

- Federal election draws nearer
- Airline access and bilateral agreements back in the news
- Small business issues top of mind
- New partnership for First Nations tourism
- Hospitality spend rises compared with overall household spend
- Overseas arrivals for August 2024



Federal Election draws nearer

Last month the government quietly issued its proposed parliamentary sittings calendar for 2025 indicating that Budget week is proposed for the week commencing 24 March rather than the more usual May timetable. Although the government does not have to stick to its own calendar, this increases the likelihood of an election in early May 2025, providing a full three-year term for the Albanese government.

The second most likely option is late March/early April with no election budget in the mix. A lot will depend on the RBA's decision in February on interest rates and, of course, the opinion polls.

In the run up to the election, AA is active in its advocacy on behalf of members, starting at the top as demonstrated by the picture (above) of AA CEO James Goodwin meeting with the PM last week. We are also down in Canberra in force this week, with attendance at the Business Leader's summit and ACCI dinner with the PM, as well as policy meetings on employment & skills with Minister Andrew Giles and another meeting on workplace relations. Both sides of politics are on our agenda, as can be seen from the photo (left) below with Shadow Treasurer Angus Taylor. I also attended a board room style dinner with the Leader of the Opposition Peter Dutton yesterday. Plenty of reaction all round to the US election outcome, and all agreed it is an interesting time politically, both nationally and internationally.



AA CEO James Goodwin (r) with Shadow Treasurer, Angus Taylor.



AA CEO with Minister for Skills & Training, Andrew Giles from meeting today.

Airline access and bilateral agreements back in the news

A great deal of media attention has recently been focused on the government's relationship with QANTAS and upgrades for politicians of all persuasions. This attention has brought renewed interest in the denial of extra flights for Qatar airlines, and the process of entering into bilateral air service agreements. Airline access generally is a major issue for the accommodation sector, and AA made a [submission](#) on this when the issue was last in headlines over a year ago. On the positive side, the government has announced this week new agreements that deliver increased and then unrestricted by 2026 capacity with Canada and Malaysia, the first such unrestricted agreements since that struck with India in 2018. Improved agreements have also been made with Chile and Hong Kong, and new services from Latvia, Mongolia and Rwanda all covering both passenger and freight services.

Small business issues top of mind

In discussions this week with the Small Business and Family Enterprise Ombudsman, Bruce Billson, AA CEO James Goodwin raised issues that most impact our smaller accommodation and motel members.

Dramatic increases in business costs, growth of short-term rental particularly in regional areas, difficulty in getting labour and skills, and the regulatory burden of red tape and particularly workplace laws are key issues for all small businesses in our sector.

Pictured right is the AA CEO with Bruce Billson,



New partnership for First Nations tourism

Last week the Federal Labor Government announced a new Partnership to support greater participation and economic opportunities for First Nations people and businesses in Australia's tourism industry. The First Nations Visitor Economy Partnership, comprising First Nations tourism industry representatives from every state and territory, will provide leadership and guidance on respectfully embedding Australia's rich cultural heritage in our tourism offerings. Importantly, the Partnership will be tasked with investigating and establishing a permanent First Nations national tourism peak body which will provide guidance and strategic support to grow this critical sector. Tourism Minister, Senator Don Farrell, said "We know that domestic and international visitors are increasingly seeking unique First Nations experiences as part of their travels. This presents great opportunities for First Nations tourism and job creation in Australia's regions and First Nations communities."

Hospitality spend rises compared with overall household spend

According to the latest ABS Household expenditure data, in September 2024 spend on Hotels, Cafes and Restaurants rose marginally by 0.3% compared with the previous month, which compared to a fall in overall household spending of 0.1% for the month. In August, a rise of 1.4% in spend in our sector was the second highest of the nine categories of household to the spend on clothing and footwear (spending on the latter completely reversed in September, falling by 1.8%). Reflecting the fluctuations in fuel costs, spend on transport rose greatly in July, fell substantially by 1.8% in August and fell by 0.6% in September. Looking at state comparisons, the spending differences are very marked, with total household spend in WA for the last three months higher than all other states (including a 6% increase in September), with Victoria performing the worst, with a 1.3% fall in the same month. This marked difference was reflected in the specific spend on Hotels, Cafes and restaurants, where spend in WA in September was 7.2% up, compared with Victoria's 0.3%. A rise in spend in the ACT was almost as low, at 0.4%.

Overseas arrivals for August

The latest statistics from the ABS for August 2024 show that there were 658,810 short-term visitor arrivals in Australia, an increase of 9.2% compared to August 2023 but 16.5% below pre-COVID July 2019 arrivals, with this last comparison almost identical to last month. New Zealand was the largest source country, accounting for 17% of all visitor arrivals, followed by China and Japan. For the first time in many months, the rise in short term resident returns at 6.8% was lower than visitor arrivals.

In August 2024 there were 46,620 international student arrivals to Australia, a decrease of 2,150 students compared with the corresponding month of the previous year. The number of student arrivals in July 2024 was 15.2% lower than the pre-COVID levels in August 2019.

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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