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TARGETED TEMPORARY ASSISTANCE URGENTLY NEEDED FOR HOSPITALITY SECTOR

The Australian Hotels Association and Tourism Accommodation Australia have renewed calls to the Federal Government for targeted, temporary assistance for the hospitality, tourism and accommodation sectors post-JobKeeper.

The AHA has written to Prime Minister Scott Morrison outlining the dire situation facing the sector and asked assistance be urgently considered by National Cabinet.

“There’s no doubt the end of JobKeeper will create unnecessary hardship for those businesses upon which governments have imposed temporary, targeted restrictions to limit the gathering and movement of people to help save Australian lives,” Mr Ferguson said.

“We understand the government restrictions are in place to keep Australians safe and we are proud of the role we have played. But the fact remains that while keeping us all safe, these limitations come at tremendous cost to business owners and workers - costs which will continue after the temporary assistance measures like JobKeeper end.

“Given the vaccine rollout is predicted to be completed in about six months, what we are asking for are targeted, temporary measures of support... It is vital in the intervening period our businesses survive and be able to retain their skilled employees so we are there on the other side of the pandemic - now is not the time to pull the drawbridge up on those still on the road to recovery.”

Tourism Accommodation Australia CEO Michael Johnson said accommodation hotels in the major CBDs in particular were desperate for help until the vaccine rollout was complete.

“Hotels in the major CBDs of Sydney and Melbourne have occupancy rates below 35% and are really struggling to retain skilled staff,” Mr Johnson said.

“Results of a recent TAA member survey of accommodation hotels in Sydney painted a bleak picture - a quarter of employees have been let go whilst another 15% are expected to be made redundant post-JobKeeper due to the on-going low occupancy rates.

“The Government has closed our international borders and put in place a range of restrictions. With no international visitors, cruise business, conferences or events for the foreseeable future these hotels need all the assistance they can get if they are going to be there when the pandemic ends.”

Mr Ferguson said the AHA was asking for:

- Businesses whose activities are directly limited by public health orders, and whose gross revenue has been less than 70% over the last four consecutive quarters compared to the prior year, to receive a cash boost payment equivalent to the PAYG

tax withheld from wages for all employees. Or alternatively, receive \$500 per (full time equivalent) employee per week.

- For the Commonwealth to work with state and territory governments to individually consider further relief packages including tourism, hospitality and accommodation vouchers, but also direct relief aimed at issues including land tax, payroll tax etc. Using NSW as an example, it doesn't make sense a business which has 50% capacity due to a Government order still pays 100% land tax and council rates. In Victoria, businesses are still restricted to having no more than 75% of their employees back in the workplace.

Mr Ferguson said a recent ABS report, drawing on the Tax Office's single-touch payroll system over the week to 27 February, showed there were still 110,000, or 12 per cent, fewer pay-rolled employees in hotels, restaurants and cafes than before the pandemic hit early last year.

Only two in three hospitality jobs had been re-gained by the end of last month, the ABS reported.

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