



# Media Statement

9 July 2020

## Region's tourism 'perfect storm'

Coronavirus has wreaked deep and wide damage on the Geelong region's visitor economy.

The Geelong economy's \$1.1 billion visitor and tourism sector comprising more than 2,600 businesses is on its knees, needing ongoing support to survive and then to rebuild post COVID-19.

*Tourism Greater Geelong & The Bellarine* says significant and long-lasting impacts have already hit 60 per cent of the directly employed tourism workers across wider Geelong.

Restaurants, cafes, pubs, cocktail bars, hotels, B&Bs, live music venues, wineries, commercial tourist attractions, holiday parks and accommodation have all struggled to stay above water financially. The recent state border and Melbourne metropolitan lockdowns are a further blow.

Prior to the pandemic that sector of the economy employed 7,500 people directly — representing about 7 per cent of the total economy — and a further 3,700 indirectly.

Business closures have seen an estimated 2,190 jobs lost in wider Geelong within the accommodation and food services industry and about 2,300 people resorting to JobSeeker.

Three of the top five industry sectors impacted by COVID-19 in Greater Geelong made up 26 per cent of the area's \$1.1 billion visitor economy in 2019.

Recent data shows *accommodation* and *food services* are by far the hardest hit in 2020, resulting in a combined loss of \$127 million for the June quarter alone.

Other sectors with a significant impact on the tourism industry include *retail* and *the arts*, recording losses of \$87 million and \$67 million respectively across wider Geelong for the quarter.

*Great Ocean Road Regional Tourism* predicts that region will see job losses in 2020-21 of between 4,700 and 6,330 based on best and worst-case scenarios.

The visitor economy is a significant contributor to that region, with 18 per cent of jobs directly and indirectly dependent on visitations. The industry represents more than 1900 tourism businesses; 1200 employing businesses and some 700 micro businesses.

The recent reimposition of movement restrictions on metropolitan Melbourne in response to second-wave outbreaks and the closure of Victoria's borders are significantly restricting visitor volumes to both regions.

Just as many businesses across Australia are reopening the new wave of lockdowns threaten mass business closures, lost income and significant further unemployment in the state.

The Federal Government has supported the nation's visitor economy through programs like the increased investment in the Export Market Development Grants Scheme, Boosting Business Cash Flows and JobKeeper.

The State Government too has provided support packages, including for the music industry to support musicians and industry workers who have lost gigs, income and employment as a result of the pandemic.

JobKeeper has been the key factor in allowing many visitor-based businesses to survive through the first half of the year. However, at the time of writing the Federal Government had yet to announce the future of JobKeeper payments which are legislated to end in September.

While many employees from the hospitality and music sectors have qualified for JobSeeker or JobKeeper, many others are not eligible due to the nature of their casual employment.

Nor has the Federal Government announced what, if any, additional support will be provided to support Victoria's regional visitor and hospitality-based businesses and workers while Melbourne is in lockdown.

The ability of businesses in the visitor and hospitality sector to continue to access this support will be critical to their survival.

The cessation of JobKeeper, the resumption of loans and mortgages which were temporarily placed on hold and ongoing lockdowns are looming as a visitor economy 'perfect storm'.

This situation is amplified for those businesses geared towards the international travel market. With borders closed and unlikely to reopen until at least 2021 their future is bleak.

Our vital tourism sector and its employees need continuing support to survive now, in order to give them a fighting chance of recovery in the medium term.

G21 urges the Federal Government to re-evaluate the timing and criteria of JobKeeper to ensure the survival of the tourism industry and to consider further specifically-targeted support for Victoria's hard-hit regional visitor economy.

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