

TOURISM RESTART TASKFORCE



Key Issues Meeting #10, 19 August 2020

Industry Update

The Taskforce reviewed the latest data from the ABS Tourism Satellite Accounts which reflected jobs lost to the industry in the March quarter and the TRA National Visitor Survey showing that the overnight spend in April was 91% or \$7 billion less in April 2020 compared to the previous year. The Taskforce reflected that although the data showed some recovery in May, the tightening of restrictions after the Victoria virus outbreak had delivered a devastating impact on tourism. The Taskforce was provided a report on the previous day's meeting of the Aus Chamber Tourism Committee, a representative group of 30 tourism related associations, where it was clear that the industry has lost both momentum and confidence and was very frustrated by the restrictions and border closures which were out of proportion to the risk.

JobKeeper 2.0

The Taskforce noted that changes to JobKeeper 2.0 announced since the last meeting substantially addressed the issues raised by ACCI namely:

- **Business eligibility test for ongoing support:** JobKeeper 2.0 initially required a business to meet the 30/50/15% threshold test for each of the two, or in the case of the extension beyond December, all three quarters preceding. Now eligibility is based on a business meeting the threshold in the September quarter, and in the case of the extension beyond December, meeting the threshold in the December quarter.
- **Employee eligibility:** Initially the extension would only support employment relationships in place as at 1 March 2020 but the revision shifted this date to 1 July not only for JobKeeper 2.0 but also for the existing JobKeeper. This has meant that many more employees in tourism and hospitality that were engaged in June on the restart as well as casuals whose 12 months service ticked over between March and July will be covered.

State Borders and Certainty Framework

The Taskforce expressed its frustration with the recent announcements from First Ministers about state and territory borders, including the Queensland comment that ACT was a hotspot even though there had been no cases and that the Premier of Tasmania was talking about border closures to December despite both of these States' economies being so heavily dependent on interstate tourism and that most States and Territories were experiencing little to no new cases.

The Taskforce reviewed the draft certainty framework that was currently the subject of detailed discussions between the federal government and ACCI. The Taskforce shared the views of the Tourism Committee that this document was a highly valuable approach to achieving greater certainty by encouraging governments to establish categories relating to health status and the response for each category in terms of restrictions on business, community and borders.

Tourism Restart Proposals

The Taskforce was updated on progress with the business events proposal which had been progressed with government authorities. In relation to international travel restart, there had been little progress in achieving the Australia/NZ bubble and effort had shifted to seeking a greater understanding on what health status would be expected and the protocols that may apply to get any safe corridor up and running.

Tourism Support Package

Given that tourism restart was well behind the 3-step National Cabinet reopening timetable, and the future was even more uncertain, it was clear that a tourism support package was needed in addition to JobKeeper. The Taskforce discussed proposals refined by the Tourism Committee which at its core included additional cash support to cover wage on-costs and fixed costs for tourism businesses as well as dealing with issues such as insurance costs, property valuation measure and support for tourism businesses that were “too important to fail” due to their important role in attracting tourists to states and regions. This package will be finalised and sent to the Minister for Tourism following his invitation to do so at the last Taskforce meeting. The target will be the Federal Budget. The Taskforce also commented that the burden should not only fall on the federal government, as the States and Territory Governments needed to bear some of the cost of their decisions.

Meeting with the National COVID-19 Commission Advisory Board (NCCAB)

The Taskforce was joined by the Chair of the NCCAB, four commissioners and senior staff of the NCCAB including CEO Peter Harris. The Taskforce Chair and John Hart stressed how dire the situation was for tourism, and also the importance of the work conducted between the NCC and ACCI on restart proposals including the success in achieving a change in the national guidelines for the 4 sq m rule.

Nev Power highlighted the importance of COVIDSafe approaches by tourism businesses to increase traveller confidence and also the need to maximise domestic tourism. The Taskforce responded that although marketing domestic tourism was important it was not possible for it to replace anything like the international spend, and particularly with the state border closures the spend is severely impacted. Although some businesses that are close to capital cities may be experiencing some increase in activity, this was mostly leisure tourism on weekends and was nowhere near replacing the expenditure lost. The NCC Chair said it was a sad reality that a lot of businesses will not make it through this crisis as there was no V-shaped recovery. He acknowledged the frustration that States are demonstrating their sovereignty over borders and the federal government was trying hard to achieve greater consistency. Concerns were expressed by the Taskforce that the balance of addressing the health crisis and the economic crisis was not being achieved and the NCC was strongly encouraged to better understand the situation in tourism and champion the changes needed to improve the economic outcomes.

Next Meeting was set for Friday, 4 September 2020 at 3 pm.

In attendance:

- Dr Jeremy Johnson AM (Chair) (Australian Chamber of Commerce and Industry)
- The Hon. Bruce Baird AM (Business Events Sydney, TTF)
- Sarina Bratton AM (Ponant)
- Geoff Donaghy (BECA, ASM Global, ICC Sydney)
- Bob East (Tourism Australia)
- The Hon. Martin Ferguson AM (Tourist Accommodation Australia)
- Nikki Govan (Star of Greece)
- Denis Pierce (Australian Tourism Export Council)
- Graham (Skroo) Turner (Flight Centre)
- Jacqui Walshe (The Walshe Group)
- John Hart (Australian Chamber – Tourism)
- Paul Little AO, NCCAB
- Samantha Hogg, NCCAB
- Su McCluskey, NCCAB
- Peter Harris, CEO, Malcolm Thompson Deputy CEO, Heike Phillips, NCCAB

Secretariat

- Jenny Lambert, Director – Tourism at ACCI
- Jen Low, Director WHS, ACCI and Sophie Lebang, ACCI

Observers

- Leigh Sorensen, Tourism Australia

Guests

- Nev Power, Chair, NCCAB
- Bao Hoang, NCCAB