

MEDIA RELEASE

Labor's 457 proposals would damage Australia's regional economies at vulnerable time - TAA

16 October 2015: Calls by the Labor Party to increase the cut-off level for 457 visas in exchange for passing the China Free Trade Deal would seriously affect regional destinations across Australia, according to Tourism Accommodation Australia (TAA).

The peak accommodation body said that the proposal to increase the threshold level from \$53,900 to \$57,000 would make it even harder for regional and remote areas to source skilled staff, especially with Australia's cities undergoing its largest hotel expansion in over 20 years.

Currently, both cities and regional areas are struggling to fill skilled positions from local sources, and this had the potential to jeopardise service standards at a time when the Australian tourism sector had the potential to make up for the slump in the mining and resource sector.

"This would have the opposite effect when it comes to protecting Australian jobs, because the tourism and accommodation sectors use 457 visa applicants to fill skilled positions that they can't fill locally, and these positions are crucial for providing the services required by tourists," says TAA CEO, Carol Giuseppi.

"Remote areas in Western Australia, Northern Territory and Queensland continually struggle to attract local skilled hospitality workers, and will increasingly rely on skilled overseas workers as all the new city developments require increased staffing.

"City accommodation and hospitality providers also face shortages, but have greater capacity to attract workers, but regional and remote areas are particularly vulnerable to skilled staff shortages. Many are very seasonal, so they require greater flexibility, and 457 visa holders enable many businesses that are only marginally profitable with a key resource.

"The Labor Party should be supporting both the China Free Trade Agreement – which will provide great opportunities to Australia's economic future – and supporting the needs of regional and remote areas by not demanding changes to the 457 visa levels."

Ms Giuseppi said TAA supported the research by Australian Chamber of Industry and Commerce which showed that changes to the 457 threshold level would significantly impact accommodation and hospitality industries in a number of States.

"We already have reports of significant shortages in a number of areas, and many of these regions have been struggling for a number of years, so this is a time where they need maximum support," said Ms Giuseppi.

Ms Giuseppi said the industry was investing heavily in training and development but with over 10,000 rooms scheduled to come on stream before 2020, the industry could not supply from domestic sources the level of skilled workers required to cater for the growth in the sector.

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