

# TTF FEDERAL BUDGET SUBMISSION 2021

## PRE-COVID

(TRA data as at 30 June 2019)

The Importance of Tourism to the Australian Economy



**\$60.8 billion** contribution to GDP at **3.4%YOY growth** which was faster than the national economy



**666,000** jobs or **5.2 per cent** of Australia's workforce



Almost **10%** of Australia's exports (fourth largest)



**2.8 million** international airline passenger services over the month of February 2020

## ECONOMIC IMPACT OF COVID-19

Updated economic data conducted by Stafford Strategy for TTF (January 2021) shows that the tourism and transport industries are continuing to lose \$6 billion per month due to the lack of international travel and uncertain interstate travel (see infographic below). Staffords estimated the summer holiday lockdown on Sydney's Northern Beaches and the pre-Easter Brisbane lockdown cost the industry almost \$7 billion and \$1.7 billion respectively.



**96 million infected and 2.05 million deaths**

(As of 19th January 2021)

Covid-19 impact globally



**\$3.86 billion per month**

(From January 2021)

Average monthly decrease in international tourism spend



**Up to 680,000 per month**

(From January 2021)

Average monthly decrease in international visitation



**\$2.01 billion per month**

(From January 2021)

Average monthly decrease in domestic (overnight) tourism spend



**6.7 million per month**

(From January 2021)

Average monthly decrease in domestic (overnight) visitation



**961,000**

(As of 19th January 2021)

Estimated total direct and indirect job losses



**\$20.3 billion**

(2021)

Estimated lost wages and salaries from direct tourism job losses



**\$6.1 billion per annum**

(2021)

Estimated lost PAYG tax contributions from direct tourism job losses

# INDUSTRY SUPPORT

JobKeeper, which ended at the end of March, was an economic lifeline for tourism and helped to protect thousands of jobs, and the industry has long called for a targeted scheme to replace it for our sector.

The Federal Government's support for aviation including half-price airline tickets and direct support for airlines and airports was a good start but will only support the specific destinations.

The package however doesn't provide support for other significant sub-sectors of the tourism industry including bus and coach operators, attractions, arts/culture and accommodation providers, particularly in our struggling CBDs. TTF research has revealed that visitation to capital city CBDs is down 40 per cent on pre-COVID levels.

Economic modelling completed for TTF by Stafford Strategy estimated that up to 312,000 jobs could be lost across the tourism sector if JobKeeper finished at the end of March (see table below) without other forms of support being offered. Job losses are expected to be reflected in upcoming ABS jobs figures. The delayed vaccination roll out may exacerbate potential job losses as consumers are often cautious and reluctant to travel.

	Employing Businesses				Total		Total
	Micro (1-4 employees)	Small (5-19 employees)	Medium (20-199 employees)	Large (200+ employees)	Employing	Non- employing	
Total tourism businesses							
Incorporated company	50,621	30,053	8,969	610	90,253	37,407	127,660
Sole proprietor	12,966	2,891	241	3	16,101	78,289	94,390
Partnership	9,215	4,784	1,088	14	15,101	17,477	32,578
Trust	17,498	16,090	4,548	220	38,356	19,515	57,871
Total	90,306	53,821	14,871	862	159,860	152,700	312,560

Source: Australian Bureau of Statistics, ABS Business Register (unpublished data).



# SUMMARY

Australia's once lucrative visitor economy is still fighting for survival. The delay and lack of a clear timetable for the vaccine rollout will delay the resumption of the high yielding international market. Confidence among Australians to travel interstate remains low with recent consumer research conducted by TTF revealing 40% of Australians remain reluctant to travel. Additionally, 63% of Australians remain concerned about travelling interstate due to the continuing threat of lockdowns and a lack of consistency in rules across jurisdictions.

The Government's decision not to extend Jobkeeper was made at a time when it was expected that all Australians would be vaccinated by the end of October 2021. This now won't occur.

As such TTF is calling for the immediate implementation of an **Employee Emergency Support Scheme** for tourism industry employers who are suffering a 50% or greater downturn in turnover by providing their employees with \$1000 a fortnight over six months from April through to September (backdated to commence 1 April 2021). The Scheme which has been costed at \$854 million would support an industry worth \$150 billion to the Australian economy and help to ensure the survival of what has traditionally been one of the nation's four super growth industries.

## TTF RECOMMENDATIONS

1

Immediate introduction of **\$854 million Employee Emergency Support Scheme** to enable the tourism sector to survive to the end of September.

2

National Cabinet to develop a **uniform approach to domestic borders and a timetable for the reopening of international borders** to restore travel confidence.

3

**Tax rebates** for Australians choosing to spend over \$1,000 of leisure holiday activity and for companies encouraging their employees to travel for business and stage business events.

4

Progress **key Australian Aviation Bubbles** in addition to New Zealand including to Singapore, Japan, South Korea and the Pacific and **\$100 million in funding for Australian carriers** to assist rebuilding their global networks and fast track the development and implementation of digital vaccine passports to enable the resumption of international travel

5

A dedicated **\$200 million Attractions Support Package** would allow attractions operators in both regional and metropolitan locations to conduct necessary infrastructure maintenance and other major fixed ongoing costs. This would enable them to be able to reboot once widespread interstate and later international travel resumes

6

A new **\$160 million Airport Infrastructure Investment Program** for mid-tier airports to assist with managing ongoing necessary costs

7

A **\$100 million Tourism, Transport and Infrastructure Skills Attraction Package** to retain existing and attract new employees into key existing and new tourism and transport related major infrastructure projects and address the growing skills shortage. This would draw its inspiration from the Global Talent Visa and allow us to acquire skilled workers from overseas and increase the training capacity for local workers

8

Government and private sector cooperation to establish a government backed **Business Liability Insurance program** to encourage major companies to allow employees to travel interstate and reinvigorate the critical corporate travel market and business events sector

9

A pilot program be established to bring **groups of Working Holidaymakers to Australia**, with flexible quarantine solutions to ensure that the programs do not impact returning Australians **to provide essential labour for the hospitality and agricultural sectors**

10

A timeline for **activation of domestic and ANZ cruise operations** by allowing ships back into Australia to operate domestic cruises

11

Reset of seven-year timelines for existing business to apply for **Export Market Development Grants (EMDGs)** and additional funding boost of \$100m into program

12

Sustainable funding of at least **\$300 million annually for Tourism Australia** including continued long-term visibility and spend in the domestic market

13

Legislation to **relinquish Passenger Movement Charge** until 2030 to help restore inbound tourism demand

# TTF REPRESENTS THE FOLLOWING COMPANIES AND THE WIDER TOURISM INDUSTRY

