Submission to the Australian Government, Department of Immigration and Citizenship

In response to the

*Discussion Paper on a template labour agreement for the tourism and hospitality industry.*

Prepared by:
Queensland Tourism Industry Council

March 2012
The Queensland Tourism Industry Council (QTIC) supports policies that improve migration programs for the tourism and hospitality industry and welcomes the opportunity to provide feedback to the Discussion Paper – Exploring a template Labour Agreement for the Tourism and Hospitality Industry.

The tourism sector is made up of a number of industry participants, including accommodation, hospitality, transport, retail, business and major events, recreation, and educational and cultural services\(^1\) (Appendix 1), employing over 220,000 people, or 9.9% of all people employed in Queensland.\(^2\) The tourism industry employs substantially more staff than the mining sector (43,800 direct jobs) or even agriculture, forestry and fishing combined (81,900 direct jobs)\(^3\). Tourism is a significant economic driver to Queensland regions, and contributes to regional employment, economic, and community growth.

Like the resources sector, the tourism industry is suffering from a significant shortage of general, semi skilled and skilled labour. Queensland recorded the largest increase in the number of job vacancies, (up by 22.7% or 50,392 job vacancies) than any state or territory in Australia over the year ended June 2011\(^4\). These figures highlight a situation which is set to deteriorate further in Queensland, driven by rapid expansion and growth in the resources sector.

Leading tourism operators in Australia have expressed the skills and labour shortage as their ‘the single biggest issue’\(^5\), a sentiment backed by Tourism Research Australia who has reported that labour and skills are the greatest supply-side challenge facing the Australian tourism industry\(^6\).

To achieve Australia’s full tourism potential by 2020, as articulated by Tourism Australia, an estimated 56,000 to 152,000\(^7\) additional jobs are needed to ensure Australia (and Queensland) remains an internationally competitive tourism destination, delivering first class service. This will require trained and skilled staff, employed in sufficient numbers and in the right locations.

While QTIC and its members understand the importance of employing Australians, the tourism and hospitality industry will continue to need assistance and support from the Federal Government to improve the effectiveness of migration programs in their application to the tourism sector. This assistance is essential if we are to preserve Australia as an internationally competitive tourism destination.

QTIC has actively engaged in a number of projects, some supported by Commonwealth or state government agencies, aimed at increasing labour participation in the tourism industry. In current programs we have specifically targeted Indigenous Australians, mature aged Australians and professional development of youth workers entering the workforce. Preceding this, QTIC developed a range of programs to support the alternate workforce such as the long term unemployed\(^1\), and regionally based programs focused on return to work parents, indigenous Australians, disabled and mature aged workers. Despite these projects, however, the pool of available domestic workers has proven insufficient to meet the labour needs of the Queensland tourism industry.

QTIC is already committed to working with government and industry on labour and skills issues through the following national and state strategies:

- Australian Government, National Long-Term Tourism Strategy: Labour and Skills Working Group
- Tourism Australia, 2020 Tourism Industry Potential

\(^1\) ‘Tourism Employment Growth’
LIST OF SUBMISSIONS

A list of recent reports and submissions provided by QTIC to government with relevance to the issues of skills, training, employment and migration include:

- Submission to Department of Immigration and Citizenships, Review of permanent Employer Sponsored visa, September 2011.
- Submission to Skills Queensland, Strategic Priorities Issues Paper, August 2011.
- Submission to the Productivity Commission, Vocational Education and Training Workforce Issues Paper, July 2010.
- Submission to the Senate Education, Employment and Workplace Relations Committee’s, Inquiry into Industry Skills Councils’, August 2010.
- Submission to the Standing Committee on Employment and Workplace Relations, Department of House of Representatives, Inquiry into Regional Skills Relocation, April 2010.

QTIC is well placed to work with government and other key stakeholders to coordinate and facilitate industry input into migration initiatives. The feedback and recommendations in this submission can be considered a united Queensland tourism industry response.

