Accommodation Australia
A DIVISION OF THE AHA

POLICY & ADVOCACY UPDATE
Issue #13, 25 January 2024

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AA Pre-Budget submission 2024-25
This week, Accommodation Australia submitted to Treasury its input for the May Federal Budget. We questioned the lack of support for key hospitality qualifications and for apprenticeships and traineeships for our industry. In light of the migration strategy released in December, we stressed the importance of chefs having access to the flexibility of the proposed specialist tier under the new system, as well as recommending more flexibility for intercompany transfers. Other issues covered by the submission include better funding for Tourism Australia and events, airline capacity, short term rental accommodation and payday superannuation.

Modern Awards Submission to the FWC
In a submission to the Fair Work Commission on 23 December 2023, the AHA on behalf of both AHA and AA recommended a number of changes to the Hospitality Industry General Award (HIGA) to provide more clarity on key conditions and reduce complexity. The submission highlighted the value of the flexible approach to part time employment tin the HIGA and recommended that the same flexibility be inserted in other modern awards. It also sought to redefine the vague language around "appropriate level of training" in the job classifications, and to simplify the wording for the requirement for meal breaks as well as seeking greater clarity around annualised wage arrangements.

Hotel share of visitor nights increases
Data compiled by Tourism Research Australia for AA shows that over the last ten years, hotels, resorts and motels have increased their share of both domestic and international visitor nights. As the table below shows, in the nine months to September 2023, hotels captured 12.6% of all international visitor nights, compared with 9.9% pre-COVID in 2019 and 9.6% ten years previously. Importantly, the rise in hotel market share of holiday visitor nights has risen significantly in the last ten years, up from 17.3% in 2013 to 28.8% in 2023, and 70% of business traveller nights were in hotels in the 9 mths to September 2023. Unsurprisingly, the vast majority of visitors here for education and employment stay in rented houses and apartments. The share of nights spent by those visiting friends and relatives in their friends and relatives' property has stayed relatively constant at around 30%. In the next update, I will cover the origin of international visitors in relation to the nights spent in hotels.

Share of International Visitor Nights - Ten year and pre-COVID comparison with 9 months to Sep 23					
	2013	%	2019	%	2023
Hotel/resort/motel or motor Inn	15,414,541	9.6	20,406,462	9.9	22,050,889
Guest house or Bed & Breakfast	509,933	0.3	712,218	0.3	177,126
Rented house/apartment/flat or unit	64,245,084	39.9	87,783,877	42.4	65,398,222
Caravan park or commercial camping ground	2,566,409	1.6	2,260,097	1.1	1,644,402
Backpacker or hostel	11,120,388	6.9	8,806,285	4.3	7,760,310
Other commercial accommodation	419,344	0.3	638,700	0.3	2,772,439
Own property	2,570,739	1.6	2,371,472	1.1	2,724,179
Friends or relatives property	48,694,322	30.2	59,472,333	28.8	57,110,604
Caravan or camping - non commercial	979,662	0.6	1,181,979	0.6	636,990
Other Private Accommodation	10,508,846	6.5	15,784,791	7.6	6,492,807
Other Accommodation	3,628,572	2.3	7,072,093	3.4	7,087,734
In Transit	396,482	0.2	343,646	0.2	403,387
Total	161,061,457	100	206,840,529	100	174,568,991

As the table below shows, hotels, resorts and motels' share of domestic visitor nights has also risen from

Source: TRA National Visitor Survey	Domestic Tourist Nights (000)					
Type of Accommodation	**Year ending September 2014**	**%**	**Year ending September 2019**	**%**	**Year ending September 2023**	**%**
Hotel/resort/motel or motor Inn	77,482	25	99,675	24	112,964	28
Guest house or Bed & Breakfast	2,792	1	4,152	1	3,082	1
Rented house/apartment/flat or unit	26,013	9	36,116	9	37,427	9
Caravan park or commercial camping ground	30,967	10	34,581	8	37,719	9
Backpacker or hostel	1,954	1	1,416	0	881	0
Other commercial accommodation	936	0	2,773	1	2,403	1
Total Commercial	140,145	46	178,712	44	194,477	48
Own property	11,217	4	17,921	4	14,415	4
Friends or relatives property	112,728	37	140,548	34	133,603	33
Caravan or camping - non commercial	14,777	5	21,978	5	22,677	6
Other Private Accommodation	16,739	5	19,392	5	13,442	3
Total Private	155,461	51	199,838	49	184,138	46
Other Accommodation	6,384	2	25,780	6	21,839	5
Total	304,507		410,076		402,904	

Strong Growth in our Industry's Business Turnover but job numbers fall

In the latest business turnover data derived from the BAS statements released by the ABS this week for the year to November 2023, the increase in business turnover for the year for the Accommodation & Food Service Industry at 8.1% was second only to construction of all industries. Year on year, turnover increases were seen in 10 of the 13 published industries, with mining, transport and electricity the three industries experiencing a fall.

In contrast with our industry growth, the payroll jobs data which also relies on figures from the ATO indicates that in the year to 9 December 2023, payroll jobs in accommodation and foodservice fell by 7.1%. AA commented on the contradiction in the data between growth and jobs in our pre budget submission (see above). We speculated that it is a reflection of either higher productivity from an industry that has become accustomed to working with less staff as they have been hard-to-find, or more outsourcing for roles such as housekeeping, or both. I would welcome any member views on why job numbers are falling while business is growing. Taking both wages and hours together, on average, hourly earnings across all industries were $46.10 for men, compared to $42.00 for women, a difference of 8.9 per cent. This gap has narrowed from 9.7 per cent in May 2021.

Latest ABS Earnings Data

The ABS released this week a summary of employee earnings and hours for May last year showing that the median weekly earnings were $1,300 for all employees, $1,509 for males and $1,130 for females. There are more females in the workforce who are working part-time rather than full-time, and the average earnings for part-time women were higher than males, indicating that more highly skilled and paid women are working part-time. Of all industries, the accommodation and food service industry has the lowest average weekly total cash earnings at $751 reflecting the high number of casual and part time employees. Unsurprising the mining industry has the highest cash earnings at $3,008. When comparing more like with like, the accommodation and food services industry comes closer to the retail and arts industries with the average weekly cash earnings for full time non-managerial employees of $1,421 for males, and $1,290 for females. Although this difference in earnings remains a concern, there is no industry where full-time non-managerial women earn more than their male counterparts, and the disparity is less in our industry than most. The average weekly total paid hours worked in our industry was 22.8 hours, compared with the average for all industries of 31. The closest industry to ours was arts and recreation at 23.9 hours and then retail at 25.3 hours. In industries such as mining, construction and energy and water, the average hours worked is above 38.

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

Jenny Lambert
National Policy & Research Advisor
Accommodation Australia