



15 December 2022

Employment Taskforce
Commonwealth Treasury
Langton Crescent
Parkes ACT 2600

SUBMISSION TO COMMONWEALTH TREASURY ON THE EMPLOYMENT WHITE PAPER TERMS OF REFERENCE

The Tourism & Transport Forum (TTF) is the peak industry group for the tourism, transport, aviation and related infrastructure sectors, representing organisations from airlines and airports to hotel operators and iconic attractions.

On behalf of our members, TTF's submission provides select input to the Treasury Employment Taskforce to aid in its development of an Employment White Paper. Our submission is set out in three parts:

- **Part One** of our submission provides insights on the **future of work**, with an additional focus on digitalisation and emerging technologies, energy transition and climate change, and building resilient supply chains.
- **Part Two** addresses the untapped First Nations employment, presenting **two case studies** highlighting leading examples of how the private sector is working with government to improve labour market outcomes for those facing employment challenges.
- **Part Three** we outline the opportunities to **enhance our visa system, develop skills, education and training** as well as how **targeted migration settings** can complement the domestic workforce, including the international supply of skills and labour required over the medium to long-term to service upcoming major transport and infrastructure projects.

Part One – Future of Work

Our economy is transitioning at an ever-increasing pace including changes in the nature of work. This will present challenges for Australia's tourism, transport and aviation industry. Further, skilled labour will be required to deliver the almost \$255 billion in infrastructure committed to by state and territory governments over just the next four years.¹

Australia is also competing directly with other markets who are offering incentives to attract workers. For example, Canada² is offering 'fast track' attraction programs to address their own skills shortage. Australia would benefit from a similar attraction or incentive program to bring in talent required across transport projects and tourism operations.

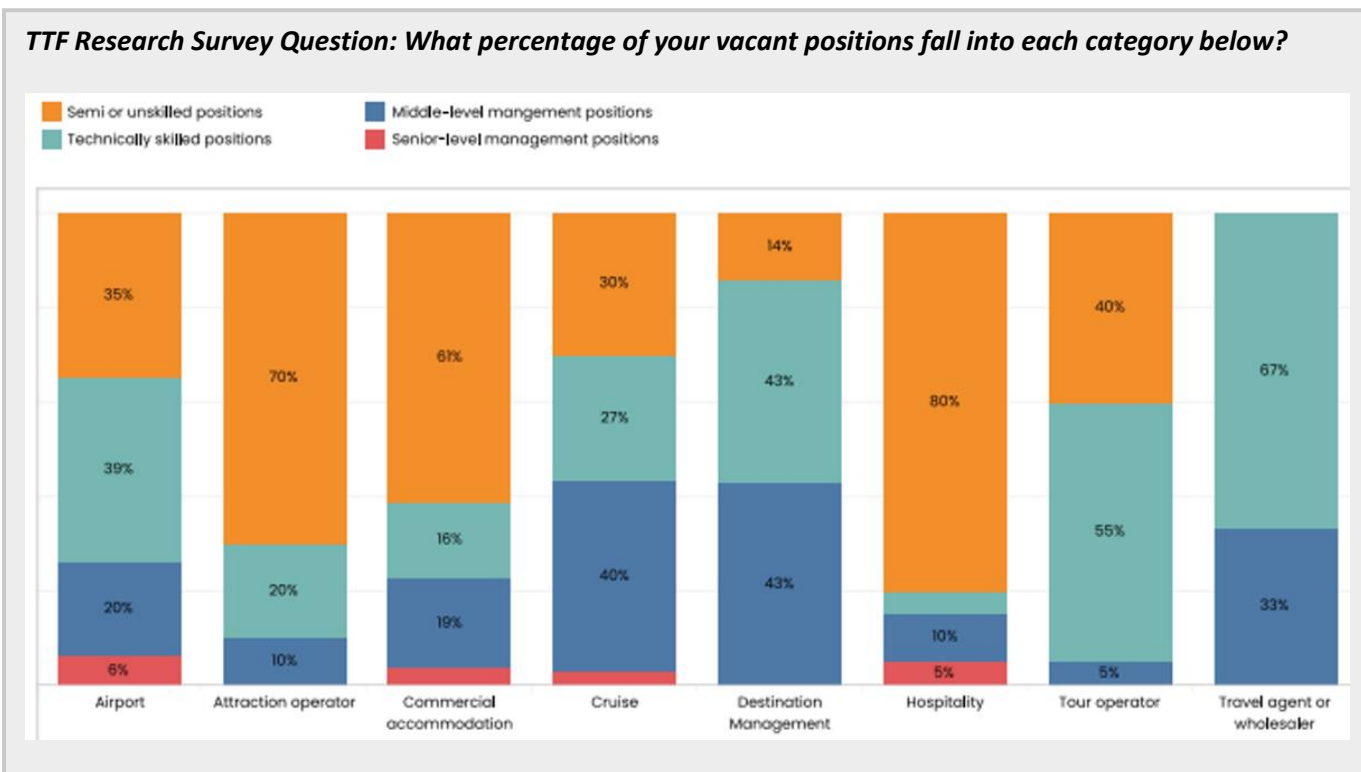
Recent TTF research based on a member survey data (see example graph below) highlights that there are at least 20-30 percent of jobs vacant across our industry sub-sectors, including airports, attractions, accommodation providers, cruising, destination management, hospitality, tour operators and travel agencies.

