



AUSTRALIAN HOTELS ASSOCIATION

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The Hon Scott Morrison MP
Prime Minister
Parliament House
Canberra ACT 2603

Dear Prime Minister,

National Cabinet re: end of JobKeeper

I am writing in regard to the end of JobKeeper on 28 March 2021 and for the dire situation facing segments of the hospitality, accommodation and tourism sectors to be urgently addressed by National Cabinet. First, let me thank all governments for the numerous relief schemes they have put in place, especially those continuing post JobKeeper including dining vouchers and the Aviation Tourism Scheme.

However, 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. Those businesses should continue to be assisted with temporary and targeted financial relief.

Proposals

- 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.
- 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.

Six more months

Given the vaccine rollout is predicted to be completed in about six months, what we are asking for are targeted, temporary measures of support until that process is complete. It is vital that in the intervening period our businesses survive and be able to retain their skilled employees. Whilst governments deserve credit for the growing strength of the economy, not all businesses are able to fully take part in that growth due to government-imposed restrictions placed upon them.

Only two in three hospitality jobs re-gained

The AHA believes all governments have a responsibility to directly support businesses whose trade is still limited by public health orders restricting the gathering and movement of people. The figures

speak for themselves; 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.

Keeping Australians safe

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 that will continue after the temporary assistance measures are phased out.



STEPHEN FERGUSON
NATIONAL CEO