



AUSTRALIAN HOTELS ASSOCIATION

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20 June 2013

Committee Secretary
Senate Legal and Constitutional Affairs Committee
Parliament House
CANBERRA ACT 2601
Email: legcon.sen@aph.gov.au

Dear Sir/Madam

Migration Amendment (Temporary Sponsored Visas) Bill 2013

The Australian Hotels Association (AHA) is a federally registered organisation of employers in the hotel and accommodation industry. Its more than 5,000 members across Australia are serviced and represented by AHA branches operating in every state and territory, plus a Canberra-based National Office.

The hotel industry employs around 300,000 people Australia-wide and is one of the country's best sources of working opportunities for young people, students, parents returning to work, people with a disability and many other groups who may have trouble finding employment in other sectors.

Background - Maximising the Australian workforce

We confirm that it is the AHA's Workforce Development Plan to promote and employ Australian workers. The use of overseas workers is to address the labour shortage within our industry where our businesses have not been able to recruit Australians.

The goals set through the Tourism 2020 long term strategy has seen the Gillard Government examine ways to best facilitate the use of overseas workers.

This has led to the Department of Immigration and Citizenship (DIAC) inviting submissions from the tourism and hospitality industry to develop a more flexible and streamlined approach to 457 visas in developing a template labour agreement for the hospitality industry. This template labour agreement would facilitate smoother, quicker access to overseas workers for employers in the industry in recognition of the need for skills and labour shortages to be filled in a timely manner.

The shortage in labour has seen the Government extend its Pacific Island Workers Program to a new Seasonal Worker Program extending the program to the accommodation sector in Broome, Northern Territory, Far North Queensland, the Whitsunday Islands and Kangaroo Island.

The Federal Government invited the AHA to be a partner in promoting and facilitating the Seasonal Worker Program. This program allows the placement of overseas workers from the participating countries in the limited regions and only in lower skilled occupations.

The Tourism Minister's Labour and Skills Taskforce has acknowledged Australia's shortage in Chefs and Cooks. This is consistent with the findings of Access Economic in its Government-

commissioned report which found a current shortfall of 36,000 tourism workers, increasing to 56,000 by 2015 in the absence of any actions taken to address the issue.

The AHA supports a visa system which is flexible, transparent and has integrity. The AHA has worked closely with the Fair Work Ombudsman to ensure compliance by employers in the hotel industry with the industrial system and the modern award. A Memorandum of Understanding has been developed between the Fair Work Ombudsman and the AHA to ensure that regular consultation occurs between the organisations and that both parties work together on targeted compliance education programs. The result of this collaborative initiative has been the improved compliance of employers in the hotel industry with the industrial system.

Given its experience in the industrial relations field, the AHA believes the Fair Work Ombudsman should have a greater compliance role with respect to overseas workers. Similar to industrial law, immigration rules and laws are subject to frequent change and the consultative approach adopted by the Fair Work Ombudsman would ensure the shared aims of the Government and the AHA for integrity in the visa system can be achieved.

In the short term the AHA supports the need to use overseas workers.

For the industry to reduce its reliance on overseas chefs, cooks and hotel managers it will need to train more Australians. Unfortunately, less Australians are entering into apprenticeships or traineeships in the culinary field. The drop off can be attributed to:

- Low unemployment;
- A downturn in participation in all trades and apprenticeships;
- Increasing competition from other sectors which are regarded as priority skilled sector;
- Skill set shift towards information technology;
- Disconnect between government-funded employment services and employers in the hospitality sector; and
- Disconnect between hospitality employers and apprenticeship brokers.

The critical shortage in Chefs and Cooks has been reiterated by the State and Territory Governments, many of whom have included these occupations in state immigration skilled occupation lists.

Through the Workforce Development Program the AHA has facilitated the further training of Apprentice Chefs in tailored Certificate IV courses. The training of management staff has also been a focus as the AHA takes steps to address the shortage of hotel managers.

The AHA received funding through the Employer Broker Program in 2011-12 and through this was able to get first-hand knowledge of the difficulties in recruiting Australians to the hospitality industry. Although the AHA program (conducted in regional Victoria) successfully placed 26 apprentices and 154 unemployed workers in hotel job vacancies, this filled less than half the demand for labour identified by participating AHA member hotels in the region. Unfortunately, this labour shortage is mirrored in many parts of Australia. It was an impediment to industry efforts that the Employer Broker Program was suspended prior to 30 June 2012.

