

The Hon. Josh Frydenberg MP
Treasurer of Australia
Commonwealth Treasury
Canberra ACT 2600
Via email to Prebudgetsubs@treasury.gov.au

Dear Treasurer

The Tourism & Transport Forum (TTF) is the peak industry association for the tourism, transport and aviation sectors, representing a wide range of organisations across the visitor economy.

Please find attached **TTF's Federal Budget Submission** as well as a **series of case studies** highlighting some improvements that could be made to the highly successful JobKeeper support program to improve flexibility for regional tourism businesses with respect to revenue loss and staffing levels. The attachments and this background letter highlight the ongoing challenges for our industry.

Put simply, we remain on our knees in the fight of our lives resulting from the double whammy of both the summer bushfires and the ongoing COVID-19 pandemic. Our sector is still losing around a \$8 billion on average each month in tourism spending comprising \$4 billion in lost interstate travel and \$4 billion from no international visitation. This has equated to an estimated 470,000 job losses, over \$18 billion in lost wages and salaries and almost \$6 billion in lost tax contributions over the course of this year.

While there have been some positive developments on the lifting of domestic borders it is unfortunate that some complex and inconsistent restrictions do remain (not including Victoria) that continue to heavily impact on families and are destroying jobs and livelihoods and crippling our ability to recover.

A transparent and easily understood set of nationally consistent principles is urgently needed. This would allow states and territories to apply a uniform set of internal border controls in response to outbreaks or changes in conditions. The National Cabinet must adopt an agreed framework otherwise enormous harm will continue to impact critical sectors of our economy, holding back the recovery from this pandemic.

As an immediate priority ahead of state and territory borders reopening, a \$50 million 'COVID-Safe Domestic Travel Campaign' must be established to promote COVID-Safe travel initiatives and help to restore traveller confidence including at airports, on planes, in accommodation and using transport. This campaign would then be delivered as borders open and be funded from within the remaining uncommitted portion of \$1 billion tourism focused COVID-19 relief and recovery fund.

Additionally, it is imperative that there be a \$10 billion commitment for JobKeeper to be extended from March 2021 to at least September 2021 for our industries. We continue to be more heavily impacted than other sectors and our path to recovery will be a slow one. Economic modelling by Stafford Strategy for TTF reveals that around 300,000 more jobs could be lost when the JobKeeper support program expires in March.

Outside of an extension to JobKeeper for our specific industries, there must also be sustainable funding for Tourism Australia of at least \$200 million annually over four years to reboot domestic tourism over the short term and international tourism over the longer term. An additional \$100 million support package for Australia's international carriers will assist with rebuilding their global network and city pairs including fast-tracking the Trans-Tasman Bubble and other priority International Travel Bubbles.

Further a dedicated \$50 million Aviation Restoration Fund will help restore route capacity and reboot flight frequencies and seat capacity on existing routes. Finally, investments in transport and infrastructure projects together with the states and territories must be fast tracked from the existing \$100 billion ten-year fund to drive national economic recovery and restore jobs.

Pre-COVID-19, Australia's tourism industry contributed 646,000 jobs or 5.3 per cent of Australia's workforce and comprised ten per cent of Australia's exports. Some 27 million plane seats were booked annually, over 300 new or upgraded hotels were scheduled to open by 2025, and there was a lasting impact on regional Australia with 43 cents in every tourism dollar spent in the regions.

Our tourism, accommodation, transport and aviation sectors are resilient, and we can get back to these levels of economic contribution over the long term, but we will need continued support to get there. Strategic investments in our industries from the Australian Government in the upcoming Federal Budget and over the coming years will enable us to again provide Australia with ongoing and lasting economic benefits.

I look forward to talking further with your Office and the Government on these measures, particularly with respect to further feedback from our industry on the proposed 'COVID-Safe Domestic Travel Campaign' which we consider to be an immediate priority and Lindsay Hermes from my Office (lhermes@ttf.org.au - 0418 948 447) will be in touch in due course to arrange further briefings.

Kind regards



Margy Osmond
Chief Executive
Tourism & Transport Forum

Attachment: TTF Federal Budget Submission Infographic

Attachment: Case Studies - Impact of JobKeeper on Regional Tourism Businesses