

Spotlight on Spending

Tourism, Hospitality & Gaming

Low impact budget for highly impacted sector!

Key takeaways

- Personal tax cut for low to middle income earners up to \$1,080 extended for 2022 financial year
- Extension of temporary full expensing measures for eligible depreciable assets to 30 June 2023
- Extension of loss carry back measures for the 2023 financial year
- Significant excise relief for around 1,000 small brewers and distillers
- Additional flexibility for student visa holders to work additional hours in the tourism and hospitality sectors beyond the current limits of 40hrs per fortnight. But the impact is reduced given the exodus of international students during the pandemic
- \$1.2bn package for aviation and tourism businesses, including 800,000 half-price airfares to domestic destinations, of which more than 660,000 have been sold already.

Impacts to your business

- Increase patrons spending power
- Longer lead time to plan capital expenditures
- Potential ability to have tax payments made previously refunded
- Improved cash flow for brewers and distillers up from \$100k to \$350k maximum. For some smaller operators this could eliminate excise completely
- Assist with resourcing shortage in hospitality and tourism sectors
- Incentivise domestic travels.

Opportunities

- More considered and strategic capital expenditure program to take advantage of the immediate tax deduction
- Targeted recruitment of student visa holders to address shortages in on premise resources or extension of hours for existing employees
- For brewers and distillers, update cash flow forecast and redirect increased cash flow to relevant capital expenditure.

Did the Budget put the spotlight on what you wanted?

Whilst the extension of the temporary full expensing and loss carry back concessions are welcomed, the lack of direct financial assistance to Tourism and Accommodation sector is disappointing especially our borders remain closed.

In addition, the skill shortage in the hospitality sector has also not been adequately addressed given the exodus of skilled migrants and career hospitality workers.

Our review



3/5 – Not enough in the plot

Disappointingly, the budget has not adequately addressed the much needed assistance at the coal face of the international travel restrictions namely accommodation and tourism operators.



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