

POLICY & ADVOCACY UPDATE

Issue #11, 14 December 2023

- Migration Strategy a positive step forward
- AHA/AA call for more employer sponsored permanent migration places
- IR update - Closing Loopholes and Fixed Contracts
- AA/AHA recommends major updates to jobs in ANZSCO
- Tourism Industry Responds to the Aviation Green Paper
- New Project Manager at AA
- Latest Tourism Satellite Account Data
- MYEFO released by the Treasurer
- AA Board Meets in Melbourne

Migration Strategy a positive step forward

On Monday the Government released its [migration strategy](#). Here is a summary:

- Temp Skills Shortage visa (TSS – prev 457) to be replaced late 2024 with a three-tiered Skills in Demand (SID) Visa:
 - Top tier – Specialised Skills - for salaried migrants (not trades) paid above \$135,000 – not subject to an occupation list, 7-day processing. Many hotel managers will fit into this, and assessment of shortage will not be relevant.
 - 2nd tier \$70,000 (TSMIT) - \$135,000 – Core Skills – subject to a single Core Skills Occupation List produced by Jobs & Skills Australia assessing not only shortages but also whether the occupation is “suitable” for migration and also what local training and workforce planning is taking place. Service standard 21-day processing.
 - 3rd tier – Essential skills under the TSMIT – at the moment these are being dealt with by 1800 labour agreements making up about 5% of the current TSS. Sector specific arrangements and further consultations signaled.
- The emphasis in the new Skills in Demand is on mobility which has the downside risk of sponsoring employers of migrants being discouraged from sponsoring. The strategy signals that a public register of approved sponsoring employers will be created to help migrants find a new sponsoring employer. The strategy states it will explore trailing fees to reduce the upfront fees to government but the cost to employers often includes migration agents, skills assessment and English language tests. We will need to consult closely with government on this aspect, as the strategy document refers to the new SID visa as effectively a multiple employer sponsor visa.
- Labour market testing to be streamlined, with immediate removal of the need to advertise in the government’s employment services system, and subsequently to increase the LMT validity period from 4 to 6 months. Consideration of moving away from LMT completely and relying on independent verification of labour market need via JSA.
- Permanent migration planning to be over a 3-year cycle as part of overall population planning with State and Territory governments and points test for independent permanent migrants to be recalibrated.
- Big changes to international students, with a focus on post study work rights. English language requirements will be increased, a crackdown on high-risk providers and non-genuine students, and mechanisms to limit the international student graduates working for some time in jobs below their skill level (50% of graduates working in Skill level 4 and 5 jobs – many of which would be in our industry as room attendants, bar and waiting roles).
- No immediate changes to the Working Holiday Maker visa but a review of the visa including the 88-day rural requirements to occur.
- Applications for migrants who are going to work in the regions will be prioritised.

Overall, it is a positive step forward, as you will see from the [media statement](#) that we are jointly released with the AHA. The government has left plenty of things to do, so it will be another busy 12 months or more with migration as we provide input into the consultations and reviews. The public message is all about reducing numbers to align with perceived community



sentiment, and the projections in the strategy for net overseas migration are lower particularly as a result of the changes made to student visas.

AHA/AA call for more employer sponsored permanent migration places

In a joint [submission](#) to the Department of Home Affairs, the AHA and Accommodation Australia mounted a strong case to increase the number of places allocated to employer sponsored permanent migrants. In response to a request for input into the planning levels for 2024/25 migration, our industry pointed out the evidence that employer sponsored migrants usually had better employment and economic outcomes than independent migrants and the balance needs to swing back further to employer sponsored migrants. With the number of years a temporary migrant needs to work for a sponsoring employer before being nominated for permanent residency reduced from 3 to 2 years (see previous updates), and the number of occupations that can now progress to permanency increased, the program in 2024/25 need to cater for increased demand. This will be the last year that government will call for input for a one-year migration cycle as they will be moving to a 3-year approach in future.

AA/AHA recommends major updates to jobs in ANZSCO

Reflecting input from members from two workshops and via email, the joint [submission](#) by AHA/AA to the Australian Bureau of Statistics recommended significant change to the Australian and New Zealand Standard Classification of Occupations (ANZSCO). The most important change sought was for the statistical database of occupations to recognize the job roles in the industry at the skilled and supervisory level. Apart from cooks, there was very few jobs outlined in ANZSCO for our industry between managers and chefs (ANZSCO Skill level 2) and front-line staff such as waiters and bar attendants (Skill Level 4). This did not reflect experienced job roles such as cocktail bar attendants, concierge, fine dining waiters and other more skilled job roles, nor did it pick up any of the supervisory roles. Consultations with the ABS will continue into the new year, so if members want to add any further comment on the submission you are encouraged to send me an email - contact details below.

IR update - Closing Loopholes and Fixed Contracts

On 7th December, in the last parliamentary sitting for the year, the Federal Government reached a deal with Senators Pocock and Lambie to split the Fair Work Legislation Amendment (Closing Loopholes) Bill 2023 and passed a number of changes including those to labour hire, criminalisation of underpayment and union delegate rights. The remaining parts of the legislation including the all-important casual provisions will be revisited next year following the conclusion of the Senate inquiry process in early February. In other IR news, new restrictions on fixed term employee contracts came into effect last week making contracts for more than two years unlawful. There are exemptions, including for employees paid more than \$162,000. Your AHA/AA workplace relations teams will be able to provide you all the detail you need to ensure your contracts are compliant.

