

ATIC Position – Extend JobKeeper in the new COVID economy

Why ATIC supports JobKeeper?

Tourism is one of Australia's largest employers and industries. 1 million Australians or 1 in 13 workers were employed in our major sector prior to the pandemic.

Our national tourism and visitor economy at the end of 2019 was a record \$150 billion.

The tourism industry is one of the hardest hit since the COVID-19 outbreak and collective Australian governments responses to it. We have had little to no opportunity to recover. Its estimated tourism enterprises are currently losing up to \$9 billion in collective monthly earnings.

Beyond a closed international border, Australian tourism businesses have faced continued hard closures of internal borders, ongoing business restrictions and major industry impacts including reduced aviation services and the previous impact of bushfires.

ATIC and its members strongly support JobKeeper. Since April, the initiative has been adopted by thousands of our small and medium sized tourism business members. JobKeeper has enabled businesses to hibernate or curtail operations during the height of the pandemic and travel restrictions, yet retain the key personnel and core operations needed for full recovery.

ATIC position on JobKeeper

The following changes and recommendations are outlined for the JobKeeper program:

- 1. Extend JobKeeper six months and until the international border reopens**
- 2. Extend JobKeeper to include regular seasonal employees**
- 3. Target JobKeeper based on a business turnover, not industry**
- 4. Review the JobKeeper payment level**
- 5. Provide advance notice of JobKeeper extension for workforce retention.**

ATIC supports an extension and re-targeting of the JobKeeper program to enable tourism businesses in genuine need to retain their workforce until tourism demand recovers.

1. Extend JobKeeper six months and until the international border reopens

ATIC has consistently called for an extension of JobKeeper beyond the existing September 2020 deadline. The JobKeeper program should be extended for six months to 31 March 2021 at least and be maintained whilst our international border is restricted.

International and domestic travel and business restrictions have limited our industry's ability to develop domestic tourism and generate working capital to continue beyond September 2020. A review should be undertaken at the end of March 2021 which would consider the status of our international border and impact on tourism demand.

2. Extend JobKeeper to include seasonal workers in tourism businesses

Many Australian tourism businesses operate in a seasonal market across the calendar year. This is particularly the case throughout northern Australia.

Many regional tourism enterprises recommence their operations post 1 March for the dry season and employ a regular seasonal workforce. These businesses were not eligible at the time of the initial establishment of JobKeeper.

JobKeeper should be extended to seasonal businesses and their workforce where they can demonstrate BAS turnover has reduced compared to the same time (season) last year.

Employee eligibility should extend to those seasonal employees engaged since 1 March 2020 but before any seasonal extension to JobKeeper is announced (e.g. from 1 July 2020).

3. Target JobKeeper based on a business turnover, not industry

The extension of JobKeeper beyond 28 September 2020 for eligible businesses should be based on BAS turnover to demonstrate ongoing business decline compared to same time last year. This will ensure all tourism businesses genuinely impacted by international travel and domestic business restrictions will be eligible.

Tourism businesses have been disproportionately affected by the international and internal travel and business restrictions. These restrictions have impacted the turnover of tourism businesses across multiple industries including but not limited to:

- Passenger transport including airports, airlines, vehicle hire, bus, ferry, charters and other transport services
- Retail including Visitor Centres, tourism specialty retailers (e.g. jewellery stores in destinations such as Broome and Coober Pedy), service stations and retailers dependent on visiting trade
- Accommodation particularly CBD Hotels catering to the international and business travellers, as well as regional and rural accommodation
- Attractions, tours and experiences ranging from theme parks to cellar doors, art galleries and guided tours which are reliant on visitor experiences and patronage
- Business and major events and venues which are reliant on international and interstate business delegates, artists and performances, sporting teams and other events.

Because tourism encompasses so many differing industries, ATIC contends that JobKeeper should not be targeted at specific industries in our economy but be targeted based on BAS turnover to support those enterprises demonstrably most impacted.

4. Review the JobKeeper payment level

The current JobKeeper payment level should be retained for owner operators and for those employees previously earning more than \$1500 per fortnight.

However, many tourism businesses are reporting difficulty in recruiting staff, particularly in regional areas, where seasonal demand is recovering (e.g. during school holidays).

ATIC supports reviewing JobKeeper and JobSeeker arrangements to ensure their payments do not become a barrier to workforce mobility or staff not being prepared to resume work with their former employer.

ATIC supports employee JobKeeper payments being capped at less than \$1500 a fortnight where an employee did not previously earn \$1500 for that period.

5. Provide advance notice on JobKeeper extension for workforce retention

The tourism industry is seeking advanced notice on the outcome of the existing review into JobKeeper.

A decision to extend JobKeeper in some form should be communicated to industry by no later than the end of July.

Many tourism businesses are advising ATIC that they are planning widespread termination of employment from 28 September 2020 when JobKeeper expires.

To comply with National Employment Standards, tourism businesses must give up to 4 weeks' notice of termination to employees. To give notice in late August, businesses must make redundancy decisions, consult with staff and prepare to make payments by early August.

Tourism businesses need certainty of the extension of JobKeeper by the end of July to determine how to retain staff and not initiate redundancies.

Further Details:

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