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POLICY & ADVOCACY UPDATE Issue #4, 6 September 2023

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Pressure builds on Government to reverse Qatar decision

Media attention and industry discontent over the decision by the Federal Government to deny Qatar Airlines extra flights into Sydney, Melbourne and Brisbane has put the Government under pressure to justify their decision. Questions were asked of the Prime Minister in Parliament on Monday, who responded by saying that the decision was made in the national interest (see ABC story here). The Federal Opposition secured sufficient support in the Senate yesterday to set up an inquiry into the decision. Stay tuned for more action from AA and other industry groups on this important issue.

What a week for QANTAS!

Problems for QANTAS piled on top of the scrutiny of the QATAR decision, with a series of other major concerns culminating in Alan Joyce's departure from QANTAS being brought forward to this week. Following questions at a Senate committee hearing put to the QANTAS CEO about the imminent expiry of credits for cancelled flights by both QANTAS and Jetstar during the restart from COVID, QANTAS this week announced the removal of the expiry date for the credits. The Australian Consumer & Competition Commission then announced a major inquiry into QANTAS for selling flights in 2022 after they had been cancelled. If proven, this could result in massive fines. What a week for our national carrier!

"Closing Loopholes" WR Bill

This week the Federal Government introduced into Parliament the *Fair Work Legislation Amendment* (*Closing Loopholes*) *Bill 2023*. The Bill deals with six different reform areas including: same job same pay (impacting employers with enterprise agreements who use labour hire); criminalising deliberate wage underpayment; changing the definition and arrangements for casual employees; defining "employee like" minimums and imposing minimums for gig workers; minimum rates and conditions for truck owners and drivers; and Union rights of entry and delegate protections.

The proposed change of most relevance to our sector is that affecting casuals. The most publicised proposed reform has been the right for casuals to request to convert to permanent every six months rather than 12. In the new Bill, there has been a carve out on this issue so that 12 months will remain for small businesses less than 15 employees. Of greater concern is the proposed definition of casuals, which in the Bill runs to some two pages of complex legalise, with the bottom line being that an employee can only be a casual if they are paid a loading (which is straight forward) and the "employment relationship is characterised by **the absence of** a firm advance commitment to continuing and indefinite work". Fines are also proposed for an employer incorrectly engaging someone as a casual. Further information including the possible implications will be coming out to members over the coming days and weeks as the Bill is debated in Parliament. We will also be working with the Australian Chamber of Commerce and Industry (of which AHA/AA are a member) on how to further lessen the impact of the legislation.

Melbourne City Council acts on Short Term Rentals

Last week, the Melbourne City Council voted to encourage more owners to shift their properties back from short term to long term rental (see media release). Subject to further consultation, the Council is

considering an annual registration fee of \$350 and a rental cap of 180 days. In commenting on the decision, the Mayor of Melbourne, Sally Capp, made a number of observations:

- Melbourne city has the highest number of Air BNBs with 4100, around 14% of Melbourne residential properties
- the Council would prefer it if the state or federal government stepped in with more consistent regulation and limits.
- Melbourne city rental vacancy rate is now as low as 0.8%. There is a need for long term rentals for our workers in hospitality, aged care and arts.
- the Council recognises the importance of Air BNB for tourism, but Melbourne has many hotels that can accommodate them.
- Unit owners don't need to have high occupancy rates to get as much income as long term rental.

ABC Radio's World Today covered the decision, including commentary that it did not go far enough. See here for the story.

Bed Tax - still no announcement

The Victorian Government is expected to release its housing policy this month. In the past fortnight there have been further meetings between the AHA/AA Vic and decision makers in the government and AA will continue to advocate for the Government to not go ahead with the tax, or if it has to go ahead at all, to limit it to the fast growing and unregulated short term rental market.

Intergenerational Report released

The Intergenerational Report was released on 24 August 2023 by Treasurer Jim Chalmers. An Intergenerational report is usually published every five years, but this report comes just two years after one in 2021. The report identifies five major changes that will impact the economy over the next forty years: population ageing, expanded use of digital and data technology, climate change and the net zero transformation, rising demand for care and support services, and increased geopolitical risk and fragmentation.

The economy is projected to be around two and a half times larger and real incomes around 50 per cent higher by 2062–63, but the economy will grow over this time at a slower rate than the past 40 years. The population is projected to be 40.5 million by 2062-63. The number of Australians aged 65 and over will more than double and the number aged 85 and over will more than triple.

ABS Regional Population updates

The latest detailed analysis of population changes for 2021-22 showed that despite movements associated with COVID, both regional Australia and the capital cities grew at the same rate of 1.2%. A net loss of Australians from the capital cities was more than made up by migrants. Brisbane had the largest increase in population, growing by 2.3%. The gap between Sydney (5,297,089) and Melbourne (5,031,195) narrowed even further, and now is only around a quarter of a million apart. The areas with the highest growth rates were Box Hill (Sydney), Tarneit (Melbourne) and in the regions, the Geelong area.

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





Accommodation Australia | Level 12 Culwulla Chambers, 67 Castlereagh Street, Sydney, NSW 2000 Australia

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