¹ Infrastructure Partnerships Australia's Annual Australian Infrastructure Budget Monitor

² <https://destinationcanada.com.au/canadian-employer-options-for-hiring-foreign-workers/>

These vacancies are spread relatively evenly across a) semi or unskilled positions, b) technically skilled positions and c) middle-level management positions, with some additional vacancies also in senior management positions.

Sourcing labour to fill these vacancies and other positions will be critical to our recovery. It will take a concerted effort by industry and government to rebuild. It will also require initiatives from updated and enhanced training



models to major reform of the visa system, and serious marketing efforts into the global talent pool. Other support could include various business tax incentives, funding programs, or more general business support to improve pathway processes.

Our industry will also continue to work with the Australian Government to highlight the many career pathways that are available for Australian workers. However, this longer-term ‘future of work’ challenge will need to be supported in the short term by dedicated programs to attract international skilled workers to help address this major supply constraint.

Digitalisation and emerging technologies

Consideration should be given to the **changing travel consumer** who will drive the skill needs of the next decade for our industry. Recent TTF member survey research findings which will help to inform the taskforce include:

- 40% of surveyed travellers want to explore unfamiliar destinations,
- American Express data highlights that 69% are visiting lesser-known destinations, 72% were hoping to support local communities, and 59% were interested in “philantourism”,
- 52% are more likely to take an outdoor trip than before the pandemic and 47% want their next trip to be in nature,
- 64% say technology will be more important than ever on holiday,
- 63% believe technology is important for controlling health risks when traveling,
- 62% agree that technology helps to alleviate their travel anxiety,
- 60% of travellers are looking forward to meeting new people, and
- 83% of global travellers want to make sustainable travel a priority in the future.

Energy transition and tackling climate change to achieve net zero

Our tourism, transport and aviation sectors are committed to the firm target of **achieving net zero emissions by 2050**, backing in the global airline industry's 2021 net zero resolution and supported by ongoing developments in decarbonised public transport systems across our states and territories.

Australia must now continue positioning itself as the leading **environmentally sustainable destination of choice** for visitors in future years. We will need the skilled workers to make that all possible.

Need for a Local Sustainable Aviation Fuels (SAF) industry in Australia

SAF fuels are low-carbon fuels derived from a variety of biogenic and non-biogenic sources such as plant and animal wastes, used cooking oil, or chemical compounds – including carbon dioxide and green hydrogen. They offer an alternative to conventional jet fuel, which has traditionally been derived from crude oil – a non-renewable product of petroleum. SAF fuels are a credible solution to the decarbonisation challenge as they meet the same chemical and safety specifications as conventional jet fuels. SAF is the single biggest facilitator of the Australian aviation sector capacity to reach net zero by 2050.

With industry and governments working together to create a supportive investment and policy environment, an Australian SAF industry could:

- Secure Australia's domestic fuel security – removing reliance on imported liquid aviation fuel,
- Create more than 7,400 jobs by 2030, and up to 15,600 jobs by 2050, with most in regional areas, and
- Contribute an additional \$2.8B in GDP per year by 2030, and up to \$7.6B per year in 2050.