During the current period of low unemployment the hotel industry has participated in the Australian Chamber of Commerce & Industry (ACCI) campaign to 'Employ Outside the Box', which promotes the employment of workers with disabilities, mature aged workers, indigenous workers. Working with ACCI, the AHA will continue to promote the sound business case to employ from these categories of unemployed workers.

Another major impediment to the employment of out of work Australians is the failure of the Government-funded Job Services Australia (JSA) agencies to engage with employers in the hospitality industry. Despite being budgeted \$5 billion to deliver employment services Australia-wide, JSA agencies have engaged with only eight per cent of Australian businesses. It was evident from the AHA's Employer Broker Program that JSA agencies have no interest in dealing with the hospitality sector and that small and regional businesses in our industry are disconnected from the JSA network. The same assessments apply to Disability Employment Services. The failure of these agencies to deliver outcomes for the hospitality sector must be addressed if the identified labour shortages are to be filled by Australian workers. As such, consideration must be given to the structure of output payments provided to JSA agencies and how industries such as hospitality can be better served by this important Government program.

Government should be concerned when vacancies in occupations such as Cooks and Chefs are unable to be filled. These occupations are not solely aligned to the tourism and hospitality industry. Many positions need to be filled in aged care, hospitals, regional worker camps, schools, child care centres, prisons, detention centres and even in Parliament House. Many of these industries use hospitality as the recruiting ground for their catering staff.

We know from Tourism 2020 there is a need for Australia to improve the delivery of services in regional areas and expand services in the cities in order to meet increasing visitor expectations. Access to skilled culinary and management staff assists in delivery of this priority.

One of the great ironies of employing overseas workers is the flow-on effect and the need to employ other workers. The employment of an overseas Chef or Cook allows the kitchens to remain open longer or to trade on additional days of the week, creating additional working opportunities for Australian workers such as kitchen hands or food attendants. The experience that many of these overseas workers bring is also useful in the training of Australian workers including trainees and apprentices.

The hotel industry continues to facilitate and promote skills training of Australian workers. The AHA is currently participating in programs which assess the workforce needs of businesses. We have also recently enlisted 100 hotel employees for supervisory Certificate IV / Diploma training to improve supervisory skills required for managing workforces. We continue to support the Employ Outside the Box campaign. The AHA also supports many of the Hospitality Group Training companies that place trainees and apprentices in hotels and facilitates job placements for graduates of the various hotel schools.

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Save for our specific views on the Sponsorship Inspectorate Power we support the submission of the Australian Chamber of Commerce and Industry.

Given that the vast majority of employers in the hotel industry are small businesses, we would be concerned with the additional compliance requirements of labour market testing. This is likely to be a significant cost impediment to accessing the scheme, access which is driven by necessity rather than preference.

Furthermore, it would also be concerning if the Minister were able to add and remove occupations. There would appear to be significant prejudice shown towards the use of overseas Cooks and Chefs. This has been raised in recent times by employee representatives on the different consultative committees looking at labour and skills shortages despite the lack of any evidence of demand for working opportunities by unemployed Australian Cooks and Chefs. There is evidence of many qualified Australian Cooks and Chefs who have changed careers and are gainfully employed in other sectors. Accordingly, decision makers

should not rely on data showing the number of trade qualified employees as many of these employees are no longer working in their trade.

The proposed amendments do not appear to take into account the work that Government agencies have already done to address business labour demands. For example, the Access Economics report on the tourism industry is sufficient evidence on the widespread shortages being faced by AHA members and has been the basis of Government policy in the tourism labour and skills area. Accordingly, with this sector-specific information already available, a requirement for labour market testing by individual businesses would duplicate existing processes.

The AHA reiterates its support for the Fair Work Ombudsman to have a greater role in the Sponsorship Inspectorate. It has been the AHA experience with the Fair Work Ombudsman that it is well positioned to carry out the inspectorate role. FWO inspectors are already visiting businesses and, if they continue to take a proactive role through consultation and education, then the results should deliver a better informed industry with improved compliance. Accordingly, appropriate resourcing of Fair Work Ombudsman would see an improvement in compliance on the existing laws and regulations.

Yours Sincerely,

DES CROWE

National Chief Executive Officer
Australian Hotels Association