Tourism Industry Responds to the Aviation Green Paper

Capacity and pricing of aviation, both domestic and international, has been very much in the headlines, particularly with the inquiry into why the Transport Minister rejected the request by Qatar for extra flights in Sydney, Melbourne and Brisbane. Around the same time, the Federal Government released an Aviation Green Paper (a preliminary step before finalising new policy) and sought comment. Aus Chamber Tourism recently made a [submission](#) on behalf of its members, including Accommodation Australia, stressing the importance of competition in the aviation industry to drive down prices particularly given the distance to other countries as well as the distance between cities within Australia. The Chamber welcomed the recommencement of ACCC monitoring of airline prices, and also recommended that the government should trial cabotage on some routes to improve competition, meaning that international carriers could stop over at a regional Australian airport and carry passengers between that airport and the final destination.



New Project Manager commences at AA

Accommodation Australia's project to create a one-stop digital hub for hospitality, tourism and travel is full steam ahead following the execution of the contract for phase 2 of the \$10m federal government grant last week and the commencement of a new Project Manager on Monday. Well-respected manager James Lawton (see picture right) has been hired to spearhead the project. James comes from a project management and financial services background, with a family history in hotels and hospitality. Most recently he has held the role of Project Manager with iPlatforms, focused on implementation and innovation and prior to that he was responsible for developing applications focused on employee and customer experience for American Express Australia, New Zealand and Philippines. The employment platform will be a one-stop shop for people across the visitor economy in the hospitality, tourism and travel sectors for all things to do with careers, jobs and training.

Latest Tourism Satellite Account Data

The Tourism Satellite accounts for 2022/23 released last week show that tourism gross domestic product (GDP) rose 60.1% to \$57.1b in 2022-23 compared to the previous COVID impacted year but remains below the 2018-19 peak of \$63.4b. Tourism's contribution to economy GDP rose to 2.5% in 2022-23 but remains below the 2018-19 level of 3.1%. Domestic tourism consumption rose by \$34.9b to \$124.9b in 2022-23 while international tourism rose by \$17.7b to \$23.6b. Tourism filled jobs rose to 626,400 in 2022-23 but remains below the 2018-19 peak of 700,900 filled jobs. The accommodation industry's Gross Value Add increased to \$7.7b in 2022-23 which is 25.5% higher than the 2018-19 level of \$6.2b. This was a bigger rise than for restaurants/take away (17.6% up) and travel agents (7.8%). The greatest increases in filled jobs in 2022-23 occurred in cafes, restaurants and takeaway food services (up 58,100 jobs from the previous year), retail trade (up 32,500 jobs), accommodation (up 22,900 jobs) and education and training (up 19,600 jobs). The filled tourism related jobs for accommodation at 84,400 for 2022/23 is an upward adjustment on the preliminary figures for year to June issued in September, but still well short of the 95,000 jobs in 2013. AA has reached out to the ABS and Tourism Research Australia to seek further explanation of the anomalies in the data in the Satellite accounts for accommodation.

MYEFO released by the Treasurer

This week the Federal Treasurer released the Mid-year Economic and Fiscal Outlook (MYEFO). Overall, MYEFO shows an improvement on the budget outlook from the May Budget, with higher-than-expected revenues mainly from corporate taxes delivering a larger than expected (\$18.8 billion) surplus in 2022-23 and a small deficit (\$1.1 billion) in 2023-24, then the deficit increasing further over the forward estimates (to \$35.2 billion in 2026-27). The structural deficit remains, with growth in the NDIS, aged care, healthcare and defence, as well as interest payments on government debt, growing much faster than the broader economy. Hidden in the detail is a commitment from government to undertake a review of Australian Apprenticeships and Incentives. The review will be led by an experienced expert and will include an early focus on financial supports for apprentices and consider opportunities to update program settings to better support apprentices. Also, they are going to spend less than the original budget on scoping a skills passport but more than the original budget for the TAFE Centres of Excellence. There is \$30.1 million over four years from 2023-24 to improve the skilled visa system, including replacing the Temporary Skilled Shortage visa with a new Skills in Demand visa, developing a new skills shortage list and streamlining pathways from the Temporary Graduate visa to a skilled work visa for high-performing graduates. In addition, the Department of Education and the Department of Employment and Workplace Relations will undertake scoping work on approaches to mitigate financial hardship on tertiary students completing mandatory unpaid placements in care and teaching professions.

AA Board Meets in Melbourne

Today the AA Board met in Melbourne and a number of important policy issues were discussed including short term rental accommodation (STRA), airline capacity and pricing, workplace relation laws, migration, and group payroll tax concerns in South Australia. These issues were top of mind for members, and all have strong currency in the public arena, particularly with the migration strategy out this week and the housing crisis putting the spotlight on STRA.



Drop me an email at policy@accommodationaustralia.org or give me a call on 0418 277 919 if you have any national policy issue that you think AA should be following up. If you know an AA member who is not receiving this advocacy report but wants to, then encourage them to email me and we can add them to the distribution list. Note that the national office is closed between Christmas and New Year. The next advocacy update will be either the first or the second week of January, depending on what news is around early in the New Year.

Kind Regards

Jenny Lambert
National Policy & Research Advisor
Accommodation Australia