Accommodation Australia
A DIVISION OF THE AHA

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POLICY & ADVOCACY UPDATE
Issue #41, 20 March 2025

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Election and budget activities
As we all know by now, during the concerns about Cyclone Alfred, the Prime Minister confirmed that there would be no election in April. The next step is now the Federal Budget next Tuesday. Both the AHA and AA have a representative in the lock up on Tuesday afternoon and we will work together on a budget summary for members to be circulated that evening.

In the meantime, election advocacy continues with an election expected most likely on 3rd of May and definitely by 17 May 2025. Working with the AHA we have put together a strong proposal on apprentice chefs and have followed it up with meetings including with the Shadow Minister for Industry and Skills, Sussan Ley MP. We also attended an event with the Assistant Minister for Immigration, Matt Thistlethwaite (pictured left) where we put to him both publicly and privately our concerns with the drop off in international students.

James Goodwin attended a lunch yesterday following the Destination Australia conference with the Minister for Trade and Tourism, Senator the Hon. Don Farrell. The Minister is clearly focused on trade relations with the United States but it was good to hear that tourism remains a high priority for him. The Minister was excited at the prospect next year that Australia is expected to reach the milestone of 10 million tourists. He described the tourism sector has leaving the period of recovery and “we’re now heading for the good times”. He is leading an approach to continue to diversify target markets, particularly South East Asia, noting the growth in tourists from The Philippines is faster than China. The Minister emphasised the need to maintain pressure for more international aviation capacity saying the challenges for more tourism are “prices and seats”.

Airport transport election promises and arrivals card
In another week of pre-election promises, the PM has been out and about including committing funds for transport links to both the Western Sydney and Melbourne Airports. In Western Sydney, the Prime Minister said that a re-elected Albanese Government will invest $1 billion to preserve land corridors to facilitate the building of future rail extensions from Bradfield to Leppington and Macarthur. AA in its media release welcomed this and commitments from the NSW Government to attract more airlines to operate from WSI. Given that the new airport will operate 24/7, AA CEO James Goodwin commented that any expansion in airport activity is "not only good news for Sydney, but also for the rest of the country with most international tourists travelling to multiple states while on holiday down under. Meanwhile, in Melbourne, an agreement was signed today to build the rail link to the airport, with a $7 billion commitment to the project from the federal government.

In related aviation news, the government has announced the next step in the full digitisation of the passenger arrivals card. The Australian Border Force had partnered with the Department of Agriculture, Fisheries and Forestry and Qantas to create the program which has been trialled on select flights to Brisbane airport since October last year. Since the trial began, almost 12,000 people have used it, starting with passengers from NZ and then LA. Passengers complete the declaration online to receive a digital pass with a QR code which they can access through the existing Qantas app and their nominated email. The code is shown to Border Force officers upon arrival and grants fast clearance through border controls. The trial has now moved to passengers from other origins countries and if it continues to go well, then it will be expanded to all incoming passengers.

ACT STRA levy going ahead
As we predicted when consultation on a proposed levy in the ACT on short term rental accommodation was announced in January, the government has moved swiftly to introduce

legislation into parliament to ensure the 5% levy on all STRA is in place by 1 July 2025.The levy will apply to bookings of not more than 28 days in un-hosted accommodation booked via a booking service. Booking service providers will be responsible for paying the levy. The levy does not apply to hosted accommodation, such as where the occupant of the property lists a single room and resides in the property with the guest, or accommodation booked directly with a property owner. Hotels, motels, serviced apartments, caravan parks, camping grounds and hostels are also excluded from the levy. The ACT Treasurer said "Short stay platforms will remain an important part of the visitor economy, but this strikes a fairer balance between the costs of operating hotel, motel and other accommodation which is subject to reasonable regulation and often payroll and other taxes. The revenue generated goes to delivering Canberra's great local tourism and events as well as other critical Government services."

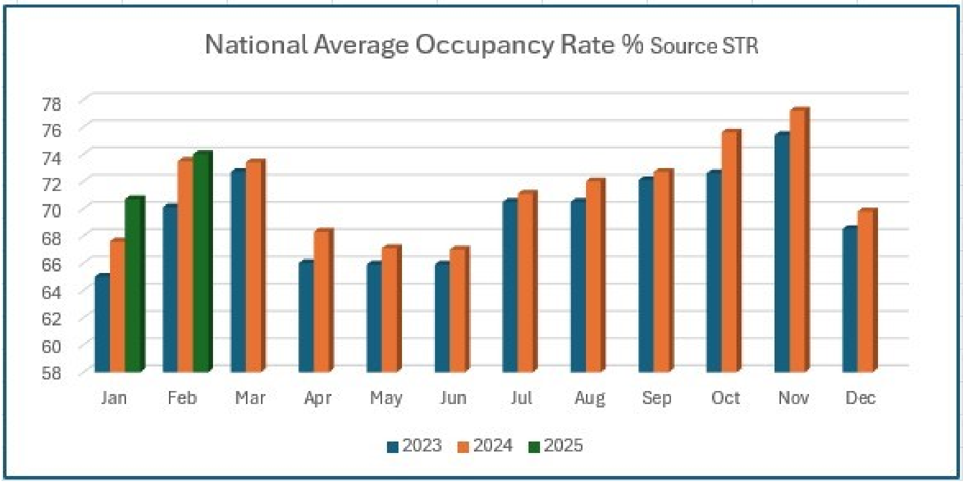
AA Notice of Election
The Notice of Election for the Board of Accommodation Australia is now published and being managed by the Australian Electoral Commission (AEC). Financial members will have received information directly from the AEC on the process and if an election is to be held in your state or territory the AEC will notify members of the voting process in coming weeks. More information can be found here

