

TTF VICTORIAN BUDGET SUBMISSION 2020

REBUILDING THE VISITOR ECONOMY IS CRITICAL TO THE VICTORIAN ECONOMIC RECOVERY

TOURISM INDUSTRY SNAPSHOT – PRE-COVID-19

The Importance of Tourism to the VIC Economy



284,400 jobs or around
5.5% of the VIC workforce



\$29.4 billion towards VIC
Gross State Product



61,084 tourism business
across Melbourne



24,586 tourism business
across regional VIC

ECONOMIC IMPACT OF COVID-19 IN VIC

The tourism and transport industries in Victoria are currently losing around \$2.4 billion a month in spend due to lack of international and interstate travel, contributing to a total \$6.6 billion in lost wages.



\$984 million per month
(from September 2020)

Average monthly decrease in
international tourism spending



\$1.44 billion per month
(from September 2020)

Monthly decrease in domestic
(overnight) tourism spend



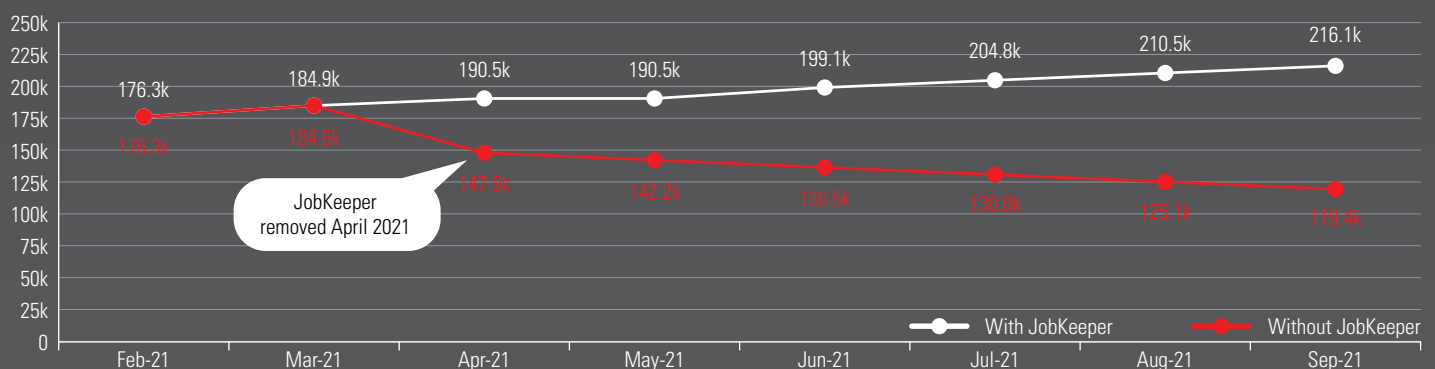
\$6.6 billion
(2020)

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 Victoria. 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.

VIC Tourism & Hospitality Employment Forecasts



In Victoria alone over 96,000 tourism jobs could be saved if JobKeeper continues to September 2021.

VIC STATISTICS



**38 million infected and
1.1 million deaths**

(as of 14th October 2020)

Covid-19 impact globally



284.4k tourism jobs

(December 2019)

Total sector employment
pre Covid-19



184.9k tourism jobs

(by March 2021)

Total sector employment
with JobKeeper



119.4k tourism jobs

(by September 2021)

Total sector employment
with JobKeeper removed
from April 2021



164.9k tourism jobs lost

(by September 2021)

58% of all tourism direct
jobs lost from 2019 pre
Covid-19 levels



96.7k tourism jobs saved

(by September 2021)

Estimated tourism jobs
retained if JobKeeper
continues to
September 2021



\$322.3 million

(September 2021)

Estimated additional
wages retained if
JobKeeper continues
to September 2021



\$96.7 million

(p/a 2021)

Estimated PAYG tax
contributions from
tourism jobs retained
with JobKeeper

SUMMARY

The Victorian 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 VICTORIA 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 VICTORIA**
- 2 SUSTAINABLE FUNDING OF AT LEAST \$1.3 BILLION OVER FOUR YEARS TO REBOOT TOURISM AND DRIVE DEMAND INCLUDING INCREASED SUPPORT FOR VISIT VICTORIA AND FOR BUSINESS EVENTS INCLUDING THE MELBOURNE CONVENTION BUREAU AND BUSINESS EVENTS VICTORIA**
- 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 A 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 VICTORIA**
- 6 ADDITIONAL SUPPORT TO ENCOURAGE INTRASTATE AND INTERSTATE NATIONAL PARKS AND CULTURAL TOURISM VISITATION AFTER RESTRICTIONS ARE REMOVED**
- 7 CONTINUED PLANNING REFORM TO ENCOURAGE POST COVID-19 TOURISM AND TRANSPORT INFRASTRUCTURE INVESTMENT**



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TTF REPRESENTS THE FOLLOWING COMPANIES AND THE WIDER TOURISM INDUSTRY

