligned to certificate training
- One venue creating a trade pathway program with Asian background but no western chef experience
- Lack of support structure apprentices in cookery
- Specialised roles rely on overseas candidate having experience in cuisine styles
- Barriers include money, hours, skilled chef managers able to provide the training
- Post Covid, the hospitality industry was seen not as attractive to job applicants
- Better information needs to be shared across schools for future apprentices.
- The cost of living has made a huge impact & agree salary is a big factor
- Applicants sometimes can't relocate to where the jobs are due to higher rents
- It's not seen as an attractive opportunity - plumber, sparkies set up on their own at the end of their apprenticeship and enjoy the spoils - chef apprentices/junior chefs look above them and see years of hard slog ahead of them. If the training can be focusing on how to run a business/kitchen - appropriate communication, managing numbers, costing recipes - as well as the technical cooking skills
- There are a lot of entry level staff who find the hours preferable to fit in with other activities. Different for more mature workers
- The inception of many new industries, mostly tech are also not working in our favour. I don't believe young workers find it attractive to be working in high pressured environment anymore
- Yes definitely we find that same, drop out due to a problem at work or lack of consistency with training from RTOs e.g. changing over of trainers etc
- If an apprentice dropped out mid-way through there would definitely be an appetite for the opportunity to go back to the qualification
- Hard to find due to lack of candidates available
- Recently had 25 apprentices reaching 80% completion which showed that "Grow your own" model was more successful than through an RTO but had to cease this program as the trainer was no longer available and enrolments for the program dropped.
- Hospitality and Restaurant industry get negative press about underpaid, long hours, hostile environment and not enticing for new candidates or those seeking alternative career path
- Not seen as a stable environment when COVID hit as the first industry to completely close down and stay closed
- Butchers and Pastry chefs are key to source product to venues and when don't have the supporting trades, will make the chef shortage even worse.
- Image problem, long hours, working weekends, unsupportive parents, stigma of negative media
- Generational comments heard that candidates do not want to spend 4yrs on low income and compare themselves to other industries instead of higher education candidates doing longer training and incurring HECS debts
- Influence of schools and parents, expectation of balance to lifestyle, values system. Need to find a way to keep them in the industry and a 4yr training course would be considered a lifetime to the current generation
- Retention issue is a challenge not just for training but also culturally



- Career attractiveness, old school mindset about kitchens. We need to show how companies are evolving and needs to be amplified. Marketing of female chefs and show change to archaic views, opportunity to travel the world, lot of pros that could be amplified in campaign.
- CIV Cookery (Kitchen management) is proving not to be a high demand qualification. Lean is more towards business degree at that stage (specialisation in Hospitality & Hotel Management)
- Time to tell a different story, amazing opportunities and experiences, working with quality teams – no longer see apprentices being forced to wash cars, working in hostile environments

Can apprenticeships be better designed?

- Better understanding of the system, working with the trainer to provide flexibility to each apprentice rather than having a one model that is applied to everyone. Offer more hands-on training for better experience and practical application
- Can 1st yr apprentices be included in school-based traineeships – working one day a week in the kitchen and getting theory content covered in schools
- Do more “career selling” in younger years rather than just in yrs 10+
- What encouragement is provided post Cert 3
- Cross training is a big investment for many companies and having CEOs and Senior Managers of venues who were previously chefs and cooks through structured management training programs
- Bigger organisations are able to offer training across multiple venues. Is there something that smaller organisations could tap into for exposure
- Individual states could offer cross training but would depend on qualified trainers available to deliver
- Remote / Regional locations have to send away for training in blocks rather than smaller periods of time (half/full day per week)
- Competency level required for apprentice can be achieved early if everyone agrees to sign off
- Don't want to dumb down the industry but tap into the new generation and what is attractive to them (institutional training versus on the job)
- Length (4 yr) of apprenticeship too long. Dropping out for various reasons (minimum required to get better paid role, conflicts with trainer, lack of support). Need to get them workforce-ready sooner
- I have a number of apprentices starting at school which really helps reduce their time.
- I have had some success with school based apprentices as well. 1 day out of school suits some students well and we have transitioned them to full time and had them signed off before their 19th birthday. It also benefits the business throughout the busy Christmas etc. when they are on school holidays and want to earn some extra money.
- Starting the apprenticeship at school helps 100% both the student and business
- I believe it comes down to the school. I have one school with 3 students

How valuable were the 50% wage subsidies that were put in place post-COVID for commencing chefs? How important are the current incentives and wage subsidies – on commencement, on completion.