QUEENSLAND TOURISM INDUSTRY COUNCIL

QTIC is the State peak body for tourism in Queensland. As ‘the voice of tourism’, QTIC represents the interests of the tourism industry, including business operators, Regional Tourism Organisations (RTOs) and sector associations.

A private sector, membership-based tourism industry organization, all of Queensland’s 14 RTOs are members of QTIC as are 20 of the industry sector associations and in excess of 3,000 regional members, operating in all sectors of the tourism industry. QTIC works in partnership with government agencies and industry bodies at a local, state and national level, to strengthen the voice of tourism in all relevant policy forums.

Partnerships between industry and government remain at the core of regional economic development and sustainable employment in the tourism industry in Queensland. These partnerships enable a greater level of responsiveness to increasingly diverse industry, skills, training and business development needs of the tourism industry in regions.

INDUSTRY SKILLS BODY

QTIC is an Industry Skills Body (ISB) for the Queensland tourism and hospitality industry providing industry intelligence on workforce development strategies and training advice for dissemination to industry. As an ISB, QTIC implements a program of research, consultation and engagement with industry stakeholders which culminates in the development of an annual Industry Skills Report produced by Skills Queensland.
As part of this process, QTIC published the *Tourism and Hospitality Workforce Development Plan August 2011* addressing the workforce development needs of employers, individuals, industry and the community, to alleviate skills and labour shortages and better position Queensland and Queenslanders for the future.

By examining the gaps between workforce supply (including the skills available) and industry demand (what skills will be needed), the workforce development report presents a more demand driven workforce development strategy, aimed at optimising productivity and efficiency in the industry. The report represents industry’s formal advice to Skills Queensland to inform government investment in skilling and workforce development.

QTIC also managed over $9.4 million in tourism and hospitality training; which is now in the third year of funding under an agreement with the Department of Education and Training. The funding has enabled QTIC to work directly with job seekers and existing workers within the tourism and hospitality industry, and is assisting business operators to respond more proactively to the market challenges the industry is currently facing.

QTIC recognises a coordinated approach from all levels of government is required to deliver the national, state and regional skills, training and employment outcomes for the tourism and hospitality industry.

**TOURISM INDUSTRY ROUNDTABLE**

The Honorable Minister Ferguson held a Tourism Industry Roundtable, on 30 August 2011. The purpose of the Roundtable was to work collaboratively on avenues which are available to support employment outcomes in tourism and hospitality, including a focus on immigration, and on remote and regional Australia.

The Roundtable provided participants, and in particular businesses, with the opportunity to engage with government decision-makers on the key challenges being faced by the tourism and hospitality industry, explore options to address these, and to further engage in the National Long Term Tourism Strategy process.

The Queensland tourism industry representatives were ‘working off the same page’ in advocating for the changes required to meet the skills, training and migration needs of the tourism and hospitality industry in Queensland. Some of those points raised are included in this submission.
The discussion paper has provided an opportunity for industry to formally address some of the skills and labour concerns of the tourism and hospitality industry and effectively address the migration needs now and for the future. If the Labour Agreement is to be used as the tool for alleviating skills and labour shortages, it must be responsive to the needs of the industry.

**How does an employer access the labour agreement program?**

To gain access to a labour agreement an employer must provide a detailed submission to the department demonstrating they meet the terms and conditions which are outlined in an information pack. Therefore, employers request access to this template by making a submission to the Department.

The template labour agreement is designed to ensure that employers first look to improved employment strategies before seeking overseas workers. As part of this process, employers must provide:

1. Evidence that vacancies cannot be filled from the Australian labour market, and ongoing recruitment and retention efforts;
2. A commitment to training Australian citizens and permanent residents; and
3. Financial capacity to meet sponsorship obligations.

**Recommendation 1:**
The labour agreement information pack must clearly state what constitutes evidence to meet requirements 1-3 stated above.

**Recommendation 2:**
State tourism industry councils, State Tourism Organisations and Regional Tourism Organisation undertake analysis relating to employment conditions. These stakeholders are the authorities on labour market conditions for the industry, and as such should be listed in the information pack (also recommendation 5).

