



SUBMISSION TO THE DEPARTMENT OF HOME AFFAIRS

on

MANAGING AUSTRALIA'S MIGRANT INTAKE

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Queensland Tourism Industry Council

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OVERVIEW

The Queensland Tourism Industry Council (QTIC) welcomes the opportunity to respond to the Department of Home Affairs' consultation paper on *Managing Australia's Migrant Intake*. As the peak body for tourism, QTIC supports initiatives to review the efficiencies of the visa system to drive growth in visitation and skilled migration across Australia.

Based on discussion outlined in this submission, the following recommendations are made:

- Review of ANZSCO list to include new occupations and changing roles of existing occupations.
- Provide opportunity for temporary to permanent skilled migration.
- Maintain level number of available Migrant Program places, but review number of places in accordance with industry growth predictions and population increases.
- Include visitation numbers in growth forecasts to ensure demand is appropriately determined.

QUEENSLAND TOURISM INDUSTRY COUNCIL

QTIC is the state peak body for tourism in Queensland. QTIC is an independent private sector, membership-based tourism industry organisation.

All of Queensland's 13 Regional Tourism Organisations (RTOs) are members of QTIC, as are 20 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 and is a member of the Australian Tourism Industry Council (ATIC).


TOURISM IN QUEENSLAND

The tourism industry in Queensland contributed \$25.0 billion to Queensland's Gross State Product (GSP), representing 7.9% of total GSP and generated \$7.1 billion in exports in the year ending June 2016¹, making it one of the state's largest export industries.

In recent years, government and business communities have recognised tourism is contributing significantly to economic growth in Queensland and generating significant numbers of new jobs. Due to a slowdown in the resource industry, tourism has experienced resurgence and is flourishing against a relatively soft economic backdrop. In Deloitte's *Tourism and Hotel Market Outlook*², it is reported that international arrivals to Australia grew at twice the rate of global outbound travel and

¹ Tourism Research Australia - State Tourism Satellite Accounts 2015-16

² Deloitte, *Tourism and Hotel Market Outlook*, Edition 1, 2017



international visitation “continues to outshine broader economic performance”. Forecasts to 2020 indicate tourism will continue to grow faster than the wider economy.

Income growth in China and other source markets, coupled with a favourable Australian dollar, has seen visitor expenditure in Queensland grow to an all-time high of \$20.6 billion, a \$56.4 million daily spend in the Queensland economy (year ending June 2017)³. The broader impact of tourism expenditure is large; every tourism dollar injects an additional 87 cents the economy. Tourism continues to play an important role in regional Queensland as well as in urban centres. Benefits of tourism are widespread, with almost half of all expenditure going into regional Australia^{Error! Bookmark not defined.}. Furthermore, net taxes on tourism products arising from direct tourism consumption in Queensland raised \$1,111 million in federal, state and local government revenues, amounting to 25% of total taxes on tourism products in Australia¹.

The World Travel and Tourism Council⁴ (WTTC) project travel and tourism employment will grow 5.8% (compound annual growth) over the next decade in the Asia Pacific region. In contrast, total economy growth is projected at 4.1% per annum and other industries such as mining and agriculture are forecast to grow at 1.8% and 2.2% per annum respectively.

The five-year average growth rate for total visitor nights in Queensland is projected to be 4.0% over 2014–15 to 2019–20, or 3.9% over 10 years. This compares to 4.4% total five-year average annual growth for Australia, or 3.8% over 10 years.

Tourism and employment

Tourism is a key economic driver in regional Queensland, supporting employment and community growth, employing more than 225,300 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 industry⁵. Of those directly employed in tourism, two thirds are employed outside of Brisbane, highlighting the value of tourism in regional Queensland⁶.

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 makers⁷. Temporary visitors and skilled migrants to Queensland play an integral role in the provision of tourism experiences and are vital to an industry with a skills shortage (see box 1).

