

TTF NSW BUDGET SUBMISSION 2020

REBUILDING THE VISITOR ECONOMY IS CRITICAL TO THE NSW ECONOMIC RECOVERY

TOURISM INDUSTRY SNAPSHOT – PRE-COVID-19

The Importance of Tourism to the NSW Economy



358,400 jobs or around
5% of the NSW workforce



\$38.1 billion towards
NSW Gross State Product



72,312 tourism business
across Sydney



34,803 tourism business
across regional NSW

ECONOMIC IMPACT OF COVID-19 IN NSW

The tourism and transport industries in NSW are currently losing around \$2.6 billion a month in spend due to lack of international and interstate travel, contributing to a total \$5 billion in lost wages.



\$1.37 billion per month
(from September 2020)

Average monthly decrease in
international tourism spending



\$1.22 billion per month
(from September 2020)

Monthly decrease in domestic
(overnight) tourism spend



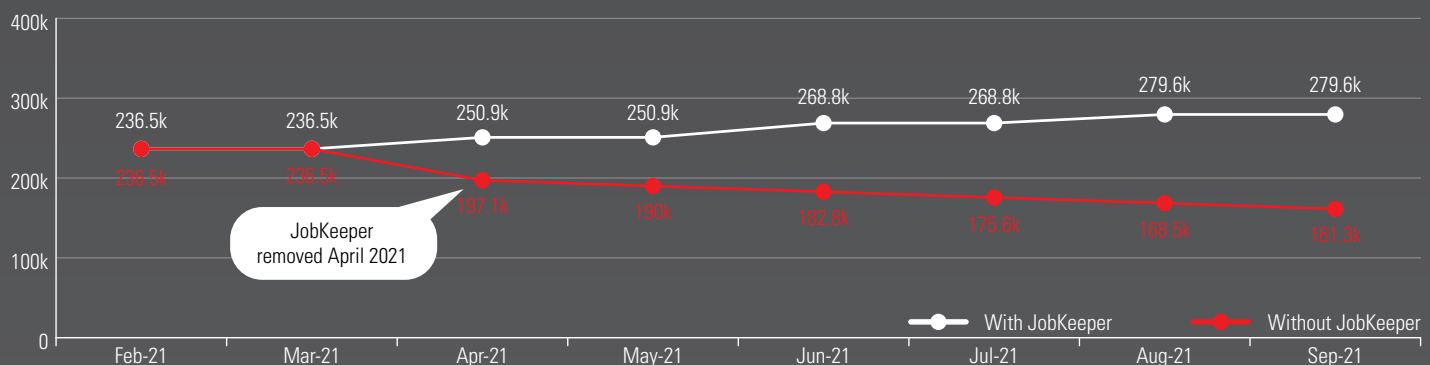
\$5 billion
(2020)

Estimated lost wages and salaries
from direct tourism job losses

JOBKEEPER SUPPORT

In addition to other industry specific packages the national JobKeeper subsidy has been a critical lifeline for our industries and kept thousands of our employees connected to their employer companies including in NSW. Economic modelling completed for TTF and represented in the graph below, however, reveals up to 300,000 more jobs could be lost nationally when the current subsidy expires in March 2021.

NSW Tourism & Hospitality Employment Forecasts



In NSW alone over 118,000 tourism jobs could be saved if JobKeeper continues to September 2021.

NSW STATISTICS



**38 million infected and
1.1 million deaths**

(as of 14th October 2020)

Covid-19 impact globally



358.4k tourism jobs

(December 2019)

Total sector employment
pre Covid-19



236.5k tourism jobs

(by March 2021)

Total sector employment
with JobKeeper



161.3k tourism jobs

(by September 2021)

Total sector employment
with JobKeeper removed
from April 2021



197.1k tourism jobs lost

(by September 2021)

55% of all tourism direct
jobs lost from 2019 pre
Covid-19 levels



118.3k tourism jobs saved

(by September 2021)

Estimated tourism jobs
retained if JobKeeper
continues to
September 2021



\$394.2 million

(September 2021)

Estimated additional
wages retained if
JobKeeper continues
to September 2021



\$118.3 million

(p/a 2021)

Estimated PAYG tax
contributions from
tourism jobs retained
with JobKeeper

SUMMARY

The NSW Visitor Economy is on its knees following the double whammy of the summer bushfires and the Covid-19 global pandemic. Despite significant Government support to date the industry cannot fully recover until full international travel resumes. TTF recommends the following initiatives be funded in the November budget to ensure the survival and long-term sustainability of one of the nation's supergrowth industries.

TTF RECOMMENDATIONS

- 1** NSW TO ADVOCATE FOR FEDERAL GOVERNMENT TO PROVIDE ADDITIONAL \$10 BILLION TO EXTEND THE JOBKEEPER SUPPORT TO SEPTEMBER 2021 FOR TOURISM, TRANSPORT AND AVIATION SECTORS IN NSW
- 2** SUSTAINABLE FUNDING FOR DESTINATION NSW OF \$350 MILLION ANNUALLY (\$1.4 BILLION OVER FOUR YEAR FORWARD ESTIMATES) TO REBOOT DOMESTIC TOURISM OVER SHORT TERM AND INTERNATIONAL TOURISM OVER LONGER TERM. THIS INCLUDES OPERATIONAL EXPENDITURE, PRODUCT DEVELOPMENT AND INCREASED SUPPORT FOR BUSINESS EVENTS AND CONFERENCES
- 3** AN ADDITIONAL \$20 MILLION SUPPORT PACKAGE FOR AUSTRALIA'S INTERNATIONAL CARRIERS TO ASSIST WITH REBUILDING THEIR GLOBAL NETWORK AND CITY PAIRS INCLUDING COMPLETING THE TRANS-TASMAN BUBBLE AND RESTORING OTHER PRIORITY INTERNATIONAL BRIDGES INCLUDING SINGAPORE AND JAPAN
- 4** DEDICATED \$10 MILLION AVIATION RESTORATION FUND TO RESTORE ROUTE CAPACITY AND REBOOT FLIGHT FREQUENCIES AND SEAT CAPACITY ON EXISTING ROUTES
- 5** A FAST-TRACKING OF PUBLIC TRANSPORT AND INFRASTRUCTURE PROJECTS TOGETHER WITH THE FEDERAL GOVERNMENT TO DRIVE ECONOMIC RECOVERY AND CREATE JOBS ACROSS NSW
- 6** ADDITIONAL SUPPORT TO ENCOURAGE INTRASTATE AND INTERSTATE NATIONAL PARKS AND CULTURAL TOURISM VISITATION AS WELL AS FURTHER INVESTMENT TO REESTABLISH SYDNEY'S 24-HOUR ECONOMY
- 7** SUPPORT FOR TRAVEL AGENTS IMPACTED BY INTERNATIONAL TRAVEL BAN WHICH WILL ASSIST RANGE OF TOURISM SUB-SECTORS INCLUDING CRUISE SECTOR TO RECOVER
- 8** CONTINUED PLANNING REFORM TO ENCOURAGE POST COVID-19 TOURISM AND TRANSPORT INFRASTRUCTURE INVESTMENT

TTF REPRESENTS THE FOLLOWING COMPANIES AND THE WIDER TOURISM INDUSTRY

