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POLICY & ADVOCACY UPDATE

Issue #3, 23 August 2023

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Action Ramps up against Bed Tax

Over the last week, Accommodation Australia has substantially increased the pressure on the Victorian Government in relation to the proposed bed tax. National President, Leanne Harwood, in her well-received speech to a packed audience of over 1000 industry people, including the Victorian Tourism Minister, at the Victorian Accommodation awards last week expressed concern about the bed tax. She pointed out that commercial accommodation is in no way responsible for a shortage of rental stock and should not be unfairly levied. The President promised to continue to engage with the Victorian Government to highlight the key reasons why such a tax should not go ahead. This strong statement was followed up in Victoria by a [story](#) and editorial in the Herald Sun and a mail out by Accommodation Australia (Vic) to all the lower house Victorian MPs. The key arguments against the bed tax compiled by AA that was mailed to the MPs can be seen [here](#).

AA at Labor Business Forum

Last week, Accommodation Australia CEO, Michael Johnson, and AHA CEO Stephen Ferguson, attended the Business Forum attached to the ALP National Conference. Michael and Stephen met with a number of key Ministers relevant to our sector including Minister for Home Affairs, Clare O'Neil, Minister for Skills & Training, Brendon O'Connor, Minister for Trade & Tourism, Don Farrell, Minister for Employment & Workplace Relations, Tony Burke, Minister for Immigration Andrew Giles and Minister for Housing and Small Business, Julie Collins. Michael also had the opportunity to brief the PM on the amalgamation of associations in the accommodation sector - news greeted by the PM with much congratulations as long overdue (see photo).



These meetings provided an excellent platform to raise key issues including working holiday maker visas and other migration reforms, the need to reintroduce better employer incentives for first year apprentices, the need for better regulation of the short-term accommodation market and workplace relations reform. Michael also took the opportunity, particularly with the Victorian based Ministers, to raise concerns about the proposed bed tax.

The forum also enabled an insight into the Government's broad strategic approach, including that outlined by the Treasurer, Dr Jim Chalmers (see picture) in response to the global, domestic and fiscal outlook. The Treasurer identified eight broad strategies being: budget repair, target inflation, transform energy, labour and migration, broader and deeper industrial base, drive investment, create more efficient markets and renew and refocus our institutions.



China Reinstates ADS

It would have been hard to miss the major news on August 10th that China had restored Australia to Approved Destination Status. This enables group tours to return which will hopefully see Chinese arrivals increase over the next few months. For AA's full media release see [here](#).

Hotels some of the best places to work

Two hotel groups have been named in the list of top ten best Australian places to work. Hilton was ranked as the number two best place to work in Australia by global authority on workplace culture, 'Great Place To Work', and Marriott was named number six. Both hotel groups were in the large company category, open to businesses in any sector employing more than 1000 people.

In our media release commenting on the results, Accommodation Australia CEO said "To have two hotel groups, and two of our members, in the top ten is great news for our industry ... Hotels are fun and dynamic places to work. They offer much more than just stop-gap jobs, they are large businesses with endless variety and ample opportunities for promotion, travel and job satisfaction." For the full media release see [here](#).

Plea for more international flights

On the opening of the new Moxxy hotel at Sydney Airport yesterday, Marriott regional head and Accommodation Australia Vice President Sean Hunt issued a plea through the Australian Financial Review for more airline access into Australia. Sean Hunt was quoted in the AFR as saying "We need more airlines flying into Australia. International airlines are like oxygen for hotels." A strong catalyst for the statement was the Government's recent decision to deny a request from Qatar airlines to increase their flights into Australia. Accommodation Australia has also been talking about airline access to government, including the Minister for Trade & Tourism. In addition, Aus Chamber Tourism, as the umbrella body for tourism of which AA is a member, has written directly to the decision maker, Infrastructure and Transport Minister Catherine King expressing concern about the decision. We will continue to press government to ensure there is more airline capacity in and out of Australia.

Overseas Arrivals

There were 542,080 short term arrivals into Australia in June 2023, which was an increase of 266,780 on the previous June, but still 18% lower than for June 2019. 20% of all arrivals in June 2023 came from New Zealand. The return of international students continues, with 50,620 arriving in June which was 10% higher than pre-COVID 2019. For the year 2022/23, there were 5,856,440 visitor arrivals into Australia, with the most popular reason for travel being visiting friends and relatives, reflecting the high NZ numbers. The second highest source for the year was from the UK, followed by the USA, India and Singapore.

ABS: Average Weekly Earnings, unemployment and jobs

The latest figures for the year ending May 2023 show that full time adult average weekly earnings rose by 3.9% to \$1907, with females to some extent closing the gap by rising 4.6% compared with males 3.6% (but remaining over \$220 per week worse off). Interestingly, wage increases for the year to May in the public sector lagged behind the private sector, rising 3.0% and 4.2% respectively. Pressure on wage increases may ease slightly on the back of higher unemployment figures for July 2023, with the unemployment rate rising 0.2 percentage points to 3.7%. Total full-time employment dropped by 24,200 but part time employment rose by 9,600.

According to the ABS analysis of Single Touch Payroll data, the number of jobs in Australia grew by 3.7% in the year to 15 July 2023 with jobs in small businesses growing faster than larger ones. By contrast, jobs in the accommodation and food service industries fell by 4.3% over the same period, which along with the agricultural sector, was the largest fall across all industries.

Latest Occupancy Rate data

The latest occupancy rate data from STR indicates that the growth in the level of visitation lags the rate of new rooms opening over the last four years in all states and territories except Western Australia where the occupancy rate of 70.3% is virtually equal to the pre-COVID July 2019. Northern Territory, NSW and Queensland have also substantially recovered, but all other states are over 10 percent behind occupancy levels in 2019. Overall, the average occupancy rate for Australia in July 2023 was 70.9%, compared with 68.6% in July 2022 and 74.8% in July 2019. Tasmania, ACT and SA experienced July 2023 occupancies below July 2022.

AA at Austrade Visitor Economy update

Today I attended the Austrade Visitor Economy meeting in Sydney which this time had a focus on skills and global geopolitical shifts affecting tourism. These regular meetings are an important exchange between government, including Tourism Australia and advisors from the office of the Minister for Trade & Tourism, and senior industry leaders from the various organisations that are connected to tourism. It was generally acknowledged that although the most recent arrival numbers are starting to look promising, we still have a long way to go to get back to pre-COVID levels of international tourism. The need for more airline capacity was emphasised across the board. I also brought the group up to date with concerns about the proposed Victoria bed tax, and some of the other key issues on our radar.

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

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