However, the establishment of an adequate SAF industry will however create the need for a more specifically skilled workforce and that critical factor will also need to be addressed in any development plans.

The Minister for Infrastructure, Transport, Regional Development and Local Government, The Hon Catherine King announced on the 14 July 2022 that the Australian Government will establish a Jet Zero Council to enable Australia to play a part in reducing carbon emissions and drive innovation in SAF development.

This is a positive response from the Government, as TTF in consultation with its airline and airport members have been working on a similar initiative for the past three years with the intention of taking it to Government. The Covid 19 pandemic delayed its progress. TTF and its aviation members are well placed to support the Government's work in this space and to drive an outcome that will not only support a significant reduction in carbon emission but also drive economic activity and create jobs.

Additionally, we intend to establish a group along the lines of the Jet Zero Council seen in the UK or the Council for Sustainable Aviation Fuels in Canada.

TTF will continue working with governments, industry and other stakeholders to develop a robust, sustainable, and viable Australian SAF industry to help realise these potential lasting benefits. Individual states as well as the Commonwealth will have an important role to play in this development, contributing jointly and supported by the private sector, to both develop voluntary passenger and corporate/government SAF buying programs and investing in sustained SAF uptake over the long term.

Building more resilient supply chains

The tourism, transport and aviation industry relies heavily on efficient reliable, resilient global supply chains to secure the components required to service the sector. This includes:

- Aviation - the many parts required to service and maintain aircraft across our airlines,
- Public transport - the need for bus drivers to service key routes, with the current shortage totalling some 3,000 roles,
- Other key transport related vacancies include engineering and project manager roles to service the pipeline of transport infrastructure projects coming online across the country over the next decade.

Another key supply chain challenge is the reattraction of aviation routes to Australia from key markets, including Asia, North America and Europe. This has been exacerbated by the reluctance of carriers to put additional air routes on if the demand cannot be met due to the soaring cost of international air fares, driven by increased fuel prices and other geopolitical factors. Australian policymakers are encouraged to continue to press the case at bilateral engagements, and international forums that there is long term growth in demand within the Australian market for additional air routes.

Part Two – First Nations Employment and Case Studies

Our First Nations people are a valuable, underutilised workforce and will be vital to the future, particularly for the tourism industry. The growth of Australia's tourism market (domestic and international) and the unmet demand for Indigenous tourism experiences presents an opportunity for industry and First Nations to collaborate.

At TTF, we are committed to developing a First Nations working group to enable the industry to support Indigenous communities, collaborate with and provide access to jobs within local Indigenous communities. Several TTF members are already well advanced in this space, and we provide two case studies on this below. Although there is already work in this space, there is a real opportunity for other businesses and industry bodies to tap into the First Nations workforce across Australia.

Case Study: Voyages Indigenous Tourism Australia

Voyages is owned by the Indigenous Land and Sea Corporation (ILSC) and manages tourism and resorts on their behalf. The company offers experience-based holidays in wilderness locations in the Red Centre in the Northern Territory and at Mossman Gorge in Tropical North Queensland.

Voyages' National Indigenous Training Academy (NITA) aims to "change the lives of Indigenous Australians by providing market leading training and employment programs and empowering a growing Indigenous workforce" at both Ayers Rock Resort and Mossman Gorge Cultural Centre.

The unique training, working and residential program supports trainees to participate in the local community, learn life skills and build a solid foundation for their future career. It includes accommodation and a dedicated residential and training team on location.

Pivotal to the trainee's support system are the on-site NITA Residential Supervisors and the Voyages Wellbeing Team. Often, trainees are living away from home for the first time and this can sometimes create a multitude of personal and individual complexities to living in a remote rural community and together the teams are often the crucial first point of contact. The teams work to build solid and trusting relationships with the trainees and have both the appropriate experience and training, as well as existing relationships with external services such as the Yulara Medical Centre, Congress, Royal Flying Doctors Service in Alice Springs and other health providers in the Northern Territory

Case Study: Crown Resorts

Major hospitality and entertainment operator **Crown Resorts'** diversity and inclusion strategy focuses on people and encompasses several programs including the Indigenous Employment Program. This award-winning program was established in 2009 and is delivering a positive impact in the lives of Aboriginal and Torres Strait Islander people in Australia.