- Regularity of payments should be moved to quarterly instead of current six-monthly and completion of training
- Candidates with mature aged apprentice – looking for vision to have apprentice in every venue (95 and counting). Currently have 5 apprentices and 1 school based.
- incentives for apprentices - good in a short term but I don't think it will attract them to look for roles within the industry



- Aussie kids do not see commercial cookery as a trade following school
- Remote postings for younger candidates brings new challenges of mental health, separation anxiety, transition period and generational differences between candidates and trainers. Need to find a way to remove stigma and promote benefits
- Look for ways to entice apprentices to continue training, arrange sub-qualifications at 2 yrs
- School Based Apprentices and Traineeships are great but lots of complex stakeholder relationships to manage
- Training should be structured in blocks. We choose to partner with RTOs based on flexibility and option for in workplace delivery
- Need to address the admin burdens – to the employers with pay slips and to the trainee accessing funds.
- Will there ever be a national portal for processing claims?!
- There is also on the job training which is happening in venue with employees that don't have that necessary skill set in their roles
- RTO's responsibility is to ensure you exit with a qualification, is generally funded by states, TAFE is strong advocate of Australian employment network providing support for all apprentices in all trades. Perhaps look at wage subsidy or if government subsidised mentoring role is available
- Drop-outs can come from employers so desperate to hire chefs, trainers in senior roles they employ without the skills required to mentor apprentices and they are also predominantly sponsored employees.
- Small businesses are not in a position to pay adult wages or have a range of trainers available so a subsidy would be beneficial to them
- Would government balance sponsorship with training levy for sponsored employees and consider waiving training levels if on-site apprentices were provided?
- TAFE NSW does not believe government would introduce training subsidy for sponsored international apprentices
- Incentives could be offered to younger demographic as a carrot to continue
- Students never compare themselves to higher ed students with HECS debts
- Numbers were already in decline at the beginning of COVID and then we had the commencement of incentives wage subsidy and reduction
- There is certainly a shift in the expectations of what Gen z and Gen Alpha want. There is also the non-trade pathway. Retention/incentive strategies for both employers and apprentices is key. Applied learning is key
- Comparison on sponsored candidates without qualifications getting better roles than apprentices doing training.
- Generational shift may not be open to incentives to complete training if don't get supported outside (parents / school etc)
- Incentives will not always work but could be used as part of a business retention program by business owner
- Need to increase investment in development in the workforce rather than prior to entry
- Comparison made on Yr 2 or Yr 3 apprentice on 80% minim wage whereas 482 visa holder on minimum \$70K can cause conflict in the workplace
- TSMIT levels also prevents some positions due to market rates for that role falling below level and eventually some cookery roles will be priced out of market

Traineeships – food & beverage, front office and other (e.g. administration).

Are they still valuable to the industry? How important are the incentives? Is the industry aware that those incentives will largely disappear after 30 June? How well does the interaction between employer and training



provider work? Is the training considered high quality? As employers do you have to pay for any of the training, and if so is that a barrier? Why do trainees not complete?

- Employment of more trainees but focussed on low-cost training and reductions in funding models
- Higher incentives are not what is the driving force for candidate but could be used as business incentive strategy for property
- Using training to encourage retention and increased hospitality skills for current workforce (better for marketing also)
- Consider better options for transition across entry levels
- Consider sharing incentive dollars with employee
- Formal qualification training used when marketing at schools
- Partner with RTO that shares vision, language and training program to fit needs of venue
- Training organisations requiring copies of payslips and will not accept formal payroll report which makes burden heavy with reporting
- Initial processes for start-up are quite clunky so would like to see interface that is less complicated and more attractive.
- With School-based traineeships, incentive and effort for young student to get them to a standard to work autonomously. Incentive would be valuable to this generation and would be a shame to remove
- Some schools are putting them through a qualification at school which makes them ineligible for training post school. Federal Government needs to look at KPIs and consider what message is being sent for the industry as a priority
- An incentive is a good idea for completion for apprentices. There are various levers for traineeships that could be reviewedthe apprenticeship centres could have KPI's for sign ups in traineeships that have the same value as an apprenticeship.
- As we came out of COVID, incentives went up and were being used across part-time work force and could claim subsidies back, and max hrs rather than how they should have been used.



ATTENDING MEMBERS

SESSION 1 Thursday 18th April 2024

AHA QLD	Hotels Melbourne
AHA SA	Hyatt Regency Brisbane
AHA WA	Hyatt Regency Sydney
Ajuria Lawyers	IHG
ALH	Marriott Hotels
Australian Venue Co	Melbourne Place
Autograph Hotels	PARKROYAL Hotels (PPHG)
DOMA Group	Perdaman Global Services
Double Tree by Hilton NT	Riverland Group
EVT	TAFE NSW
Hilton	TFE Hotels
Hilton Perth	Tasmanian Hospitality Association
Hospitality Group Training	The Ritz Carlton, Perth

SESSION 2 Friday 19th April 2024

Accor
Discovery Parks
Discovery Parks
Endeavour Group
IHG
Meriton Suites
Merivale
Sheraton Mirage Port Douglas
TAFE NSW
TAFE NSW
Village Roadshow Theme Parks

SESSION 3: (Cook and Chef focus) 22 April 2024

1 Hotels Melbourne	
Accor	NSW DET
Ajuria Lawyers	Sheraton
ALH	TAFE NSW
ALH Group	Tasmanian Hospitality Association
Alliance Abroad	Timbers Hotel
Discovery Parks	
EDUPI Migration	
EVT	
Hilton	
IHG	