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POLICY & ADVOCACY UPDATE

Issue #12, 10 January 2024

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Welcome to your first advocacy update for 2024! May this year be very successful for you and a prosperous one for the accommodation industry.

Tourism & hospitality WHM 6-month exemption

Just prior to Christmas, the Government advised of changed arrangements for working holiday makers (WHM) to settings put in place during the pandemic that allowed working holiday makers to stay with the one employer for more than six months. The good news is that the exemption is still in place for the tourism and hospitality industry so that an employer in our industry can keep a working holiday maker in employment for longer than six months even if it is in the same location.

In full, the advice is that Working Holiday Makers can work for the same employer in Australia for more than 6 months ***without asking permission*** if the work is:

1. in different locations and work in any one location does not exceed 6 months
2. in plant and animal cultivation anywhere in Australia
3. in certain industries, including aged care and disability services, fishing and pearling, tree farming and felling, construction and mining, in northern Australia only (see website for a definition of Northern Australia)
4. from 17 February 2020, natural disaster recovery work
5. from 4 April 2020, in critical sectors, including agriculture, food processing, health, aged and disability care and childcare, anywhere in Australia
6. from 8 May 2021, ***in the critical sector of tourism and hospitality anywhere in Australia***

For any other situations not covered above, Working Holiday Makers must ask for permission to work longer than 6 months with one employer.

AA welcomes North Queensland Support Package

In a [media release](#) this week Accommodation Australia welcomed a Federal and Queensland State government initiative designed to drive tourism back into Far North Queensland. Discounted airfares and accommodation are part of the \$5 million recovery package set to entice visitors back to Cairns and support tourism operators impacted by Tropical Cyclone Jasper and recent flooding. AA CEO, Michael Johnson said that cancellations throughout December were extensive with occupancies dropping from mid-70% down to 30%, impacting millions of dollars of revenue decline on the industry.

Looking forward with optimism

The accommodation industry has long since known the power of events to generate increased customers. The Taylor Swift concerts are a high-profile case in point with some members already reporting no vacancies. Certainly, the average forward occupancies for that time according to STR are very strong: in Sydney, 78% average on 24th of February compared to 54% on the books at the same

time last year, Melbourne 74% compared with 30% forward bookings last year. The good news is that occupancy on the books tells a positive story in most capital cities in the next six months, with an average increase in bookings. Adelaide is an exception, with forward bookings below 2023 for May and June, also in Perth bookings are below last year's average in March and April and Canberra forward bookings below 2023 in the first three months of this year.

AA Submission to the Covid Inquiry

In our last [submission](#) for 2023, Accommodation Australia draw to the attention of the Panel inquiring into the federal government's response to the COVID-19 pandemic a number of lessons learnt during that very challenging time. Given the significant role played by our sector in providing quarantine services, we highlighted a number of shortcomings with the arrangements put in place and ways that things can be improved for next time. We challenged the Panel to evaluate the merits of some of the more severe border and lockdown restrictions and also commented on matters such as JobKeeper and the importance of ongoing support to industries such as ours that are impacted by border closures long after other industries have restarted.

Concerning fall in apprenticeship numbers

The changes made to apprenticeship incentives in the last two years have been disastrous for apprenticeship numbers and the Government needs to urgently reconsider the current settings. According to the latest NCVER data released last month, commencements for the year to June 2023 were down 40.1% compared to 2021/22. Commencements for food trades apprenticeships were down 44.5%, and for traineeships across all industries dropped by 48.9%. The traineeship commencement numbers are now below 2019 levels, which was prior to the pandemic additional subsidies. These figures are only going to get worse as the withdrawal of much of the traineeship support including to our sector will have had the biggest impact post July 2023. As at June 2023, there were 11% less food trades apprentices in training compared with 2022, and 20% less than 2019. This is disastrous for an occupation in national shortage now and with chef jobs predicted to grow from 119,700 chefs now to 136,800 chefs by 2033 (net 17,100).

Accommodation jobs data continue to worry

Detailed labour force data released by the Australian Bureau of Statistics continue to show a decline in accommodation sector jobs. The number of people nominating accommodation as their main job fell from 94,300 in August 2023 to 92,400 in November 2023. The November jobs number is 18% less than the 112,800 recorded in May 2023 and over 23% below the pre-COVID jobs number. Since May 2023, the drop has been particularly felt in full time roles and for women. Given the rise in tourism numbers, and the recovery in occupancy rates, the jobs data is hard to explain with what is happening on the ground in the industry. Across the remainder of the foodservice industry (clubs, pubs and restaurants) the numbers have also fallen but not to the same extent in percentage terms, dropping from 835,000 in May to 802,000 in November. At recent meetings with members, I have enquired whether this job data reflects job trends in the sector "on the ground" but have been met with mystified replies. We will again approach the ABS and Tourism Research Australia to seek further explanations.

Air BNB fined for misleading pricing

In a Federal Court ruling handed down in December, Air BNB was ordered to pay \$15 million in penalties and also agreed to offer up to \$15 million more in compensation to affected customers. Between January 2018 and August 2021, prices for Australian accommodation on the Australian branch of Airbnb's website were displayed with a dollar sign, without indicating whether these prices were in foreign currency. The prices were in US dollars, which was contrary to the expectation of Australians booking that the price was in Australian dollars given it was the Australian AirBNB website. ACCC Chair Gina Cass-Gottlieb said, "By paying in US dollars, these consumers were charged more than they expected to pay, and were deprived of a chance to make an informed decision about whether to make the booking because of this misleading conduct regarding the price."

In other news relating to Air BNB, the media reported in December that the NSW Government was still considering whether to introduce a Victorian-style levy and impose state-wide caps on bookings. AA has been very active talking to the NSW Government about Short Term Rental Accommodation regulation and has a meeting next week with the office of the NSW Minister for Housing.

Occupancy Rates for November 2023

The latest monthly report from STR for November 2023 shows that occupancy rates are slowly closing the gap on pre-COVID levels with the average rate being 75.5% in November 2023 compared with 73.6% in October 2022 and 78.1% in October 2019. Western Australia continues to record the highest average occupancy rate at 83.5% which is 6 percentage points higher than November 2022. Rates in the NT continue to struggle, with the average dropping below 50% at 49.4%, compared to 54.1% in November 2022 but on par with 51.9% in 2019. NSW is closing in on its 2019 level, with 79.4% compared with 81.2% in 2019, while Victoria is a full ten percentage points lower than 2019 with 74.0%. The average national daily rate (ADR) for November 2023 was \$242 which was above \$237 achieved in November last year. NSW regained the top ADR spot with an average daily rate of \$269 in November 2023,

compared with \$225 in Victoria, \$246 in WA, \$240 in Queensland, \$210 in SA, \$221 in Tasmania, \$182 in the NT and \$218 in the ACT.

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. If you know an AA member who is not receiving this advocacy report but wants to, then encourage them to email me and we can add them to the distribution list.

Kind Regards

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