

POLICY & ADVOCACY UPDATE

Issue #28, 22 August 2024

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AA Board meets in Canberra

The board meeting of Accommodation Australia (AA) in Canberra last week welcomed CEO designate, James Goodwin, to the table for the first time and elected a new Vice-Chair, Emma Hynes, Director of Operations – Australasia & Pacific IHG Hotels & Resorts. Policy issues discussed during the meeting included migration and skills as well as concerns over the rising costs of doing business and building or redeveloping hotels. The Board also took the opportunity to thank outgoing CEO, Michael Johnson, as well as two board members stepping down, being Dave Baswal and Robert Dawson. The Board was hosted for dinner by the Speaker of the House, Milton Dick, with the guest being the Minister for Trade and tourism, Don Farrell. A media release on the meeting can be found [here](#).

Pictured below in the rooms of the Speaker are (left to right) Board member Adrian Williams, Accor, Stephen Ferguson (AHA CEO), Lorelle Gottardi (EA to AA CEO), James Goodwin (incoming CEO), Emma Hynes (AA Vice Chair), David Mansfield (AA Chair), Michael Johnson (outgoing CEO), Barry Robinson (Travel and Leisure Co), and Robert Dawson (Hyatt).





ACCC report on airline competition

In the ACCC's latest domestic airline competition report, the competition watchdog has committed itself to continue to closely monitor domestic airfares on services between metropolitan cities following Rex's withdrawal from this market. The report shows improved conditions for consumers with declines in airfares, reduced cancellations and improved on time rates for flights over the first half of 2024. However, the ACCC cautions that consumers may miss out on the benefits of a more competitive domestic airline market if Rex is unable to re-commence its services between metropolitan cities. Rex continues to provide important connectivity to communities across 33 regional and remote routes and the government has announced that it will guarantee regional flight bookings for Rex customers throughout the voluntary administration process. The collapse of Bonza and withdrawal of Rex from routes between metropolitan cities means that, as of July 2024, no domestic route has more than two competing airline groups. In June 2024, Rex had accounted for about five per cent of domestic passengers and flew 44 routes across 56 destinations in Australia.

Meeting on STRA

This week the AHA CEO Stephen Ferguson, and I met with the Chair of the federal government's housing advisory body, Susan Lloyd-Hurwitz, to discuss the impact that the increase in short term rental accommodation has on housing availability and affordability. Using our [national policy](#) as a summary of the key issues, we highlighted the international evidence available to confirm the link, and also the importance of a balanced approach to regulation of STRA. We encouraged the federal government to strive for a national regulatory framework to ensure action is taken in all states and territories rather than the current piecemeal approach. There were also options that should be considered to change the taxation arrangements for STRA. The meeting was a very constructive one, and Ms Lloyd-Hurwitz committed to follow up with further investigation of the options recommended. She also remarked that there was a good opportunity with a new Minister for Housing who has expressed enthusiasm for further action on a national basis rather than leaving it up to the States and Territories.

Occupancy rates for July

According to the latest STR data, average occupancy In July across Australia was 71.1% compared with 70.5% in July 2023, but repeated the performance last month, the ADR for July 2024 was slightly down at \$225.40 compared with \$227.70 in July 2023. For the year to July 2024, the average Australian occupancy rate was 69.8% compared with 67.9% in 2023. The rise in the ADR over this period was a modest \$1.53 to \$235.78, which is below the inflation rate. Growth in revenue per available room increased from \$159.13 in 2023 to \$164.54 in the year to July 2024. Occupancy rates for July 2024 were up in most of the capital cities except for Sydney and Melbourne. In contrast to the rise in occupancy rates in Australia, New Zealand continues to struggle, with an occupancy rate for July 2024 of 61.1% compared with 66.2% in July 2023. The average rate for the year to July was slightly up, however, at 67.3% compared with 67.1% in 2023.



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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