³ Tourism Queensland, *Tourism Economic Key Facts*, April 2017

⁴ World Travel and Tourism Council. 2017. *Travel & Tourism Economic Impact 2017 Asia Pacific*

⁵ 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

⁶ Tourism Research Australia, 2015-16, *Queensland Tourism Satellite Account*

⁷ *Jobs Skills, 2017, Queensland Tourism Workforce Plan 2017-20*



Box 1: Queensland tourism labour shortage

Tourism Research Australia and Deloitte Access Economics estimate an implied current shortage of **10,388 employed persons** in the Queensland **tourism industry**. With strong projected growth for the tourism industry it is anticipated that there will be an accumulated demand for **23,481 new workers by 2020**⁸.

Across Australia, businesses in the café and restaurant industries report greater labour market difficulties relative to those in the accommodation or attraction industries. In Queensland, top tourism-related occupations experiencing deficiencies are Cleaner, Guest Service, and Receptionist.

The 2017 *Tourism Workforce Plan*⁷ explores opportunities to develop the tourism workforce to address the deficit of skilled workers. A key outcome of the workforce plan is assessing how the tourism and hospitality industry can build the pipeline of foreign workers by better using migration programs. Any changes to the visa system must support regions and industries that require migrant workers to function effectively.

FEDERAL TOURISM INITIATIVES

Tourism 2020

In December 2011, the Federal Government announced its national strategy *Tourism 2020*, with a goal of doubling the value of tourism to \$140 billion by 2020. One of the key factors that will dictate the success or failure of Australia's tourism industry to meet its global potential is to meet the expected surge in demand with sufficient increases from the supply side of the tourism industry, such as tourism, aviation capacity and transport infrastructure.

The Tourism 2020 action plan identifies simplifying the 457 visa guidelines and the development of a template labour agreement for the tourism and hospitality industry as a key outcome alongside initiatives to grow demand from Asia. The ability to achieve the determined outcomes of the Tourism 2020 plan an accessible, simple and affordable visa system is required to encourage visitation.

The 2017 *Travel and Tourism Competitiveness Index*⁹ 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. Furthermore, the World Economic Forum identifies that visa systems are currently hindering growth, job creation and tolerance between cultures. Furthermore, removing travel visas could triple visitor flows between countries. Whilst it is not encouraged to remove travel visas, a simple, transparent approach to visa would support the growth in visitor numbers across Australia to meet the Tourism 2020 targets.

⁸ Tourism Research Australia and Deloitte Access Economics, 2015 *Australian Tourism Labour Force Report: 2015-2020*,

⁹ World Economic Forum. 2017. The Travel and Tourism Competitiveness Report 2017.



STATE TOURISM INITIATIVES

The Queensland Government and the Queensland tourism industry share an ambition to restore Queensland's leadership position as Australia's premier tourism state. The former government supported a **goal of doubling visitor expenditure, to \$30 billion by 2020**, in line with Commonwealth ambitions. The current Queensland Government has committed to maintaining these goals and to continue working with industry leaders to develop a prosperous and sustainable tourism industry. QTIC remains committed to working with government and industry to achieve training and employment outcomes through the following strategies:

Destination Success - Destination Success, the 20-year tourism plan of the Queensland Government for tourism. The strategy identifies that people are becoming increasingly mobile, with a strong motivator for travel, people are travelling further and more frequently for trade, business, events, conferences, education and healthcare. In working towards the *Destination Success* goals, the visa system needs to support the frequency and travel patterns of a changing visitor.

Advancing Tourism 2016–20 is the Queensland government's plan to capitalise on the significant tourism growth in Queensland. It targets key areas, identified by industry, to increase market share and boost tourism jobs.

The *Queensland Tourism Workforce Plan* explores opportunities to address workforce challenges felt by the tourism and hospitality industry. Tourism directly and indirectly accounts for around 9.5% of employment in the State. With an ageing population, rapid changes in technology and competition from other industries, attracting, training and retaining committed and skilled people in tourism, hospitality and events is a critical issue.

