

Attachment 3b

# Tax deductions for accommodation operators

This attachment supports the  
DSNSW Bushfire Support Advocacy paper.

## Tax deductions for accommodation operators

“Tourism operators in the bushfire affected areas cannot wait for a marketing campaign to be created and functional, and where the main beneficiaries will be the advertising agencies and media outlets. Australian Tourism operators like us here in Thredbo need to see results today, next weekend and go from there.

The correct solution would be immediate tax deductions on accommodation booked in the affected areas for holidays at home between now and June 30. Holidays must be taken between now and then.

### **How much will this scheme cost?**

- **The government will foot a tax revenue loss of 30 to 40c in accommodation dollars spent by individuals.**
- **They will, as a result, see a GST return of 10c per dollar spent. They will also get a return from the operators of 30c on all spent, profits plus staff working as a result of the stimulus will also pay tax or drawdown less on social security.**

In that way, an amount of \$76 million will go a very long way funding thousands of accommodation holidays.

Timing is everything. The cash flow urgency is now. I fear that the proposed campaigns by Tourism Australia will not turn around the international market before next Christmas, and in any event, I am seeing evidence that things will return to normal by that time anyway and you cannot squeeze much more into the marketplace at that time so minimal change to annual turnover.

The holiday at home tax incentive has many positives.

It provides the opportunity for immediate demand.

Treasury Revenue lost will be offset in part by minimizing loss of operators, reduced staffing.”

Contributed via email to MP Mike Kelly Member for Eden Monaro by

*Glenn Smith*

*Holiday at Home*

*Thredbo Accommodation & Reservations*