

Federal Budget 2018-19 Fast Facts



Tourism & Hospitality

Australia's \$100b tourism and hospitality industry was given a lot to smile about in this year's Federal Budget. Significant announcements for building connectivity in some of our main tourism hubs as well as protecting the future of the industry will provide enhanced opportunities for many in the sector.

Most important take outs

- \$24.5b has been committed to key road and rail projects to improve connectivity across the nation, most notably the Melbourne Airport Rail Link (\$5b) and Western Sydney Airport (\$5.3b).
- A record \$535m committed to help restore and protect the Great Barrier Reef over the next five years.
- \$140m boost to Australia's film industry over four years from 2019/20 where the government will focus on enticing international producers to shoot their films in Australia.
- The government has levelled the playing field for online accommodation booking sites by extending GST to Australian hotel bookings made through offshore digital businesses such as Trivago. This measure applies from 1 July 2019.
- Domestic brewers will get a financial boost as a result of the increase to the excise refund scheme cap from \$30,000 to \$100,000. Furthermore, brewers selling draft beer in smaller kegs will benefit from the lowering of the threshold for the concessional draft beer excise rate.

Main impacts to your business

- The significant funds committed to key road and rail projects will improve connectivity across our country including regional areas. This will encourage tourists to explore more destinations and stay longer which will likely encourage greater spending.
- Tourism and hospitality operators with <\$10m turnover will continue to have the benefit of the \$20,000 instant asset write-off for depreciating assets until 2019.
- Tourism and hospitality operators with <\$10m turnover should consider bringing forward any capital expenditure to 2019 to take advantage of the \$20,000 instant assets write-off.
- Hotel operators should liaise closely with offshore digital booking sites to ensure the impact of the GST will not significantly affect the price sensitive hotel industry.
- Smaller craft brewers, who typically package their beer in smaller kegs, will be better placed to compete on a level playing field with large brewers.

Maximising your opportunity

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