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POLICY & ADVOCACY UPDATE

Issue #44, 24 April 2025

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Federal election update

In a federal election campaign dominated by world news such as the Trump tariffs and the death of the Pope, it is hard to keep the focus on the announcements of the major political parties. As reported in the last Advocacy Update, migration is a contentious issue in the context of housing policies, and international students have become the target, particularly for the Opposition. Also, in the third of four debates over the weekend, the Prime Minister was specifically asked by a journalist with which the AA has engaged what he intended to do about the rise of short-term rental accommodation given its impact on available housing and communities. The PM's response that it was a state government issue was a disappointing given his own national housing policy provides the opportunity to discuss a national framework for regulation - an action AA has called for in its own national STRA policy. Our policy document, with updated information on further action taken globally and the mounting evidence of the negative impact of STRA on housing, can be seen [here](#).



Given the importance of migration to the industry, engagement with the current Home Affairs Minister Tony Burke (pictured left with me) during the election is important. At a meeting yesterday the Minister criticised the Opposition's focus on Net Overseas Migration without any detail on how they were going to achieve the proposed reductions other than through major cutbacks in international students. We also encouraged the Minister to keep permanent migration at reasonable levels next year rather than cut back to anything close to the 140,000 which is the Opposition's plan.

AA and AHA join a meeting of the World Alliance of Hospitality Advocates

On 9 April, AHA CEO Stephen Ferguson, THA CEO Steven Old and AA CEO James Goodwin attended an on-line meeting of counterparts from the US, Canada, and Europe to discuss key issues impacting the global accommodation industry. Australia was invited to make a presentation where we focused on inbound tourism demand and hotel occupancy trends, workforce and skills challenges and an update on short-term rental levies and regulation. In addition, we shared concerns about rising operating costs such as insurance and energy. There was discussion about the Australian Election and our priorities - including wins on beer excise but concerns on migration. The international agenda included discussions on the impact of the Trump tariffs which, as noted below, is already resulting in a decline in inbound US tourist numbers. Each country also raised ongoing concerns and frustrations about short term rental accommodation. Similar approaches in each jurisdiction and government regulatory action characterised by ad-hoc, local or state decisions. It was recognised that there was a need to balance our arguments in a competitive market, and to mount not just accommodation arguments but the impact on housing crisis.

State tourism updates

In the last month, there has been some important updates happening at State level that are relevant to hotels. Firstly, in South Australia, the SA Tourism Commission has launched their new market branding, "[Celebrate the Simple Pleasures](#)". The campaign will feature an ongoing series of episodes and content aimed at growing South Australia's appeal by positioning the State as a sanctuary for those who appreciate the simple pleasures in life and seek to relax and unwind, create meaningful memories away from home or seek a unique adventure. Food and drink are a key theme of the first burst of the campaign, commencing with 'The Simple Pleasure of a Long, Long Lunch' and 'The Simple Pleasure of Pipsis to Plate'.

Secondly, the Queensland Government on 29 March 2025 [announced](#) the appointment of the new CEO of Tourism and Events Queensland as Craig Davidson (pictured right, photo from TEQ). Craig, who is well known to the accommodation sector, has enjoyed a 35-year career in the Australian tourism industry, working across hotels, resorts, attractions and nature-based experiences, including Southern Pacific Hotel Corporation, Hamilton Island, Voyages Hotels and Resorts, Ardent Leisure Theme parks and Journey Beyond.

Thirdly, in another important appointment, the Chair of Business Events Sydney, Professor Mary O'Kane AC has announced the appointment of Amanda Lampe as the new Chief Executive Officer of BESydney commencing 16 June 2025. Amanda has a background particularly in government relations, having worked at the senior level in political offices as well as in companies, most recently at Diageo.



AHA WA Accommodation Awards

Earlier this month AHA WA hosted their annual accommodation awards. In front of over 550 attendees including the Premier, Tourism Minister and AA CEO, Dario Orsini, General Manager of The Ritz-Carlton, Perth, was inducted into the 2025 Accommodation Industry Hall of Fame. The two overall winners were Metro COMO The Treasury for Best Accommodation Hotel Award, and Moonlight Bay Suites, Broome as the Best Accommodation Hotel Award, Regional. AHA WA CEO, Bradley Woods, said "Hotels are the backbone of WA's tourism and hospitality industry, and it is wonderful to celebrate exceptional talent who deliver outstanding service and reinforce WA as a premier travel destination." For a full list of winners, see [here](#).

Disappointing overseas arrivals in February 2025

The latest statistics from the ABS for February 2025 show that there were only 787,770 short-term visitor arrivals in Australia, a decrease of 8.2% compared to February 2024 and 15% below pre-COVID February 2019 arrivals. China was the largest source country accounting for 16% of all arrivals, followed by New Zealand and the USA. Victoria and the NT experienced the largest relative fall in international arrivals in February 2025 compared to the previous February.

In at least some good news, in February 2025 there were 197,270 international student arrivals, an increase of 21,320 (12.1%) students compared with the corresponding month of the previous year. The number of student arrivals in February 2025 was 7.3% higher than the pre-COVID levels in February 2019.