The plan states, "While only comprising 6% of the tourism workforce, industry stakeholders report that overseas workers can make a significant difference to a business' ability to serve their visitor markets during seasonal peaks. The projected industry growth will place pressure on the ability of the labour market to meet demand. By 2020, around 20,000 additional skilled and unskilled tourism workers will be needed in Queensland. The extent of the shortfall will depend on how many can be filled within the existing labour supply".

Box 2: Exert from *Queensland Tourism Workforce Plan 2017-20*, Jobs Queensland

"High-quality service from skilled staff is critical to maintaining competitiveness with other destinations. Industry, community and government must work together to achieve a breakthrough in the ever present challenge of labour and skill shortages. The industry needs to become a desired employment choice, offering benefits and skill development opportunities for its employees. The right skills mix must be offered through training, and clear expectations set between newcomers to the industry and employers. Business success will require knowledge, innovation and flexibility in meeting labour needs, increasing productivity and ensuring visitors have exceptional experiences". –



RESPONSE TO TERMS OF REFERENCE

Australia's migration programs over many decades have been a central driver of economic and social development in this country. The benefits captured through migration have helped shape the economy and many communities. We suggest that Australia is more likely to achieve positive outcomes for its resident community if a significant and well-considered migration program is maintained.


What factors are important to consider in planning the Migration Program over the next five years? Would those factors change over 10/15 years?

It has been consistently suggested by the tourism industry that existing migration arrangements are deficient in meeting the future needs of the industry and are unresponsive to industry needs in accessing global markets for skilled and unskilled labour. The tourism industry offers an exceptional opportunity to strengthen the economic and social and cultural exchange links between Australia and migration partner countries. Travel is also seen as a key motivation for international visitors to consider temporary or permanent residency in Australia.

The skill shortages faced by Australian businesses are particularly acute in some strategic sectors and have the potential to threaten economic growth. When determining the Migration Program in both the short and long term, a number of factors should be considered. Demographic trends, such as the aging population will determine the types of employment that the domestic labour pool will be able to supply. Manual jobs and those with "gig employment" characteristics are less attractive to an aged workforce and therefore may require skilled migrants to address the shortage. Chefs are a key example of a situation where an aging workforce is unlikely to address the shortage and where industry leaders are looking to skilled migrants to address a growing worker deficit. Further benefits to an aging population will be identified with young families arriving under a skilled migrant stream.

The recently released *Queensland Tourism Workforce Plan 2017-2020* highlights that as the tourism industry continues to grow faster than the wider economy the workforce needs continue to increase. The plan states: "Career patterns and expectations are changing, with individuals increasingly likely to have a number of different careers in their lifetime. Future workers need to be flexible and adaptable, able to move from tasks, jobs and locations with some having mixed portfolios of part-time work". These needs of a changing workforce need to be taken into consideration when determining the scope and criteria of a migration program.

QTIC supports the Australian Chamber of Commerce and Industry's submission and the need for a review of ANZSCO. In order to successfully understand and forecast workforce needs, it is integral that ANZSCO reflects current occupations. This includes those that are relatively new and have been stimulated by technological change. The skill level required for different occupations and the changes that have impacted occupations due to automation and shifts in consumer needs must be part of such consideration. Failure to evolve the ANZSCO may result in inaccurate forecast and a lack of understanding of key industry needs that the migration program could support.



Visitor movement should also be taken into consideration alongside population growth. On any one day in Queensland, for instance, there are on average approximately 370,000 non-residents in the state. This is a greater number than the population of the entire Sunshine Coast and almost as much as the city of Gold Coast. With such a large number of additional persons in the state, dispersed across regions, their impact on the economic and social dynamics should be taken into consideration. As tourism continues these numbers are anticipated to grow at 3.8% annually in Australian over the next 10 years. Tourism is a service driven industry with the need for a large number of skilled employment. In order to meet the growing demands of the transient population, non-residents must be considered when assessing employment demands over the next 10 years.

