



31 August 2020

Hon Scott Morrison MP  
Prime Minister  
Parliament House  
Canberra ACT 2600

Hon Josh Frydenberg MP  
Treasurer  
Parliament House  
Canberra ACT 2600

Dear Prime Minister and Treasurer,

**RE: Support for Victorian employers**

Thank you again for reviewing and amending Job Keeper 2.0. Given the continuing special circumstances in Victoria, I am writing to request further consideration for Victorian hoteliers and businesses.

**Proposed variation to JobKeeper for Victoria**

AHA are requesting for a variation to the JobKeeper program for Victorian operators in the October to December quarter only (i.e. 3 months) on the following basis:

- \$1,500 per fortnight for staff who work more than 20 hours per week
- \$1,050 per fortnight for staff who work less than 20 hours per week
- Employee eligibility to be re-set to 1 October 2020 (currently 1 July)

**Period of closure**

Since 23 March, the Victorian hotel and pub industry has primarily been closed (except for take-away meals and bottle shop trade). Metropolitan Melbourne were able to trade in a limited capacity of 20 patrons per enclosed space for 33 days (1<sup>st</sup> June – 8<sup>th</sup> July) and 66 days (1<sup>st</sup> June – 5<sup>th</sup> August) for regional Victoria respectively. The state of emergency is due to expire on 13<sup>th</sup> September.

**Victorian hotels have not benefited from JobKeeper due to closure**

Given that JobKeeper 1.0 has been introduced from 30<sup>th</sup> March - 27<sup>th</sup> September, the Victorian hotel and pub industry have received minimal benefit of the wage subsidy program. It has not provided employers with the ability to subsidise wages as the length of the industry shut down has been the same length as the JobKeeper program. To this extent Victorian hotels have simply acted as a “virtual Centrelink” and have not benefited from the business wage subsidy objective of JobKeeper.

**Benefit to the economy**

The top-up payments outlined above will assist our members in re-opening their venues and minimise the number of business exits and consequent loss of jobs. The economic benefit of JobKeeper in saving businesses and jobs was examined by EY. EY found that in three of the four scenarios indicate economic returns greater than the direct cost to Government, ranging from 1.42x to 3.38x.

**AHA Vic member survey**

In a recent survey of Victorian members, it was concluded that only 54% of staff qualified for JobKeeper 1.0 & 20% staff turnover has occurred since 1 March. In addition 50% of operators may not open their venues if sufficient subsidy is unable to be provided. With unemployment currently

residing at over 10% in Victoria, the wage subsidy will assist in keeping staff employed and minimising the need to make positions redundant.

**Conclusion**

So as to minimise the number of business exits and consequent loss of jobs, we seek your assistance in providing these businesses with a modest increase to the wage subsidy.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Stephen Ferguson', is written in a cursive style.

**STEPHEN FERGUSON**  
**NATIONAL CEO**