

Tourism Accommodation Australia Chair, Martin Ferguson, responds to Federal Budget

10 May 2017: Chair of Tourism Accommodation Australia (TAA) and former Federal Minister for Tourism, Martin Ferguson, said that the Australian accommodation sector would have preferred greater investment in tourism demand drivers included in the Federal Budget, especially given the massive investment that the hotel industry is making in transforming the Australian hotel sector.

“International and local investors are spending \$8 billion in developing over 120 hotels and 30,000 rooms across the country, and we look to the Government to support international marketing efforts to help fill these rooms, particularly to attract international conferences and events, which is a highly competitive market,” said Mr Ferguson.

“The massive expansion in hotel development is also going to put enormous pressure on attracting sufficient skilled staff to the sector, which the Government has acknowledged itself. Their report a few years ago identified the need for 123,000 new positions in the industry, and half of these were for skilled roles.

“The Government is to be congratulated for their investment in the Skilling Australians Fund with a commitment to investment in 300,000 apprentice positions but we are yet to have clarity on how our industry will benefit from that fund, particularly to fill our significant skills shortages in regional areas and to meet the needs of the new stock entering the market.

“Growing our own talent is a priority, but in the interim the industry is going to need to access temporary skilled staff from overseas in the interim, and the significant increases in visa charges will hurt hotel businesses, particularly smaller operators.

“Users of the temporary skill shortage visa (457 visa) will be required to contribute to the new Skilling Australians Fund, with \$1.2 billion to be raised over 4 years. Businesses with up to \$10 million turnover will have to pay \$1200 per year for each visa holder. Larger businesses will have to pay \$1800 per visa per year. This levy will replace the current training benchmarks. These fees are three to four times more than the amounts recommended in the Integrity Panel review of 457 visas, and are much higher than advised prior to the budget.

We welcome the Government's continued commitment to infrastructure investment. The announcement that it will own and operate the Western Sydney Airport at Badgery's Creek, committing \$5.3 billion in equity over ten years (\$606 million per year over the forward estimates) and this – along with other infrastructure projects – will benefit the whole of Australia's tourism industry in the long-term.”

About Tourism Accommodation Australia

Tourism Accommodation Australia (TAA) represents the interests of Australia's accommodation chains and individual members in the hotel, serviced apartment, integrated resort, motel and vacation ownership sectors. Servicing owners, operators, managers, franchises and other industry stakeholders, TAA is a division of the Australian Hotels Association, a federally registered organisation of employers representing hotels since 1836.

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