**Recommendation 3:**
An education program for the tourism and hospitality industry is recommended (similar to the information program rolled out for the 457 visa) to parallel the implementation of any template labour agreement.

**Should occupations that are available under the standard program be made available under a template labour agreement? What benefit would there be to such an arrangement?**

**Recommendation 4:**
Occupations that are available under the standard program must also be made available under the template labour agreement.
What sources of information are available about labour market conditions in areas where there are shortages of skilled workers in the tourism and hospitality industry?

The ensure that the interests of the employer, employees and broader community are considered in the assessment of a request for a labour agreement, the employer is required to consult with industry bodies including relevant unions and affected community groups.

The Tourism and Hospitality Workforce Development Plan prepared by QTIC has been developed with industry intelligence to align the supply of workforce development needs of employers, individuals, industry and the community (for Queensland), to alleviate skills and labour shortages and better position Queensland and Queenslanders to address future skill needs. The reports represent industry’s formal advice to Skills Queensland to inform government investment in skilling and workforce development.

Recommendation 5:
State tourism industry councils, State Tourism Organisations and Regional Tourism Organisation undertake analyse relating to employment conditions. These stakeholders are the authority on labour market conditions for the industry, and as such should be listed in the information pack.

Stakeholder feedback is sought in relation to the list of occupations, the level of qualifications for the skilled workers and the nature of any concessions that the industry seeks?

Skills needs across the industry are complex and are driven by a range of factors. Solutions for skills and labour shortages are not confined and must be addressed in the context of broader outlook.

It is widely acknowledged the skills levels currently available under the 457 and various other migration programs effectively remove a large proportion of skill levels required to meet the needs of the tourism and hospitality industry.

Industry will continue to place pressure on the system to respond to an increasingly global labour market and subsequent labour mobility. Greater emphasis will be placed on portability of skills and qualifications. This work must focus not only on attracting people to the tourism industry, but also on increasing the opportunities for people to build sustained careers through training and skills development.

Recommendation 6:
QTIC strongly supports skills level 4 occupations to be included in the template agreement to address the labour shortages for the tourism and hospitality industry.

Recommendation 7:
Consideration is sought for ‘exceptional circumstances’ when there is an identifiable need for job roles outside of skilled and semi-skilled. Implementation of this recommendation would be supported by a strong training component.

2 Discussion paper statement
The specific skills in demand for the tourism and hospitality industry for the next 5 years are summarised in the table below:

