



11 June 2021

Reimagining the Visitor Economy consultation
Australian Trade & Investment Commission

By Email: visitoreconomy@ustrade.gov.au

To whom it may concern

R&CA appreciates the opportunity to put forward our views regarding the future of Australia's visitor economy. R&CA has also participated in other consultation processes with the Expert Panel and as such, this submission should be viewed as supplementary to that in person evidence.

R&CA is the national industry association representing the interests of over 48,000 restaurants, cafés, and catering businesses across Australia. The café, restaurant and catering sector is vitally important to the national economy, generating over \$38 billion in retail turnover pre-covid each year as well as employing 580,000 people. Critically, over 93 per cent of businesses in the café, restaurant and catering sector are small businesses, employing 19 people or less.

R&CA delivers tangible outcomes to small businesses within the hospitality industry by influencing the policy decisions and regulations that impact the sector's operating environment. R&CA is committed to ensuring the industry is recognised as one of excellence, professionalism, profitability and sustainability. This includes advocating the broader social and economic contribution of the sector to industry and government stakeholders, as well as highlighting the value of the restaurant experience to the public.

For restaurants café, and catering businesses – the single greatest inhibitor to the return to 'normal' is the ongoing crippling skills shortages faced across the country.

In our 2020 Benchmarking Survey, R&CA surveyed hundreds of member businesses across the country regarding issues relating to access to skilled migration. Access to both skilled and unskilled labour remains one the most pressing issues facing restaurant, café and catering business owners across Australia., Which has been greatly exacerbated by the lack of access to international labour due to the Covid Pandemic

In R&CA's 2020 Industry Benchmarking Report, 31.9 per cent of businesses indicated they did have vacancies they were struggling to fill and 23.8 per cent indicated they were experiencing extreme difficulty in filling positions. Businesses who did indicate that they had vacancies that were required to be filled in the past 12 months were asked

how easy or difficult certain key positions were to fill. Chefs were again the most difficult positions to fill, with 33.8 per cent of businesses indicating it was 'very difficult' to fill, 30.2 per cent of businesses also reported that it was 'very difficult' to recruit café and restaurant managers to fill vacancies in their businesses, with over 32 per cent of businesses indicating trade waiters were difficult or very difficult to fill.

This lack of skills has a direct impact on the quality & choice of dining experience available to tourists and visitors while in Australia. Menus become smaller simpler and easier to execute – but markedly less ambitious. Businesses across the country are also forced to reduce their trading hours due to an inability to get the staff they need. This could also lead to tourists in our major capital cities being faced with the prospect on certain weeknights of severely limited dining options.

The attached discussion paper highlights certain questions relating how these workforce shortages can be addressed. R&CA is firmly of the view that a strong and active migration program, that is aimed at ensuring businesses have the ready supply of labour they need, must work hand in hand with efforts to re-skill our local workforce to fill jobs across the hospitality sector.

R&CA has long argued to government and industry stakeholders that chronic skills shortages across key hospitality sector occupations, including, but not limited to, chefs and restaurant managers are one of the most pressing issues that the industry currently faces and has faced for over 20 years. Skill shortages across the sector have been exacerbated by structural problems at a vocational education and training (VET) level resulting in an inadequate pipeline of locally skilled workers to fill vacancies and thus necessitating a reliance on skilled migrants from overseas. According to current estimates from the Department of Employment, Skills, Small and Family Business, the café, restaurant, and catering sector is expected to generate an additional 77,400 positions by May 2023, representing percentage growth of 12.4 per cent.

The importance of skilled migration in meeting requirements for Australia's current and future workforce has been magnified by structural deficiencies in the VET system. The persistent failure of the VET system to produce a strong pipeline of locally skilled candidates has magnified the importance of skilled overseas migration in meeting the demand for key hospitality occupations across the sector. It is clear that the local workforce will be unable to sustain jobs growth amongst key hospitality sector occupations. Therefore, the importance of Australia's skilled visa system in targeting genuine skills shortages is vital for the future productivity of the national economy.

Recent changes in the Federal Government's skilled visa system, including the introduction of the 482 - Temporary Skills Shortage visa (subclass 482) ("TSS visa") in March 2018, has severely undermined the ability of the hospitality sector to meet genuine skills shortages thereby creating a significant source of angst, confusion and frustration amongst business-owners and their staff. It is clear to R&CA that the TSS visa, alongside other elements of the current skilled migration system, does not represent an effective means of targeting genuine skills shortages, and needs to be significantly altered. The nature of the skills shortage problem which the TSS visa seeks to address is long-term and deeply systemic which will not be addressed by a system predicated on a 'temporary' solution.

If you have any questions or wish to discuss R&CA's views in more detail, do not hesitate to contact R&CA's Head of Policy, Government & Public Affairs, Tom Green on 0448 781 213.

Regards

A handwritten signature in black ink, appearing to be 'Wes Lambert', written in a cursive style.

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Restaurant and Catering Australia