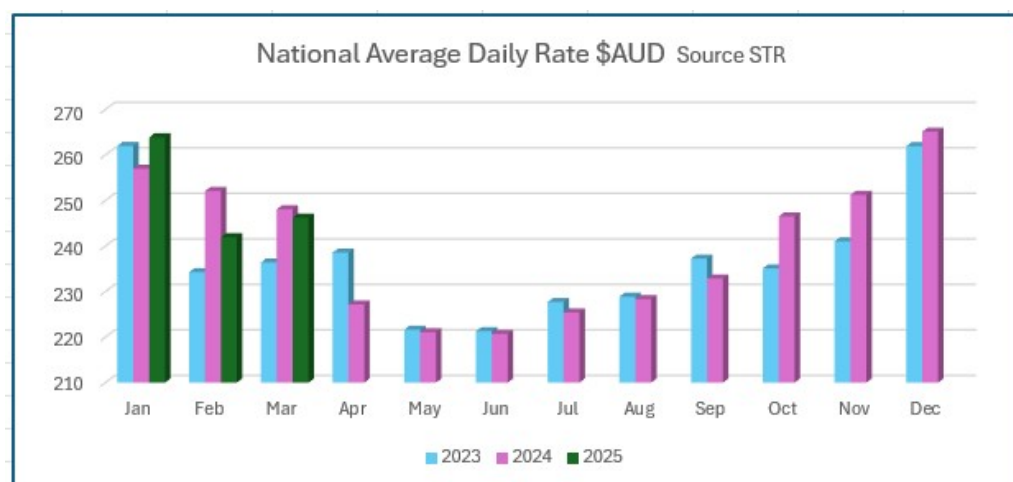
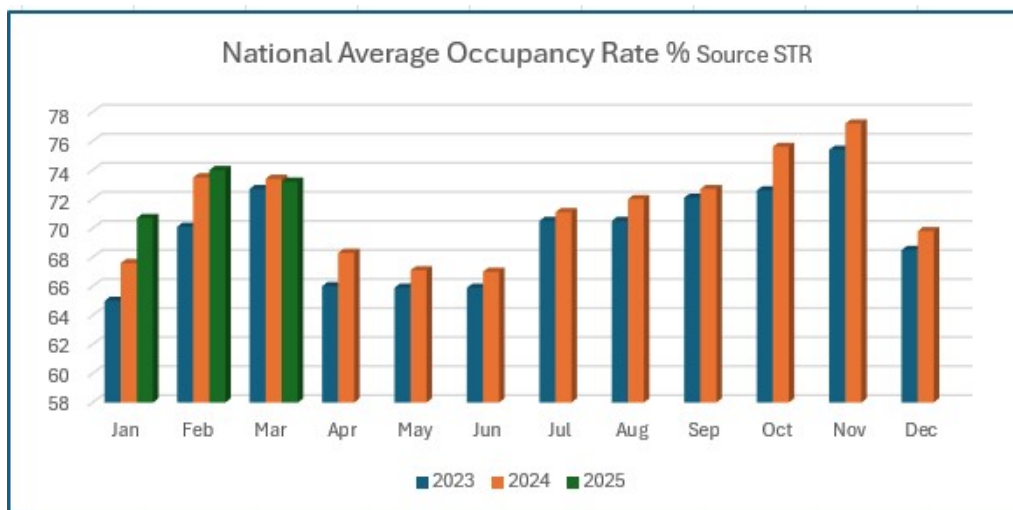
Although our number of arrivals in February were disappointing, the US tourist industry must be even more concerned. The preliminary overseas visitor numbers released by the US International Trade Administration for March 2025, show that international visitors not including Canada and Mexico fell by 11.6% compared to the previous March, with a 17.2% fall in visitors from Western Europe. Two of their largest markets fell significantly, with German visitors declining by 28.2% and the UK by 14.3%. Australian visitors fell by 7.8% to 74,877 and NZ fell by 10.1%. These results were a turnaround from the February 2025 picture which had seen a 1.6% increase in visitors compared to February 2024.

Hotel performance slows in March

On the back of news of a decline in international arrivals in February (see above), as well as the cyclone impact in Queensland, the latest STR accommodation data released for March 2025 showed a slight decline in average occupancy compared to both the previous month and also March 2024. The average occupancy in the month of March across Australia was 73.2% compared with 73.4% in March 2024, and the Average Daily Rate also declined slightly to \$246.24 compared with \$247.12 in March 2024. Revenue per available room in March 2025 was \$180.32, down 1% from \$181.88 in March 2024. Occupancy rates for March 2025 were up compared to last year in NSW, Victoria, SA, WA and Tasmania, with Victoria having the strongest rise, and Queensland the largest fall. The largest falls in ADR were experienced by South Australia (-4.3%), ACT (-5%) and NT (-12.4%). New Zealand also experienced a decline in the average occupancy rate in March 2025, decreasing from 77.4% to 75.7%. ADR for the month was also down, being NZD247.71 compared with NZD254.52 in March 2024. In the year to March 2024, Australia's average occupancy at 72.6% was higher than for the same period last year, but the ADR was down 0.3% to \$250.65.

In some better news, preliminary capital city STR data for the month to 19th of April indicates a such stronger performance in occupancy and ADR for all capital cities, with only Darwin not seeing an increase in ADR, although their occupancy rose from 67.6% for the same period last year to 73.1%. Adelaide's Gather Round performed very well for hotels with the ADR above \$450 for two nights this year, compared to a peak last year of \$419.

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

Jenny Lambert OAM
National Policy Director
Accommodation Australia





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