**Skill Occupations in demand, Summary Table by Sector**

*QTIC Tourism and Hospitality Workforce Development Plan, August 2011*

<table>
<thead>
<tr>
<th>Sector</th>
<th>Occupation</th>
<th>Certificate Level</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hotel Accommodation (Resorts/Motels)</strong></td>
<td>Housekeepers</td>
<td>Certificate II in Hospitality</td>
</tr>
<tr>
<td></td>
<td>F&amp;B Attendants</td>
<td>Certificate III in Hospitality</td>
</tr>
<tr>
<td></td>
<td>Wait persons</td>
<td>Certificate III in Hospitality</td>
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<tr>
<td></td>
<td>Porters</td>
<td>Certificate III in Hospitality</td>
</tr>
<tr>
<td></td>
<td>Kitchen Steward</td>
<td>Certificate I in Hospitality (Kitchen Operations)</td>
</tr>
<tr>
<td></td>
<td>Cooks/Chefs</td>
<td>Certificate III in Hospitality (Commercial Cookery)</td>
</tr>
<tr>
<td></td>
<td><strong>Hotel Accommodation (Resorts/Motels)</strong></td>
<td><strong>Hotel Accommodation (Resorts/Motels)</strong></td>
</tr>
<tr>
<td></td>
<td><strong>F&amp;B Attendants</strong></td>
<td><strong>F&amp;B Attendants</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Wait persons</strong></td>
<td><strong>Wait persons</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Food Preparation</strong></td>
<td><strong>Food Preparation</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Chef / Chef de Partie</strong></td>
<td><strong>Chef / Chef de Partie</strong></td>
</tr>
<tr>
<td><strong>Cafes and Restaurants</strong></td>
<td><strong>Cafes and Restaurants</strong></td>
<td><strong>Cafes and Restaurants</strong></td>
</tr>
<tr>
<td></td>
<td>F&amp;B Attendants</td>
<td>Certificate III in Hospitality</td>
</tr>
<tr>
<td></td>
<td>Wait persons</td>
<td>Certificate III in Hospitality</td>
</tr>
<tr>
<td></td>
<td>Food Preparation</td>
<td>Certificate II in Hospitality (Kitchen Operations)</td>
</tr>
<tr>
<td></td>
<td><strong>Cafes and Restaurants</strong></td>
<td><strong>Cafes and Restaurants</strong></td>
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<tr>
<td></td>
<td><strong>Tour Guides</strong></td>
<td>Certificate III in Tourism (Guiding)</td>
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<tr>
<td></td>
<td><strong>Tour Guide with language skills</strong></td>
<td>Certificate III in Tourism (Guiding)</td>
</tr>
<tr>
<td><strong>Caterers</strong></td>
<td>Caterer</td>
<td>Certificate III in Hospitality (Commercial Cookery)</td>
</tr>
<tr>
<td></td>
<td>Catering supervisor</td>
<td>Certificate IV in Hospitality (Commercial Cookery)</td>
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<tr>
<td></td>
<td>Food Preparation</td>
<td>Certificate II in Hospitality (Kitchen Operations)</td>
</tr>
<tr>
<td></td>
<td><strong>Hotels / Pubs / Clubs / Taverns and Bars</strong></td>
<td><strong>Hotels / Pubs / Clubs / Taverns and Bars</strong></td>
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<tr>
<td></td>
<td>F &amp; B Attendants</td>
<td>Certificate III in Hospitality</td>
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<tr>
<td></td>
<td>Wait persons</td>
<td>Certificate III in Hospitality</td>
</tr>
<tr>
<td></td>
<td>Housekeeping</td>
<td>Certificate II in Hospitality</td>
</tr>
<tr>
<td></td>
<td>Cook/Chef</td>
<td>Certificate III in Hospitality (Commercial Cookery)</td>
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<tr>
<td></td>
<td>Kitchen Steward</td>
<td>Certificate I in Hospitality (Kitchen Operations)</td>
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<td></td>
<td><strong>Travel</strong></td>
<td><strong>Travel</strong></td>
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<tr>
<td></td>
<td>Travel Agents</td>
<td>Certificate III in Tourism (Retail Travel Sales)</td>
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<tr>
<td></td>
<td>Tourism Wholesalers</td>
<td>Certificate III in Tourism (Tour Wholesaling)</td>
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<tr>
<td></td>
<td>Tour Operators</td>
<td>Certificate III in Tourism</td>
</tr>
<tr>
<td><strong>Casinos</strong></td>
<td>Licensed gaming staff</td>
<td>Certificate III in Hospitality</td>
</tr>
<tr>
<td></td>
<td>F &amp; B Attendants</td>
<td>Certificate III in Hospitality</td>
</tr>
<tr>
<td></td>
<td>Chef</td>
<td>Certificate III in Hospitality (Commercial Cookery)</td>
</tr>
<tr>
<td></td>
<td>Executive Chef</td>
<td>Diploma in Hospitality</td>
</tr>
<tr>
<td></td>
<td>Food preparation</td>
<td>Certificate II in Hospitality (Kitchen Operations)</td>
</tr>
<tr>
<td></td>
<td>Housekeeping</td>
<td>Certificate III in Hospitality</td>
</tr>
</tbody>
</table>

Should only industry specific occupations (i.e excluding trades) be available under a template agreement?

Caution is required here to ensure occupations required for the tourism and hospitality industry are not overlooked or deemed as ‘not having a great deal of specify to the industry’.

