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POLICY & ADVOCACY UPDATE Issue #8, 1 November 2023

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Big win on casual provisions in Closing Loopholes Bill

In a major win for AHA/AA and the AHA workplace relations team, Minister Burke has this week given a commitment to amend the Closing Loopholes Bill to remove the proposed ban on employers misrepresenting permanent employment as casual to ensure that heavy penalties not apply to companies that mistakenly misclassify an employee. The government will also address concerns that casuals could not be employed with regular patterns of work if they wanted to be and will confirm that it is possible for a person to work regular hours and still meet the definition of casual employee. AHA CEO Stephen Ferguson, who spearheaded the advocacy to amend the proposed legislation, was widely quoted in the national media welcoming the new commitments. Stephen, and his colleagues from the AHA WR team, also appeared yesterday before the Senate Committee inquiring into the legislation. He said that while the AHA could live with the changes, he reinforced the fact that the Bill and the Fair Work Act generally were very complex and were the product of a Parliament that gave employers a difficult workplace legal environment. The AHA media release can be found here.

Accommodation jobs analysed in latest Skills Priority List

Jobs and Skills Australia released their latest <u>Skills Priority List (SPL</u>) last week and it has thrown up some interesting assessments of where the labour shortages are in the accommodation sector. It is absolutely no surprise that Chefs, Cooks and Pastrycooks are assessed as being in shortage in every State and Territory. However, as is shown graphically below, the picture for accommodation and hospitality managers is a mixed bag, with shortages assessed as appearing in 2023 in every state except WA and Victoria (NS=no shortage). The SPL is particularly relevant for the future direction of migration, where sponsorship of skill level 3 and above will only be available for occupations assessed as being in shortage, although it is not clear if the proposed migration program will allow state level shortages or only national.

The assessment of other occupations relevant to accommodation on the SPL are:

Skill Levels 1, 2 and 3 (generally available for migration)

- Cafe & Restaurant Manager only in shortage in the NT
- Hotel & Motel Manager for 2023 only in shortage in the NT despite being in shortage everywhere in 2022
- Hotel Service Manager (housekeeper etc) shortage in WA only
- Hospitality, Retail and Service Managers (not classified in the hotel manager) only in shortage in Victoria and NT which was the same assessment as 2022

Below Skill level 3

- · Hotel and Motel Receptionist shortage only in WA
- Bar Attendant only in shortage in Vic and NT
- . Barista only in shortage in the NT

If these assessments do not match your experience, then contact me or your local state AA manager The JSA does utilise industry feedback in finalising their assessments and we can pass on the experiences you are having with the labour market.

Hospitality occupations under review by the ABS

The Australian and New Zealand Standard Classification of Occupations (ANZSCO) is a critical piece of data architecture that is used extensively by the Australian Bureau of Statistics (ABS), Jobs & Skills Australia (see above), and many other labour market statistical organisations. Users of the migration program would be very familiar with ANZSCO as its coding system is fundamental to accessing sponsored migrants. After many years of delays in updating ANZSCO, the ABS has commenced a rolling update of the occupations, and between now and 5 December 2023, the hospitality-related occupations are under review. I have compiled the relevant occupations into the one document which can be seen here. More information about the ABS ANZSCO review can be found on their website.

Members are asked to provide comments to me (see contacts below) by 20 November 2023 on the:

- · accuracy of the job title, including alternative titles,
- · relevant qualification,
- duties and
- skill level
- · any hospitality-related accommodation roles missing (accepting that any of
- the trades engineering or grounds roles are not included here)
- any occupations likely to emerge in the industry in the next 5-10 years.

Tourism & International Education Inquiry Interim Report released

The Joint Parliamentary Committee reviewing the tourism and international education sectors post-pandemic (to which AA made a <u>submission</u>) released their first interim report last week. This report focused on the international education sector and made a number of recommendations including:

- adopting a "Team Australia" approach to marketing and branding and the coordination of diversifying into new source markets.
- a more systemic approach to tracking alumni to foster enduring connections with Australia
- consider international traineeships for workers from the Pacific region
- improve employer understanding of graduate work rights
- better work integrated learning framework for international students to improve work experience
- breaking down some of the accreditation barriers to allow international graduates to fill skills gaps
- more action on student accommodation, including home stay models, to alleviate shortages
- address deep-seated integrity issues with private VET colleges and education agents and trialing
 external skills assessment of students at high-risk providers, and better visa arrangements for
 students enrolled at TAFEs.

No recommendations were made to change the new fortnightly hours' cap for student work rights.

