



Northern Territory Branch AUSTRALIAN HOTELS ASSOCIATION



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Committee Chair
Hon Warren Entsch
Joint Standing Committee on Northern Australia
GPO Box 000
DARWIN NT 0801

Inquiry into Opportunities and Methods for Stimulating the Tourism Industry in Northern Australia

We refer to our letter of the 26 July 2017 and would like to further update the Joint Standing Committee on visa and employment issues in the hospitality and tourism workforce in the Northern Territory.

The Federal Government has announced policy changes to the sub class 457 visa category which will impact the NT and Northern Australia. To date the policy proposals have not transitioned into legislation and we assume this is currently being finalized.

We need to re-iterate a commitment to train and employ locals for jobs in our hospitality and tourism industry. However, until we are able to train and employ enough Australians to fill the job vacancies we will continue to rely on recruiting skilled workers from overseas.

Currently we are awaiting policy outcomes on what conditions will apply to the Designated Area Migration Agreement (DAMA) and what of the proposed 457 reform policies will be adopted in the DAMA.

With the devil in the detail our members have expressed concerns and provided feedback on the proposed immigration changes which can be summarized as follows:

- Employers will need to continue to source overseas employment options to fill the shortfall of vacancies left after Australian recruitment;
- Chefs, cooks and managers are in high demand in Northern Australia;
- The current sub class 457 visa has particularly allowed remote businesses to address staff shortages and to improve staff retention as the sub class 457 visa workers are staying longer than their Australian counterparts
- Sub class 457 visas have been used more than the DAMA sub class 457;
- The caveat placed on Café or Restaurant Manager, Chef and Cook positions excludes roles in 'limited service restaurants', including 'fast casual restaurants'. The term 'fast casual restaurant' is a predominantly American term referring to establishments without full table service but offering higher quality food (i.e. less frozen or processed ingredients). This type of dining establishment i.e. one with high quality food but without full table service is very common in the NT's hospitality industry. A quick survey of dining venues that have entered in the 2017 AHANT Gold Plate Awards show 60% or 34 venues out of 56 have limited table service and would fall under this term.

- Paying any levy up front where there is no refund if the visa application is rejected adds an unnecessary layer of risk and cost to the process. There should be an appropriate refund policy. Furthermore, businesses should be able to elect to pay visa costs annually rather than the estimated 2 year or 4 year term.

We have also received feedback from Registered Training Organisations that the proposed visa condition changes will impact the ability for Northern Territory RTO's to attract international students. The proposed reforms will limit the accessibility of international students to accessing pathways to citizenship. Currently, the NT hospitality and tourism industry benefits from the labour provided by international students whilst they study and also post-qualification. The international students are also the trigger for a substantial contribution to the tourism economy generated from their own spend and by the expenditure from visiting family and friends. Furthermore, the international students provide additional numbers for our RTO's and Tertiary providers courses, which, when combined with local participation, provides sufficient critical mass for courses to be delivered. A balance needs to be struck between federal policy citizenship needs and the NT having access to international students for approximately 5 years in our economy and an even greater period if citizenship is obtained. Until the labour demands in our industry recede, attracting international students is an important part of the NT workforce. Furthermore, the redevelopment of existing townships and CBD precincts is very much linked to the future development and growth of a University/International Student Training and Education sector in the NT.

Productive growth of the tourism and hospitality industry is crucial to Northern Australia's successful and ongoing transition from a resources-based economy to a more balanced services-based economy. This will not only require the sustainability of the hospitality and tourism industry's existing workforce but will also require the expansion of this workforce, some of which will need to come from overseas. However, the concerns with the current and proposed visa restrictions we have raised above will impede the ability for employers, most of which are small businesses, from being able to access the labour required to run their businesses when local labour supply and Australian labour has been unable to fill their labour demands.

As discussed with your secretariat in Darwin we look forward to presenting to the Joint Committee by telephone at a convenient time to be arranged by your secretariat.

Yours sincerely,

Des Crowe
Chief Executive Officer
Australian Hotels Association (NT Branch)