The occupations listed in the table of the discussion paper, such as the electrician and plumber are equally sought for the tourism and hospitality industry and are required through migration. These trades are in high demand due to the high needs of such trade skills for the resources sector.
Recommendation 8:
All industry specific occupations must be covered by the template agreement.

Recommendation 9:
Trade based occupations (where an identifiable skills shortage exists relevant to the tourism and hospitality industry) must additionally be covered by the template agreement. This would include (but not be limited to) plumbers, electricians, gardeners and diesel mechanics.

How should employers wishing to access the template agreement identify themselves as being part of the tourism and hospitality industry?

Recommendation 10:
A very clear definition of “tourism and hospitality” that employers use to qualify for the labour agreement is suggested as the means to satisfy eligibility. An appropriate definition should be sought through broader industry consultation in this instance.

The use of specific occupations as an identifier (as suggested in the discussion paper) could prove restrictive and potentially misleading for the tourism and hospitality industry, particularly where other industries require similar occupations, such as chefs for mining.

Should the template labour agreement be available only to regional employers or to all employers in the tourism and hospitality industry?

Regional and metropolitan labour and skills planning and workforce mapping has assisted to understand the skills and labour gap in the tourism and hospitality industry, and as such it has been identified that effective migration programs are increasingly important to alleviate skills and labour shortage in both regional and metropolitan areas for the tourism and hospitality industry.

Recommendation 11:
The template labour agreement must be equally made available to tourism and hospitality businesses in regional and metropolitan areas.

SALARY REQUIREMENTS

What other terms and conditions of employment, including salary packaging are provided to workers in these occupations?

The discussion paper clearly states, overseas workers cannot be nominated for positions where the market salary rate is below the TSMIT – currently $49,330. The prescribed salary consideration under TSMIT is not aligned with market rate offered in the tourism and hospitality industry for some roles.
Recommendation 12:
QTIC strongly recommends annual salary requirements that meet the applicable industry award (or relevant legislation) for positions that are considered under the template agreement.

Recommendation 13:
QTIC strongly recommends the inclusion of accommodation and meals allowances in the base rate (which are included in remuneration packages) for workers in the tourism and hospitality industry, particularly in regional and remote areas. Without this consideration, a worker coming in under this scheme will be receiving more than the market value for an Australian resident working in the same position.

**SKILL LEVEL**

What skill and experience requirements and assessment processes should be set to ensure overseas workers have the right skill set to effectively perform these positions in Australia?

Skills and qualification recognition systems will be critical to support mobility, innovation and the building of learning networks (informal and formal). Workers skill sets that add to the skill base of the tourism and hospitality industry are needed to support emerging market opportunities.

Recommendation 14:
To supplement the skills and experience requirements of an overseas worker, strong consideration should be given to assessment processes that take into account Recognition of Prior Learning for Certificate III level occupations.

**ENGLISH LANGUAGE**

Recommendation 15:
QTIC supports the International English Language Test System overall average score of 5 requirements for the labour agreement.

If stakeholders consider that lower levels of English are justifiable, what measures should employers be required to put in place to ensure that workers are aware of their rights and responsibilities in the Australian workplace, can interact successfully with customers and co-workers, and can participate actively in the community in which they live and work?

Recommendation 16:
Where employers have requested lower language skill levels, there would be an expectation that English Language training would become a key requirement to develop the overseas workers English language skills.

Recommendation 17:
If recommendation 16 were considered, the employer must demonstrate the use of signage and documentation that will support the overseas worker to understand their rights and responsibilities in the Australian workplace, until the workers EILTS approved level is reached.
TRAINING REQUIREMENTS

The department proposes that under a template labour agreement the employer would be required to meet one of two benchmark options: Are these training requirements sufficient to ensure employers are investing in the up-skilling of their Australian workforce?

Training pathway programs remain increasingly important to alleviate skill shortages in regional and metropolitan Queensland now and over the next decade.

- Evidence of paying the equivalent of at least two per cent of total payroll expenditure to an industry training fund; or

**Recommendation 18:**
The tourism and hospitality industry does not have an industry training fund which would make this benchmark option unavailable.

