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POLICY & ADVOCACY UPDATE

Issue #7, 18 October 2023

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Qatar/Bilateral Air Services Inquiry Report Released

A [report](#) from the Senate Select Committee on Bilateral Air Service Agreements (chaired by Coalition Senator Bridget McKenzie) was released on 9 October. Recommendations of the majority report of the Committee included:

- that the Government should review its decision not to increase capacity under Australia's bilateral air services agreement with Qatar;
- future decisions should be supported by stakeholder consultation, including with the ACCC, and a cost-benefit analysis; and,
- that the inquiry be extended to capture the evidence of former QANTAS CEO Alan Joyce.

The report quoted comments from Accommodation Australia's submission about the value of airline competition and cheaper airfares to our sector and tourism generally as well as our call for greater transparency and that decisions should be explained and subject to appeal. The Government members of the committee issued a dissenting report, claiming that the inquiry was politically motivated, and that the decision of the transport minister was no different than those decisions made under the previous Coalition government. The next step would be for the Senate to consider the recommendations including the possibility of extending the inquiry. In the meantime, the political argy-bargy continues with Minister Catherine King declaring this week that the inquiry was a "political stunt", deflecting all questions about what the response to the review of the decision to deny the flights will be, and instead focusing on the government's aviation green paper which is out for comment. Senator McKenzie yesterday responded by calling on the Minister to add the flights immediately to increase competition. At least today we have seen the government act to direct the ACCC to monitor domestic air passenger services.

Commonwealth/state training agreement signed (finally!)

This week the Prime Minister and the Minister for Skills and Training [announced](#) that the Cabinet had signed off on a new National Training Agreement which had been negotiated with the State and Territory governments over the last five years. The last formal training agreement was signed by the previous Labor Government in 2012 and was due for renewal five years ago. The new agreement which sets out the Commonwealth's annual contribution to training funding which goes to the State/Territories comes into effect on 1 January 2024 is for five years, but, as per the last agreement, it will continue in force until a new agreement is finalised. The agreement commits the commonwealth to \$12.6 billion over the five years with TAFEs to be supported by baseline funding commitments. Major reforms will include the establishment of nationally networked TAFE Centres of Excellence involving partnerships between TAFEs, universities, Jobs and Skills Councils and industry. As has been the norm in recent years, prioritisation of industries such as ours is sadly lacking, with the announcement again pushing clean energy and Net Zero transformation of the economy, Australia's sovereign capability, including advanced manufacturing skills, national security, food security and construction, Care and support services, and digital and technology capability.

AA engages with key federal ministers

Last week, AA CEO Michael Johnson, National Board Member Robert Dawson, AA Vic General Manager Dougal Hollis and Ritz Carlton GM, Antony Page attended a Federal Labor Business Forum evening where Accommodation Australia had a prominent profile at the event. The AA team had the chance to engage with the Treasurer, and a number of key Ministers including Skills & Training, Education, Trade & Tourism and Transport. Ever increasing costs associated with doing business along with the critical nature of migration for jobs were discussed. The recent tourism levy announcement on STRA in Victoria was also agreed as the right outcome given that it did not include commercial accommodation.

Latest apprenticeship data

Data released this week by the National Centre for Vocational Education Research continues to show a decline in apprenticeship numbers with 3.4% less apprentices and trainees in training in March 2023 compared to the previous year. Total commencements in the March 2023 quarter fell by a staggering 37.4% compared to March quarter 2022, as the impact of the large drop in employer incentives continues to bite hard. Apprentices in training were particularly down in the ACT, NT, Tasmania, and NSW.

Queensland was the only jurisdiction to have seen a rise, although SA was virtually unchanged. Only 1710 apprentices commenced in the food trade in the March 2023 quarter, compared to 2890 for 2022 (when commencement wage subsidies were still in place), an alarming 41% fall. Importantly, the food trade commencements were less than the 1935 who commenced in March quarter 2019 which is a more like-for-like comparison.

AA Back in Canberra

I am heading down to Canberra this week to advocate for many of the key issues for the accommodation sector including migration, skills, employment, small business and tourism. The concerning drop in food trade (chef) apprenticeship numbers will be on the skills agenda as will be the lack of prioritisation of our industry for training funding. I have also organised three meetings on migration, to try and influence the government's soon to be released migration strategy, and will also take the opportunity to talk short term rental accommodation policy with the office of the Minister for Housing. It should be a very interesting week in Canberra following the defeat of the referendum question on the indigenous voice.

"Closing Loopholes" WR Bill Update

The Senate Education and Employment Committee has commenced hearings into the Government's "Closing Loopholes" Bill. AHA WA appeared at the Perth hearings on 6 October 2023, with CEO Brad Woods, mounting a strong argument in support of a more workable definition of a casual, and to remove the proposed penalty if an employer misrepresents a position as casual when it does not meet the definition including a lack of regular hours. It was clear from the questions from the Committee members that examples of concerns about casuals did not relate to our industry, but industries such as higher education. National AHA/AA is also anticipating an opportunity to appear before the Committee which is due to issue its report on 1 February next year.

Tourism Tasmania wins major advertising award

Tourism Tasmania has won a gold and silver award for its 2022 Off Season campaign at the Australian Effie Awards in Sydney last night. The Effie Awards is the most coveted advertising/marketing awards in Australia. Out of the 25 categories, there were only four golds awarded that met the Effie's criteria for the highest standard in advertising effectiveness. Tourism Tasmania and its creative agency BMF won: Gold in the category of Insight and Strategic Thinking and, Silver in the category of Travel, Leisure and Media. Tourism Tasmania has delivered the successful Off Season campaign since 2021, positioning Tasmania as a 'must-do' winter experience.

Overseas Arrivals for August

There were 603,360 short term arrivals into Australia in August 2023, up 73% on last August but still 24% less than the 789,200 arrivals in August 2019. Short term resident departures are strong, with 866,380 leaving for the short term compared with 958,520 who departed in August 2019. NSW was the only state that achieved above the national average for short term arrival growth since last year. International student arrivals also continued to grow strongly.

Latest ABS Business Turnover Stats and weekly payroll jobs

According to the latest business turnover data (derived from BAS statements) from the ABS for August 2023, accommodation and food service industry turnover rose 1.1% from July to August 2023, and 5.5% up on turnover in August 2022. Overall, there were rises in 8 of the 13 industries within the scope of the report, with the largest monthly rise experienced by manufacturing. The largest rise over the year was in construction. In the week ending 19 September, there was no net change in job numbers from the previous month, but the job numbers showed a 2.4% increase compared with September 2022. In the accommodation and food services industry, payroll jobs also stayed virtually unchanged from the previous month but fell 6.3% since September 2022. Only mining had a larger fall in job numbers over the year.

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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