SHARE:

Join Our Email List

{View this email in your browser}

POLICY & ADVOCACY UPDATE
Issue #2, 9 August 2023

Accommodation Australia
A DIVISION OF THE AHA

- AA in Canberra
- More action against proposed Victorian Bed Tax
- Government Funded VET
- Drop in cooking apprentice commencements
- Latest tourist data
- Queensland review of short-term rental accommodation
- Former AHA SA CEO appointed to Tourism Australian Board

Accommodation Australia in Canberra

Last week's visit to Canberra proved to be highly productive from a policy and advocacy perspective. The AA Board met with the Minister for Immigration, Andrew Giles, and dined with the Minister for Trade & Tourism as well as the Speaker of the House of Representatives. The AA CEO and I had meetings with Austrade, Jobs & Skills Australia, Department of Home Affairs, the office of the Minister for Skills & Training, the office of the Minister for Immigration, and the Chief of Staff of the Minister for Employment & Workplace Relations. These meetings were an important opportunity to introduce the new organisation and progress priorities important to accommodation including migration, skills, workplace relations, and improved access to key tourism markets such as China. See our media release here.

More action against proposed Victorian Bed Tax

In the last week, Vic AA and Vic AHA jointly wrote to the Premier and the Treasurer expressing concern about the prospect of a bed tax and were joined by AA CEO, Michael Johnson, for meetings including with the office of the Minister for Tourism. The five key arguments that AA are taking forward against the tax are that it: hits an industry still struggling; hurts Victorians; is unfair as commercial accommodation is not to blame for housing affordability; reduces competitiveness; and, a bed tax will reduce investor confidence. AA will continue to campaign against the proposed tax.

Government Funded VET

According to the latest figures issued by the National Centre for Vocational Education and Research (NCVER), the number of government-funded students enrolled in vocational education & training (VET) dropped by 4.3% in 2022 compared to 2021. All States and Territories experienced a decline, although in SA it was close to unchanged. The number of funded students had been declining for a number of years until the extra investment during the COVID period reversed this trend. Despite the emphasis on TAFE by Government, the number of funded students at TAFE Institutes was down by 6.7%, more than the 2.4% for private providers. Food, hospitality and personal services students faired better than most, actually rising by 140 funded students to 99,470. Our sector would have benefited from the extra investment in apprentices up until June 2022, with other apprentice-dominated areas such as building and engineering also rising. Overall, the number of Certificate III funded students rose 7%, while diplomas had the largest fall. The number of government funded students undertaking responsible service of alcohol courses fell significantly from 2295 to 1840 although we should note that most students who undertake this essential unit for food and beverage workers are not government funded.

Decline in cooking apprentice commencements

Apprentice data released by the NCVER for December quarter 2022 are worrying for the accommodation sector's future access to much needed skills. As a direct result of the fall in employer incentives for taking on apprentices, the number of food trades commencements fell by 43.4% in the December quarter compared to December 2022. This compares to an average drop across all trades apprenticeships of a 23.2%. Of even greater concern, the 1045 food apprentices that commenced was lower than the pre-

COVID numbers of around 1200-1300 per December quarter. The number of cooking apprentices in training, being 14,105, is still high due to the large number of commencements that were stiimulated by the higher incentives, but the lower commencements happening now will soon drag this number down.

Latest TRA Tourist data

In May 2023 the **domestic** tourist:

- expenditure was $8.0 billion. This was up 38% on May 2019 and 4% on May 2022.
- spent 28.4 million nights away. This was down 6% on May 2019 and 8% on May 2022.
- there were 8.6 million overnight trips, down 8% on May 2019 and 6% on May 2022

Domestic tourist spend across all main expenditure items was up on the pre-pandemic levels. In May 2023, spend on accommodation was $2.2 billion, up 50% on May 2019, and 4% up on May 2022.

Total spend by **international** tourists in Australia in May 2023 was $2.6 billion, 97% of 2019 levels., although the nights spent were still only 84% of May 2019. Regional spend by international tourists is still only at 69% of the 2019 spend.

Queensland Review of Short-Term Accommodation

The Queensland Government this week commented on a review undertaken by the University of Queensland on the short term accommodation market. Although the full report has not yet been released, the summary is:

- As at 1st Qtr 2023, Qld had around 19,773 active short term rentals, two thirds of these in South East Qld; 11,193 estimated to be used on a permanent basis
- Most prevalent in high tourism coastal areas including Gold Coast, Sunshine Coast, Brisbane, Noosa, Douglas, Whitsunday, Cairns, Moreton Bay, and Townsville.
- The review found that short term rentals have limited impact on rental affordability. An increase of 10% in the total number of short-term rental listings could lead to a contribution in the range of 0.2% to 0.5% towards rent price changes.
- The review found no clear alignment between the suburbs with the highest rent increases and the percentage of dwellings devoted to short-term rental. Instead, dwelling stocks emerged as the significant contributor to explaining rental prices. An increase of 10% in the overall housing supply could lead to a noteworthy decrease in rent prices, ranging from 1% to 2%.

The Government is apparently exploring the possibility of implementing a short-term rental registration system.

Former AHA SA CEO appointed to Tourism Australian Board

Recently retired CEO of AHA SA, Ian Horne, was one of three appointments recently made to the Tourism Australia Board. In announcing his appointment, the MInister for Trade and Tourism said Ian "brings decades of experience in hospitality, events, accommodation, and venue management and his work on tourism and events sector Boards, including the South Australian Tourism Commission, will provide a contemporary view of the industry's needs". Georgina Richter and Linda Wayman were also appointed to the Board. Bradley Woods, CEO of WAHA, Alexandra Burt and Katie Page step off the Board.

Best wishes and I look forward to meeting all of you soon. 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.

Kind Regards

Jenny Lambert
National Policy & Research Advisor
Accommodation Australia