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POLICY & ADVOCACY UPDATE

Issue #6, 4 October 2023

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Government announces inquiry into COVID response

On 21 September, the Federal Government announced an independent inquiry to review the Commonwealth Government's response to the COVID-19 pandemic and to make recommendations that will improve Australia's preparedness for future pandemics. Controversially, the inquiry was not inclusive of the unilateral decisions of the State and Territory Governments although it will include decisions of the National Cabinet (all Governments chaired by the PM). The accommodation sector was fundamentally impacted by the pandemic, and AA aims to put in a submission to the inquiry later this year. We will not limit ourselves to the strict Terms of Reference, as actions taken by all Governments had a massive impact on the sector, and we want to tell the full story, not half of one. Also, the hotel sector was at the heart of the quarantine response which was organised at the State and Territory level - so actions taken in that space were fundamentally important to members. In addition to requesting for the COVID response to be discussed at forthcoming state and territory AA advisory committee meetings, I would welcome your views to me directly to inform our submission. I am well aware that despite the enormous impact of COVID, corporate memory can fade and we need to ensure we capture the good and the bad before the experience recedes so far that we cannot effectively learn from it. Feel free to send me an email with any views at the contact below.

Byron Shire 60-day cap on Short Term Rental Accommodation approved

Last month the NSW Planning Minister announced that he had approved Byron Shire Council imposing a 60-day cap on Short Term Rental Accommodation (STRA). This move had been signalled for some time, with Byron Council undertaking an inquiry and consultations on the prospect of a 60 or 90 day cap in order to address the severe shortage of long-term rental options in their region. The cap will not come into operation until 2024. AA issued a [media release](#) welcoming the announcement.

More information on the Victorian short-term rental accommodation levy

Now that we have had two weeks to absorb the relieving news that the Victorian government is to impose a 7.5% levy on short term rental accommodation, but not on commercial accommodation (see AA [media release here](#)), we have more information on its likely impact. The date of effect will not be until 1 January 2025, which will allow existing bookings to work through the system unincumbered by the levy. Importantly, the levy is on the platform (ie. AirBNB and Stayz) revenue from Victorian accommodation bookings so any commercial providers, including any members, who are currently using the platforms as a marketing channel for their properties will have time to switch to alternative channels. AA is currently finalising a national policy on Short Term Rental Accommodation (STRA) to inform our advocacy and achieve a more consistent regulatory approach. There has been a lot of media and political interest in STRA in recent months, fed by concerns about the lack of long-term rental stock and the cost of rents. The timing is right to achieve a better outcome.

Update on the Qatar/Bilateral Air Services Inquiry

The Senate Select Committee on Bilateral Air Service Agreements (chaired by Senator Bridget McKenzie) continued to attract headlines over the last fortnight. There has been compelling evidence

given to the inquiry that shines a light on how slots are managed (or often controlled) at airports. The evidence of Steven Byron (CEO at Canberra Airport) was particularly interesting as it included examples of how airline operators had commenced new routes that QANTAS was not operating only to have QANTAS mirror the routes and once the operator (such as Link or Pelican) had ceased the service, QANTAS also ceased operating the route. It was also clear that Qatar have formally asked for a review of the Minister's decision to refuse the extra flights, and it will be interesting to see how the Government responds. Meanwhile, Minister for Transport Catherine King has refused to appear at the inquiry, citing precedent that House of Representative ministers do not traditionally appear at Senate hearings. There is much more still to play out in this inquiry, as well as much deeper thought needed on the broader subject of aviation policy.

"Closing Loopholes" WR Bill Update

Following our meeting with the office of the Minister for Employment and Workplace Relations to discuss the casual provisions in the workplace relations Bill introduced into Parliament (see last update) AA has worked with the AHA CEO, Stephen Ferguson, and workplace relations team on our response to the proposed provisions for casual employment. The comprehensive submission on the legislation prepared by the AHA workplace relations team can be found [here](#). As the submission states, the Bill's proposed definition of casual employment undermines the legitimate role of casual employees in our workforce. The proposed definition makes it almost impossible for an employer to engage a casual worker in any meaningful way without exposing themselves to the real risk of being found to have breached the proposed section 359A." The proposed legislation will also result in casuals being given less regular rosters even if this does not suit the casual employee, who for family or study reasons, benefits from a regular roster but likes the extra money and flexibility that casual employment enables. The AHA/AA team will continue to engage with the Minister's office plus has offered to appear at the Senate inquiry into the legislation.

Hospitality Industrial Award to be reviewed

The Minister for Employment and Workplace Relations Tony Burke has called on the Fair Work Commission to conduct a review of the seven most commonly used awards including the Hospitality Industry General Award. During the review, the Commission will consider whether the terms of modern awards appropriately reflect the new object of the Fair Work Act regarding job security and the need to improve access to secure work (which could again put casuals under the spotlight) and commence consultation and research on the impact of workplace relations setting on work and care, including early childhood education and care. The Commission will also invite proposals to make modern awards easier to use without reducing entitlements for award-covered employees.

Job vacancies fall and interest rates on hold

According to the latest figures from the ABS, there were 390,000 job vacancies in August 2023, down 38,000 or 9 per cent from May 2023 and a drop of 18 per cent from the peak in May 2022. While vacancies are no longer at historically high levels, the numbers are still showing that the labour market is tighter than it was before the COVID-19 pandemic, with job vacancies still 160,000 or around 72 per cent higher than they were in February 2020. The percentage of businesses reporting at least one vacancy also fell from 25 per cent in May to 22 per cent in August. However, this was still double what it was in February 2020 at 11 per cent. The Reserve Bank will be watching these trends very closely to confirm if the economy is cooling, and this month chose to leave interest rates on hold despite the latest monthly inflation rate rising to 5.2%. It is hard to know which way the RBA, with its new Governor now in charge, will jump in the coming months.

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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