



POLICY & ADVOCACY UPDATE

Issue #26, 25 July 2024

- Migration remains top of the AA agenda
- Federal Ministerial Reshuffle imminent
- Review of apprenticeship incentives continues
- Regional employment in the Accommodation and Food Service Industry
- Occupancy rates for June



Migration remains top of the AA agenda

With migration policy top of the priority list for advocacy at present, it was timely that members from AA and AHA met with the Immigration Minister, Andrew Giles, this week in Melbourne. In a very positive discussion with the Minister hosted by member property, The Langham Melbourne, we discussed issues ranging from the Draft Core Skills List, working holiday makers, regional migration and the importance of international students to our workforce. The meeting was hosted by AA National Chair David Mansfield shown in the picture on the right, with the Minister (centre) and the National President of the AHA, David Canny (left).

Federal Ministerial Reshuffle imminent

The Prime Minister announced today that two Cabinet ministers have indicated they will retire from politics at the next election. The announced departure of the Minister for Skills and Training, Brendan O'Connor and Linda Burney, the Minister for Indigenous Australians, will certainly trigger a Ministerial reshuffle as soon as this weekend. AA has had a close connection to Minister O'Connor as he has held various government and shadow portfolios over the years that are highly relevant to industry policy including migration, employment, workplace relations and skills. There has been speculation for some time concerning these retirements and also the potential to change other portfolios including in Home Affairs and Immigration. Changes of this sort always trigger the need for new relationships to be formed, but AA and AHA are well positioned in this regard particularly with the attendance next month at the annual Federal Labor Business Exchange which provides an opportunity to engage with range of relevant ministers over the two day event..

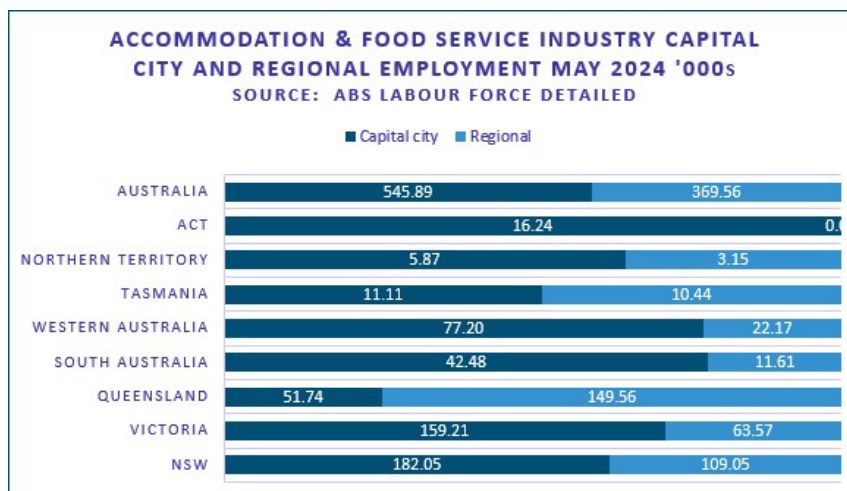
Review of apprenticeship incentives continues

The current [review of apprenticeship incentives](#) is finalising its consultation prior to issuing its final report at the end of August. In the last week, the panel undertaking the review has issued a summary of what they have heard from stakeholders including many of the comments raised by the [AHA/AA submission](#). It may be somewhat pessimistic, but the summary does not give the impression that there will be any major improvement in the incentives available to hospitality employers. As at the 1st of July 2024, the employer incentives for taking on a hospitality trainee were removed, with support now limited to the cooking trade apprenticeship, where the number of commencements continue to fall. We will continue to raise concerns about this loss of support to a growth industry such as ours.

Regional employment in the Accommodation and Food Service industry



In putting together our submission in response to the Government's [discussion paper](#) on regional migration, we showed from figures derived from the ABS local district labour force data that in the accommodation and food service industry, 40% of all jobs are outside of the capital cities. As the bar graph below illustrates, Queensland has by far the largest percentage of regional employment, with almost 150,000 people (or 74.3% of the State's AFS total) employed in jobs in the AFS industry outside of Brisbane. In fact, regional AFS jobs in Queensland account for over 15% of all Australian AFS jobs, reflecting the decentralisation of population and work in that State, as well as its economic dependence on tourism and hospitality.



Occupancy rates for June

According to the latest STR data, average occupancy In June across Australia was 67.0% compared with 65.9% in June 2023, but the ADR for June 2024 was slightly down at \$220.70 compared with \$221.29 in June 2023. For the year to June 2024, the average Australian occupancy rate was 69.6% compared with 67.5% in 2022/2023. The rise in the ADR over this period was a modest \$2.32 to \$237.79, which is below the inflation rate. Growth in revenue per available room was a bit stronger, increasing from \$158.86 in 2022/23 to \$165.43 in the year to June 2024. Occupancy rates for June 2024 were up in most of the mainland capital cities and key regions such as the Gold Coast when compared with June 2023. In contrast to the rise in occupancy rates in Australia, New Zealand continues to struggle, with an occupancy rate for June 2024 only 55.5% compared with 60.5% in June 2023. The average rate for the full year was slightly up, however, at 68.3% compared with 67.2% in 2022/23.

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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