

TTF NSW BUDGET SUBMISSION 2021

ECONOMIC IMPACT OF COVID-19 ON NSW TOURISM JOBS

Economic data conducted by Stafford Strategy for TTF shows that before the onset of COVID there was a total of around 358,400 jobs in tourism across New South Wales. The Federal Government's JobKeeper program ensured that there were still around 236,500 jobs remaining in the sector, however since the program has ended, total tourism jobs in New South Wales are forecast to fall to around 161,300 tourism jobs by September, a fall of around 118,300 from an otherwise forecast 279,600 total jobs.



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.k tourism jobs

(by September 2021)

Total sector employment
with JobKeeper removed
from April 2021

THE CURRENT SITUATION

Additional economic data by Staffords shows that the tourism industry is continuing to lose a combined \$2.6 billion per month in New South Wales due to the lack of international travel and uncertain interstate travel, resulting in some \$5 billion in lost wages and salaries just until the end of 2020. Staffords also estimated the more recent summer holiday lockdown on Sydney's Northern Beaches cost the industry almost \$7 billion.



\$1.37 billion per month

(from November 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

CONFIDENCE REMAINS LOW

The once lucrative visitor economy in New South Wales 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 in all states including New South Wales. Confidence among Australians more broadly 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 Federal 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 amongst other key state measures, TTF is calling for New South Wales to advocate for the Federal Government to immediately implement 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 the industry.

TTF NSW BUDGET RECOMMENDATIONS

- 1** NSW to advocate for the Federal Government to introduce **\$854 million emergency support scheme** to enable the tourism sector to survive to at least the end of September.
- 2** Sustainable funding for Destination NSW of at least **\$250 million per annum over four years** to reboot domestic tourism over the short term and international tourism over the longer term, including funding for future stimulus packages.
- 3** NSW to work within National Cabinet to develop a **uniform approach to domestic borders and a timetable for the reopening of international borders** to restore travel confidence.
- 4** A new **Attracting Aviation Investment Fund comprising \$30 million per annum over three years** to incentivise airlines back to NSW airports across the State.
- 5** A new **Airport Infrastructure Investment Program comprising \$23 million annually over two years** to leverage existing federal funding to help build international capability.
- 6** A **\$75 million Attractions Support Package** to allow attractions operators in both regional and metropolitan locations across NSW 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.
- 7** A contestable **Product Development and Innovation Fund with \$40 million per annum over four-years** to support major attractions and infrastructure improvement across NSW that will need to do the 'heavy lifting' in recovery.
- 8** **Increased support for business events and conferences** including regional facilities through targeted government funding that supports bids to secure high yield events and ensure ongoing regional jobs growth across NSW.
- 9** Additional support for cultural venues, national parks and regional areas to encourage intrastate and interstate **cultural, nature-based and regional tourism visitation**.
- 10** A fast-tracking of public transport and infrastructure projects together with the Federal Government **to drive economic recovery and create jobs across NSW**.
- 11** Continued planning reform to **encourage post COVID-19 tourism and transport infrastructure investment**.

TTF REPRESENTS THE FOLLOWING COMPANIES AND THE WIDER TOURISM AND TRANSPORT INDUSTRY