Recent changes to the 457 visa stream have not resulted in any notable improvement of the skilled workforce shortages currently evident in the hospitality industry. Neither has the negative media discourse surrounding migration and visa programs with the indication of migrant workers “stealing” Australian jobs. An improved migration program should focus on attracting migrants with skills that can support growth sectors in Australia, working alongside Australian workers to support the economic growth of the country.

How can we plan migration to ensure it is balanced to manage the impact on the economy, society, infrastructure and the environment in a sustainable way?


Research has found migration to provide a number of positive benefits, including facilitation of trade, technology transfer and foreign direct investment, providing incentives for greater investment in globally marketable skills, and transmission of democratic norms.

Social and positive economic impacts can be reduced if the path from temporary to permanent migration is closed or restricted. Restricting options to temporary migration may result in talented workers leaving Australia which may also create negative perceptions of Australia. Permanent migration should depend on individuals’ ability to contribute to the economy. All visa categories should offer the ability to move to a permanent stream so long as they meet appropriate requirements. This would create greater social and economic benefits to Australia.

There needs to be some flexibility to the visa transition process rather than rigid pre-determined pathways that may narrow the field of highly skilled migrants and therefore negatively impact opportunities for Australia’s growth.

Does the current size and balance of the Migration Program reflect the economic and social needs of Australia?

The current size of the Migration Program appears reflective of the needs of the economy and QTIC advocates to maintain the size of the program. Australia is a nation that is built on migration, as is our workforce and our economy. Migration has made an enormous economic and social contribution to Australia, in particular supporting labour shortages and in driving innovation and entrepreneurship. The 2016 census data reveals that 26% of Australians were born overseas and



about 50% of Australians had a least one parent born overseas¹⁰ indicating the importance of a strong Migration Program.

The 2017-18 Migration Program offered 190,000 places, but only 186,515 were granted. Of the granted visas, 68% were skilled migrants and the remaining 32% family streams. A similar number of places were offered in the 2016-17 round of applications indicating that the 190,000 is a sufficient and well managed number. Flexibility over time should be considered through as today's needs are not reflective of the future; there should be the opportunity for further skilled migration places to support the growth of key industries.

When compared to other nations, the UK welcomed over 275,000 migrant workers (approximately 0.96% of population) and Canada over 250,000 (approximately 0.71% of population) in the 2016-17 period. These figures indicate that comparatively Australia is performing similarly to other countries globally.

How could the permanent Migration Program be more responsive to global migration trends, including the rise of temporary migration?

Recent changes to the 457 visa stream have not resulted in significant changes to addressing the skilled work force shortage currently evidenced in the hospitality industry. Further changes to the Migration Program should support a focus on attracting migrants with skills that will help support the Australian economy and its growth sectors. Industry growth predictions are strong indicators of demand, by utilising these forecasts effectively the Migration Program can be reflective of industry needs. Shifting political landscapes in Europe and the US are likely to have impacts on the Australian Migration Program over the next five to ten years. It is important that the Migration Program is structured to derive benefits from these changes whilst supporting the needs of the economy. To capitalise on this opportunity and appeal to skilled migrants, pathways from temporary to permanent migration should be re-examined with the current STSOL not offering stable or compelling opportunities for a family to uproot and migrate.

Given the nature of recent changes to the visa system, it is also recommended that extensive consultation with stakeholders is implemented to fully understand the potential impact of changes to the Migration Program on various industry sectors.

RECOMMENDATIONS

Based on QTIC's assessment, the following recommendations are made:

- Review of ANZSCO list to include new occupations and changing roles of existing occupations.
- Provide opportunity for temporary to permanent skilled migration.
- Maintain level number of available Migrant Program places, but review allocation of places in accordance with industry growth predictions and population increases.
- Include visitation numbers in growth forecasts to ensure demand is appropriately determined.

¹⁰ Australian Bureau of Statistics, [Census of Population and Housing: Australia Revealed](#), 2016.



FURTHER ENQUIRIES

QTIC welcomes the opportunity for further discussion regarding the points raised in this submission. For all enquiries, please contact QTIC Policy Team on (07) 3236 1445 or email policy@qtic.com.au.