- Evidence of paying equivalent of at least one per cent of total payroll expenditure on the training of Australian workers and permanent residents employed by the business.

**Recommendation 19:**
The labour agreement information pack must state what constitutes evidence\(^3\) to meet the training requirements benchmark.

WHAT VISAS SHOULD BE AVAILABLE UNDER THE TEMPLATE LABOUR AGREEMENTS

Are there merits in the inclusion of a permanent visa pathway under a template labour agreement?

**RECOMMENDATION 20:**
QTIC supports the inclusion of a pathway to a permanent visa as an option of the template agreement. This would be seen as complimentary to the short-to-medium term skill needs currently offered by a template agreement.

457 VISAS

QTIC also supports a ‘Guest Visa’ option for specific for job roles that are outside skilled worker requirements for the tourism and hospitality industry, offered for a 2 year period to supplement the gap in current migration programs and the needs of the tourism and hospitality industry.

WORKING HOLIDAY MAKER (WHV) VISA

There is a strong industry call for the WHM visa to also include tourism and hospitality roles in regional areas, including the existing extension period of 12 months to be expanded to 24 months to support this initiative. This proposal was additionally raised at the Tourism Industry Round Table with Minister Ferguson, and is driven by strong industry support.

\(^3\) This could include requirements to provide a Profit and Loss statement or information pertaining to the length of time required to prove training expenditure – 1, 2 or 3 financial years.
### APPENDIX 1: TOURISM INDUSTRY

<table>
<thead>
<tr>
<th>Industry</th>
<th>Rationale for inclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitality (Accommodation &amp; Food Services)</td>
<td>By definition Accommodation Services are provided to tourism ie. They are spending a night away from their usual place of residence. Food Services are provided to both tourism and local residents.</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>Tourists go shopping, includes motor vehicle retail eg. Petrol, motor vehicle servicing etc for self-drive market</td>
</tr>
<tr>
<td>Transport</td>
<td>Except for self-drive market, tourists use transport (airlines, train, bus, taxi etc)</td>
</tr>
<tr>
<td>Cultural &amp; Recreations Services</td>
<td>Tourists visit museums, art galleries, theatre, go to the movies or sports events play golf etc</td>
</tr>
<tr>
<td>Personal &amp; Other Services</td>
<td>Tourists have hair-cuts, massages, beauty therapy. Spa tourism market</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>Manufacturers selling product and tours to tourists eg; Buderim Ginger, Bundaberg Rum, Wineries, Cheese Factories. Food and Wine tourism market</td>
</tr>
<tr>
<td>Education</td>
<td>Tourism doing education/training courses, emerging education tourism market</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>Distribution channel – the wholesalers sell holidays in Australia to Travel Retailers</td>
</tr>
<tr>
<td>Health &amp; Community Services</td>
<td>Tourists requiring ambulance, medical services using child care services. Emerging health tourism market eg; people having elective surgery in a cheaper country</td>
</tr>
<tr>
<td>Agriculture, Forestry &amp; Fishing</td>
<td>Farm stay tourism</td>
</tr>
<tr>
<td>Property &amp; Business Services</td>
<td>Motor vehicle hiring, property operator eg; time share, tourism renting houses/apartments through real estate agents</td>
</tr>
<tr>
<td>Communications</td>
<td>Tourist using phone and internet</td>
</tr>
<tr>
<td>Government &amp; Defence</td>
<td>Local government services eg; visitor information centres, beach inspectors parking attendants</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>Tourists taking out travel insurance and using bank services</td>
</tr>
</tbody>
</table>

### ENDNOTES

1. Service Skills Australia, Tourism, Hospitality and Events Environmental Scan 2011
2. Tourism Research Australia, Tourism Key Economic Facts December 2010
3. See 1
5. QTIC Submission to Skills Queensland, Strategic Priorities Issues Paper, Appendix 2 - Luxury Lodges of Australia
6. Tourism Research Australia, Tourism Industry Potential 2020
7. See 6