It was established after Crown became the first signatory to the Australian Employment Covenant and publicly affirmed a commitment to provide careers for 300 Indigenous Australians – a target that has been proudly exceeded. On 30 June 2021, over 1,000 employment opportunities were created through the Indigenous Employment Program. The Indigenous Employment Program has received over ten awards over the past decade.

Further, Crown is now developing its third Reconciliation Action Plan (RAP), following two earlier successful RAPs. The dedicated RAP steering committees across Melbourne and Perth have determined that this third RAP will focus on identifying the strengths of Indigenous employment and championing these within the wider industry.

Part Three – Visa Reform, Skills, Training and Migration Opportunities

Australia faces the ongoing challenge of balancing investment in domestic skills and a supportive migrant program. A two-pronged policy environment that supports both skills training and development for domestic workers, combined with visa reform that attracts and retains highly skilled workers from overseas, is a prerequisite to deliver a pipeline of skilled workers to meet the requirements of our sectors.

Review of Australia's visa system

Firstly, we would like to recognise the work Government has done in response to the delay in processing visa and the on-going reforms that are currently ongoing.

Despite this, there is still a backlog of approximately 900,000 visa applications across a range of visitor categories is delaying our ability to employ skilled workers. We would like to see greater funding allocation that will ensure that Australia can meet the demand of international tourists and also help to provide a workforce for our sectors.

There is an opportunity for **review of the entire Australian visitor visa system**. Current visa settings are inadequate. Australia is in a position to establish game-changing visa reform and prepare for the workforce requirements of the visitor and transport infrastructure economy of tomorrow.

Attracting skilled workers through visa reform

There is a misconception that our tourism and transport sector is just cooks and drivers. It is in reality a wide spread of professions including everything from internationally skilled performers and world class chefs through to leading infrastructure and transport project managers across the areas of technology, engineering and construction, all of whom have made the sector a lifelong career. Our visa settings must attract and retain this talent.

To provide one example of timely and relatively simple reform, introducing an infrastructure sub-class visa would better align requirements for infrastructure projects with visa conditions. Other occupation areas that require focus include logistics, management, design and sustainability technology (i.e., in biofuels) and securing in-demand roles including engineering managers, quantity surveyors, chemical plant operators, construction estimators, OHS Advisers and environmental managers. Addressing and reviewing the visitor visa system in full will help to address this demand.

Untapped workforce

International students can also provide a significant pool of skills for the sector. Australia should develop strategies and offer incentives to harness students as a long-term workforce, not just while they complete their degrees, but over the long term once they have acquired their new skills by changing policy settings to entice them to remain in the country and develop a career.

Domestically, incentives could be put in place to encourage Australians, particularly **young Australians**, to work in the sector including in regional locations which are also experiencing an infrastructure surge. One mechanism could be reduced fees for appropriate skills and training programs if the first year of employment is in a suitable region. We also need to tap into the experience of **older Australians**, many who want to work to supplement existing income like pensions, who can bring maturity and wisdom to a range of roles and who have more flexible working patterns.

Summary

Pre-COVID-19, our industry contributed almost 10 per cent of the nation's exports (fourth largest) and there were 2.8 million international airline passenger services over the month of February 2020. Our transport and tourism industry is resilient, and we can return back to this level of economic contribution over the long term, particularly with the benefit of a major transport and infrastructure project pipeline emerging over the next decade and beyond. But we will need support to get there.

TTF welcomes the Employment Taskforce's consideration of the future requirements of the labour force for our sectors. This is a real opportunity for the Taskforce to work further with industry as it considers a range of measures and existing case studies to develop its roadmap for increased productivity, diversity and inclusion across the employment framework, while meeting current and future labour force demand which will be critical for our industry's long-term recovery.

My team and I look forward to continuing to work with the Government as the Employment White Paper roadmap is further developed. Please reach out to the TTF Manager Policy and Government Relations Charlotte Renwick, crenwick@tff.org.au or 0401 073 871, if you have any questions.

Yours sincerely



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