AA submission on migration skills assessing authorities

In response to a call by the Department of Employment & Workplace Relations for comment on proposed principles and standards for assessing authorities who undertake the skills assessments for migrants, AA made a <u>submission</u> which highlighted the importance of improving the timeliness and cost of the assessments. Members have complained consistently about the long wait times for assessments to be organised by the approved assessing authorities, particularly for assessments arranged overseas. Skills assessments are obligatory in many of the occupations that are sponsored by members. The cost of these assessments can also be prohibitively expensive. AA called for greater transparency of the performance of these assessing authorities so that employers and migrants can make better informed choices about where and with whom to arrange their skills assessment. Transparency of performance data should also drive improvements in timeliness and cost.

AA in Canberra on migration and skills

My trip to Canberra a fortnight ago to advocate for many of the key issues for the accommodation sector including migration, skills, employment, small business and short-term rental accommodation was very productive. In the meeting organised by ACCI with the Minister of Skills & Training (see group photo right), I urged (see photo below) Minister O'Connor to not forget the major jobgeneration value of tourism and hospitality. This was in response to yet another media release about skills which focused on industries such as manufacturing, care and digital, with no mention of major job generators such as retail and hospitality.



In addition to this engagement on skills, I had three very useful meetings on migration including with Minister O'Neil's office, Minister Giles' migration advisor and the head of migration policy at the Department of Home Affairs. The Government will release their migration strategy soon, and we will see the proposed 3-tier system come into operation, with the bottom tier below the TSMIT of \$70,000 having special arrangements, the middle tier having a single occupational skill shortage list, and an upper tier above a threshold between \$120 and \$180K (the government is not saying - but likely somewhere in the middle) where there will be less administration and no occupational list limitations. I advocated for intercompany transfers to be treated in the same concessional way as the upper tier (but for all migrants above the TSMIT), as accommodation has a truly global workforce with opportunities for Australians as well as bringing people in to fill skills gaps.



Political horse-trading on airline competition

As reported in the last advocacy update, the Government has reinstated the role of the Australian Consumer and Competition Commission (ACCC) as a monitor of domestic flights, commencing before the end of this year and continuing for the next three years. As it turned out, it was an interesting piece of political "horse-trading", with independent Senator David Pocock securing this commitment in return for him not supporting a reconvening of the Senate Inquiry into Bilateral Airline Agreements. The Opposition had pushed for the Inquiry to reconvene in order to hear the evidence of former Qantas CEO Alan Joyce, but this is not to be. Canberran Senator Pocock issued a statement saying that Canberra is poorly served by the lack of competition and suffers the most from flight cancellations. He, like the AA in our submission, called for greater transparency in the bilateral agreement process, increased competition across the aviation sector and a focus on slot sharing His full media statement can be found here.

Apprenticeship wage subsidy claim deadline looming

Members are reminded that all claims for Boosting Apprenticeship Commencement (BAC) and Continuing Apprenticeship (CAC) employer incentives for wages paid between 1 January 2022 and 30 June 2023 must be submitted by 31 December 2023 and will not be accepted after this date. More information can be found here. The future for apprenticeships looks bleak unless more investment is made in wage subsidies, as most of the incentives have been severely reduced, and for most traineeships soon to be eliminated. AA has been lobbying consistently for wage subsidies for year one of an apprenticeship to be increased to at least 30%, and recently the Australian Chamber of Commerce and Industry, of which AA is a member, joined forces with the AiGroup, BCA and unions to push for a reinstatement of wage subsidies at 30% for the first year in the next Federal Budget.

Cruising benefits accommodation

A <u>report</u> released recently by the cruise industry showed that in 2022-23, \$5.63 billion in total economic output was generated by cruising, which was over 20% more than the pre-pandemic 2018-19. The report indicated that the largest beneficiary of direct passenger expenditure was the hotel and accommodation sector which received \$457.1 million, or 30.6% of passenger spending. NSW recorded the biggest benefit, with a total economic output of \$1.69 billion or 30% of the national total. It was daylight 2nd, but the next largest was Victoria with \$380 million of economic value. With both the South Australian and Northern Territory Tourism Ministers releasing comments this week about the bumper forthcoming cruise season, hopefully the economic benefit of cruising will be even widely felt in the year ahead.

ABS Producer price index for accommodation and food services

Recently released ABS data demonstrates that it has been a mixed last 12 months for accommodation. In a data series that measures the price rises for particular industries, for the September quarter 2023, prices rose in the accommodation services sector by 3.7%, compared with 2.0% for cafes, restaurants and takeaway food services, and 1.8% across all industries. FIFA world cup and other events would have had a positive impact in this quarter. For the year ended September, prices rose only by 2.9% compared to cafes etc at 6.6% and 3.8% for all industries. The below graph (source ABS: Producer Price Index,

Sept Qtr 23) shows what a difficult June quarter it was for our sector and reinforces the ABS estimates of employment lost during that quarter (see earlier advocacy updates).

Accommodation services prices rose due to increased demand surrounding holidays and major sporting events



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.

Kind Regards

Jenny Lambert National Policy & Research Advisor Accommodation Australia





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