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FEDERAL BUDGET TO ASSIST SMALL ACCOMMODATION BUSINESSES

Tax cuts for small businesses and initiatives to boost youth employment announced in the Federal Budget have received support from the accommodation industry.

Speaking on behalf of the industry, the Accommodation Association of Australia said these measures are set to have a positive impact, particularly in regional areas.

“The Federal Government is to be commended for lowering the company tax rate to 27.5 per cent for businesses with turnover of less than \$10 million,” said the Association’s Chief Executive Officer, Richard Munro.

“In the accommodation industry, this will see increased returns for owner-operated motels, among other accommodation businesses, many of which are located in regional Australia.

“Australia should ultimately be aiming for a company tax rate of 25 per cent to ensure our global competitiveness is maintained and to promote additional investment.

“Our industry is also pleased the instant write-off for equipment purchases of up to \$20,000, which was to expire next year, will be extended and be available to businesses earning up to \$10 million a year.

“Typically, these are not measures which will attract big headlines, but they have the potential to make a real difference to the bottom line of small businesses in Australia’s accommodation industry.”

Regarding the youth employment initiative, “Youth Jobs PaTH (prepare, trial, hire)”, the Accommodation Association is anticipating it will lift workforce participation in the industry.

“The Accommodation Association – through the Accommodation Association Academy – plans to actively encourage our members to make use of the new youth internship incentives,” Mr Munro said.

“The up-front payment of \$1000 for a business to host an intern – together with additional incentives for job-seekers – will assist with generating employment in the accommodation industry.

“We look forward to more positive announcements for tourism – from both the Government and Opposition – during the upcoming election campaign.”

Press Release



Accommodation
Association
of Australia

The Accommodation Association was hoping for change to the proposed backpacker tax, but this hasn't eventuated as yet.

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