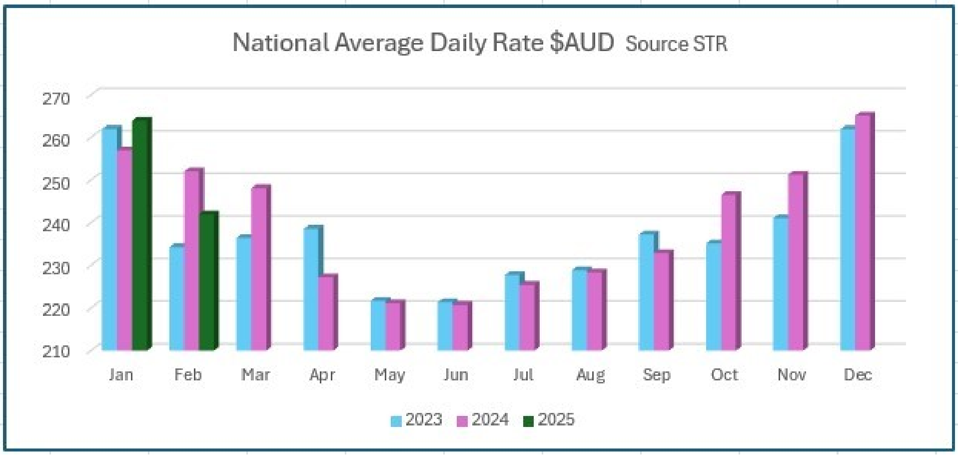
AA engaging with industry
In the past week, AA CEO James Goodiwn, had the opportunity speak at two industry events, being with Hilton Leaders (pictured below left) and also at the future of Hotel Technology summit (picture below right). These engagements provide positive opportunities to discuss the key issues and ensure that the priorities being pursued by AA are in step with industry needs.

Hotel occupancy continues to rise in February
The latest STR accommodation data released for February 2025 shows that the upward trend in Australian average occupancy experienced in 2024 continued, but with a drop off in the average daily rate largely driven by ADR falls in NSW and Victoria. The average occupancy in the month of

February across Australia was 74.0% compared with 73.8% in 2024, and the Average Daily Rate was 3.6% lower at $241.96 compared with $251.08 in February 2024. Revenue per available room in February 2025 was $179.12, a fall of 3.3% from $185.27 in 2024. Occupancy rates for February 2025 were up compared to last year in all States and Territories except for slight falls in NSW, Victoria and WA, with particularly strong performance in SA, ACT, NT followed by Tasmania. ADR was down 8.9% in Victoria and 6.7% in NSW, but up 3.7% in South Australia and 3.3% in Tasmania. After a good month in January, New Zealand saw a fall in average occupancy rates in February 2025, decreasing from 80.3% to 79.5%. ADR for the month was slightly up 0.4% to NZD258.50 in February 2025 comparied to last year.

The graphs below derived from the STR data show the monthly average performance of occupancy and ADR across Australia since January 2023.





Overseas trips by Australians highest on record

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As evidence of Australians directing more of their tourist spend overseas rather than here, according to the latest ABS data for January 2025, short term trips by Australians overseas were the highest on record, with over 1.5 million resident returns in January which is an increase of 10.9% on one year earlier. In at least some good news, short term visitor arrivals at 710,040 were up 17.6% compared with January 2024 and were not far off 731,130 arrivals in January 2019. The three leading source countries where visitors came from were: China (114,660 trips), New Zealand (96,250) and the USA (72,090). In January 2025 there were 80,830 international student arrivals to Australia, a decrease of 2,070 (2.5%) students compared with the corresponding month of the previous year. The number of student arrivals in January 2025 was 10.4% lower than the pre-COVID levels in January 2019.

Tourism jobs continue to grow

In the latest tourism satellite labour data released today by the ABS, jobs directly connected to tourism grew by 3.4% in the December quarter to 713,500, compared to 1.7% jobs growth across the whole economy. This picture was not reflected in the full year figures which showed that for calendar year 2024, tourism jobs grew by 2.5% compared to 3.1% growth across the economy. Filled jobs in accommodation grew during the calendar year by 11% to 125,900, while those jobs in restaurants, pubs and clubs connected to tourism fell by 3.3%. Across all tourism related jobs, there is a very close to even split between full time and part-time/casual jobs, but across the genders, the numbers show that 55% of the jobs are held by females.

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

Jenny Lambert OAM
National Policy Director
Accommodation Australia