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MEDIA STATEMENT

Australian tourism industry support needed as coronavirus impacts

The Australian Tourism Industry Council (ATIC), representing thousands of tourism enterprises, has outlined to the Federal Government consideration for a fresh funding injection to best counteract the impact of coronavirus and our national public health led response towards it.

ATIC Executive Director Simon Westaway said it had written to the Prime Minister and respective Federal and Assistant Ministers for Tourism outlining that the impact of coronavirus (COVID-19) on Australia's tourism and visitor economy and specifically tourism reliant regions which rely strongly on Chinese visitor volumes. He said the overall impact of coronavirus on the tourism industry had now approached and would exceed the financial impost of the recent bushfire crisis.

Mr Westaway said ATIC was calling on the Commonwealth, just as it had shown responsive action in backing the tourism industry under its well-targeted \$76 million *Tourism Recovery Package*, to be similarly on the front foot and absorb some of the financial blow coronavirus travel restrictions were now inflicting on exposed tourism businesses and communities right across the country.

He said ATIC acknowledged Federal Tourism Minister Senator the Hon. Simon Birmingham and his immediate response to its proposal, recognising the double effect of the bushfire legacy and coronavirus travel restrictions with his Government's commitment to roll out effectively its latest tourism rebuilding package.

"ATIC believes however this unprecedented state of affairs impacting the Australian tourism industry requires a further necessary and immediate investment of \$76 million," Mr Westaway said.

"ATIC seeks fresh support from the Federal Government to help encourage our tourism industry to meet the challenges that coronavirus brings and in the same vein as its previous response to the bushfire crisis.

"It is abundantly clear the overall cost of coronavirus to Australian tourism enterprises and tourism reliant communities will exceed the level of financial and operational impact caused by the devastating bushfires.

"Significant financial and operational damage from coronavirus has already occurred across the \$150 billion tourism and visitor economy. Three quarters of ATIC's surveyed membership have indicated in the majority that their businesses are already, or about to be impacted by coronavirus, via extensive cancellations and dried up visitor spending.

"Many regional tourism jobs are now being shed and hours cut for staff, whilst operations are being forcibly downsized and local supply arrangements halted with business cashflows becoming strained. This is not situation normal for the Australian tourism industry!

"The value and volume of the Chinese visitor market to Australia is without peer delivering almost 1.5 million annual short-term visitor arrivals and generating \$12.3 billion in tourism receipts. The equivalent of one month's effective closure of this market extends beyond \$1 billion in lost Chinese tourist spending, alongside associated booking cancellations and no-shows amongst other international visitors and even domestic travellers across regions.

"Numbers of our small business tourism enterprises are telling us forthrightly that coronavirus is having a major impact on their operations and that this will be greater than the bushfires.

"Given the similar economic impacts that industry faces a mirror-like additional \$76 million in immediate federal funds to counteract coronavirus' many interrelated economic affects we consider not just timely, but necessary".

Mr Westaway said the interconnectivity of the impact of coronavirus and the existing travel ban between the Chinese mainland and Australia was subject to an update before this weekend.

ATIC's suggested federal funding response, noted that containment measures by respective authorities around coronavirus, whilst reportedly progressing, will likely require further reassurance including the Australian Government.

ATIC's proposal includes a top-up for some existing programs announced under last month's *Tourism Recovery Package* as well as new initiatives specifically aligned to tourism business enterprises and tourism industry resilience measures.

Mr Westaway said the combined new \$76 million in initiatives got to the heart of the issues afflicting many Australian tourism businesses – saving current jobs within them, a means to address cash flow pressures and better strengthening the resilience of the sector. These include:

International Tourism Marketing for Tourism Australia - \$25 million

Additional \$25 million for TA to reinforce to global audiences that Australia remains safe and open for business and better position the national tourism agency to best capture a future resurgence in international travel as coronavirus becomes more contained and people resume travel.

Tourism Small Business Support Programs - \$20 million

Closely aligned to the range of existing small and medium business support initiatives delivered out of the bushfire crisis, the Federal Government provides a new targeted package of measures designed to support affected tourism SMEs including qualifying for assistance with Services Australia, one-off grants and measures including deferral of quarterly or upcoming BAS payments.

Regional Tourism Recovery Grants Initiative - \$15 million

Under the now-established Regional Tourism Bushfire Recovery Grants Program (RTBR) with \$10 million for regional tourism events and visitor attractions, ATIC believes a further \$15 million over FY20 and FY21 be allocated on enhanced criteria that specifically focuses on tourism reliant regions. These include regions with heightened exposure to the Chinese inbound market as well as other potential coronavirus impacted international visitor markets. Qualification to include regions from all States and Territories is based on the known dispersal effect of the Chinese visitor.

Tourism Businesses and Engagement with China - \$10 million

Direct assistance for tourism enterprises contracted with Approved Destination Status (ADS), approved Inbound Tour Operators (ITOs) and recognised by Tourism Australia or Australian State and Territory tourism agencies (STOs) servicing the China market. Qualification could be extended to regional businesses that demonstrably drive demand (i.e. transport, vessel and tour operators) for Chinese leisure and business events tourism and that are identifiable by tourism authorities.

Small Tourism Business Resilience - \$6 million

An established partnership between the Federal Government and the existing national industry-driven program that develops better quality tourism and capacity building for more enterprises - the Quality Tourism Framework and associated national accreditation Program. The commitment would train and mentor 2000 additional tourism SMEs over 2-years and market the national Program beyond its 10,000 quality tourism businesses by year 2022.

Mr Westaway added that ATIC had consistently provided a constructive voice and sound public policy approaches to all-of-government over recent months and this would continue.

Further Details:

Simon Westaway Executive Director, ATIC
E: simon.westaway@royce.com.au

M: 0401 994 627
W: www.qualitytourismaustralia.com