

# TTF VIC BUDGET SUBMISSION 2021

## ECONOMIC IMPACT OF COVID-19 ON VICTORIAN TOURISM JOBS

Economic data conducted by Stafford Strategy for TTF shows that before the onset of COVID there was a total of around 284,000 jobs in tourism across Victoria. The Federal Government's JobKeeper program ensured that there were still around 185,000 jobs remaining in the sector, however since the program has ended, total tourism jobs in Victoria are forecast to fall to around 119,000 tourism jobs, a fall of around 165,000 jobs.



**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

## THE CURRENT SITUATION

Additional economic data by Staffords shows that the tourism industry is continuing to lose a combined \$2.4 billion per month in Victoria due to the lack of international travel and uncertain interstate travel, resulting in some \$6.6 billion in lost wages and salaries just until the end of 2020. In other states, Staffords estimated the more recent 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.



**\$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

## CONFIDENCE REMAINS LOW

Victoria'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 in all states including Victoria. 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 Victoria 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 VICTORIAN BUDGET RECOMMENDATIONS

- 1** TTF recommends the Victorian Government advocate for the Federal Government to introduce an **\$854 million Employee Emergency Support Scheme** to enable the tourism sector to survive to the end of September
- 2** TTF recommends **secure discretionary funding for peak demand driving agencies** including an Investment of **\$40 million per annum over four years in Visit Victoria** for and **\$17 million per annum over four years in Melbourne Convention Bureau**, refocussing its charter to allow aggressive recruitment of national business events
- 3** In the October 2020 Budget Visit Victoria was allocated **\$58 million** for intra and interstate marketing campaigns. This **funding needs to be activated immediately** for campaigns focusing on the Drive/Touring Market and cooperative conversion opportunities for destinations, key products and experiences
- 4** TTF recommends **\$100 million** to invest immediately in a **Relief and Survival Package for the Victorian events sector** and related supply chain to ensure sustainability and secondly an investment of \$640,000 per annum over four years for Business Events Victoria
- 5** TTF recommends the implementation of a contestable **Product Development and Innovation Fund** with **\$200 million per annum over four years** to support major attractions and infrastructure improvement across Victoria that will need to do the 'heavy lifting' in recovery
- 6** TTF recommends \$8 million to a **second tranche of travel vouchers for Metro Melbourne**, supported with a \$1 million marketing campaign to drive visitation from regional areas across the State
- 7** TTF recommends the development of an **aviation recovery strategy** to attract direct airline services back to Melbourne and Avalon airports, including **\$20 million per annum over four years** to incentivise airlines back to Victoria
- 8** TTF recommends that commence work immediately on a **state-wide Visitor Economy Destination Masterplan** for tourism in Victoria to 2030, including a nature-based tourism strategy, and a drive/touring routes strategy to market interstate

# TTF REPRESENTS THE FOLLOWING COMPANIES AND THE WIDER TOURISM INDUSTRY

