

Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Canberra ACT 2600

15 December 2017

Re: Migration (Skilling Australians Fund) Charges Bill, 2017

The Queensland Tourism Industry Council (QTIC) welcomes the opportunity to respond to the Migration (Skilling Australians Fund) Charges Bill, introducing the nomination of training contribution charge (to be known as the Skilling Australians Fund levy) on employers nominating workers under the temporary and permanent employer sponsored migration programs.

QTIC is the state's peak body for tourism in Queensland and represents the interests of the tourism industry. QTIC is an independent membership-based organisation with in excess of 3,000 members, operating in all sectors of the tourism industry, including business operators, Regional Tourism Organisations (RTOs), sector associations and education providers.

The tourism industry in Queensland contributed \$25.0 billion to Queensland's Gross State Product (GSP), representing 7.9% of total GSP¹ and generated \$6.6 billion in exports in the year ending June 2015², making it one of the state's largest export industries .

The 2017 *Travel and Tourism Competitiveness Index*³ rates Australia at 36th out of 136 countries in regards to visa systems. The report identifies that travellers have high expectations for visa systems efficiencies and low tolerance for barriers to mobility, indicating that poor visa systems can deter visitation. Challenging applications and significant fees for businesses will also diminish a company's willingness to engage in short and medium term

¹ Tourism Research Australia, *State Tourism Satellite Accounts 2015-2016*

² Tourism Research Australia, *State Tourism Satellite Accounts 2014-2015*

³ World Economic Forum. 2017. *The Travel and Tourism Competitiveness Report 2017*.

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Tourism is a key economic driver in regional Queensland, supporting employment and community growth, employing more than 225,000 people directly and indirectly, or 9.5% of all people employed in Queensland¹. This is substantially more than mining (2.5% of employment) or agriculture, forestry and fishing combined (2.5% of employment). There is a diversity of jobs within the tourism industry with 11 occupations representing the majority of workers in the industry⁴. On average around 79% of tourism employees are sourced from the local region, of the remaining, 11% are from interstate or intrastate and 4% are working holiday makers. Temporary visitors to Queensland play an integral role in the provision of tourism experiences and are vital to an industry with a skills shortage.

The *2017 Queensland Tourism Workforce Plan*⁵ explores opportunities to develop the tourism workforce to address a shortage of skilled workers. A key priority identified in the workforce plan is an assessment of how the tourism and hospitality industry can build the 'pipeline' of foreign workers by better using migration programs. Changes to the visa system must support regions and industries that require temporary workers to function effectively. The proposed changes fail to support a competitive environment for skilled migration, creating increased labour and skill challenges for those operating in identified sectors.

QTIC supports the Australian Chamber of Commerce and Industry's submission, specifically the observation that the levy charges are well in excess of the recommendations and beyond the affordability for industry. The result is likely to be slower business growth. These charges should be reconsidered to match industry capacity, including small to medium sized businesses that rely on a migrant workforce to overcome skills shortages.

Further concerns are raised about the suggestion that the training charges would not be fully or partly refundable even if the application was unsuccessful or if the visa holder returned home during the term of the visa. Again this creates an unnecessary burden on business owners and promotes additional barriers to participation in the program with a heightened risk attributed to participating in this scheme. User-friendly systems must be put in place to ensure that businesses are swiftly reimbursed and not burdened, should applications be unsuccessful or if the holder returns home during the term.

Given there is no guarantee that the SAF will receive the amount of revenue projected to be raised through the program, this has created uncertainty in the negotiations with the states/territories. With clearly articulated skills gaps across the tourism industry, vocational education and training provides critical intervention to ensure individuals are work-ready. The Federal Government must take a leading role in committing to the funding of vocational education programs that can effectively support the reduction of skills shortage, without any detriment to businesses and without compromising the accessibility of a skilled migration program.

⁴ Queensland Government Department of Tourism Education and Small Business (DETESB) identified occupations: Tourism Workforce profiling: Accommodation and hospitality managers; Housekeepers and Cleaners; Fast Food Cooks and Kitchen Hands; Receptionists; Waiters; Bar attendants and Baristas; Chefs; Cooks; Café workers; Travel and Tourism Advisers; Air Transport professionals

⁵ 2017 Queensland Tourism Workforce Plan. Jobs Queensland (2017).

For all enquiries regarding the points raised in this letter, please contact me or the QTIC Policy Team

Kind regards

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