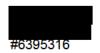


ENQUIRIES: PHONE: OUR REF:



26 June 2020

Committee Secretary
Economic and Governance Committee
Parliament House
George Street
Brisbane QLD 4000

Submission to the inquiry into the Queensland Government's economic response to COVID-19

Executive Summary

Comments on the Queensland Government's economic response to COVID-19

Cairns Regional Council appreciates that the response to COVID-19 requires a delicate balance between health and safety considerations and the impacts of social distancing and other pandemic suppression measures on the economy and peoples' livelihoods.

The Queensland Government's economic response to COVID-19 has helped mitigate potentially greater consequences of the current crisis. The following economic initiatives have been particularly well received:

- Queensland Rural and Industry Development Authority (QRIDA) Queensland COVID-19 - Jobs support loans;
- Payroll tax relief;
- Land tax relief;
- Electricity bill relief;
- Small business adaptation grants;
- New home buyer/builder grant;
- 2020-21 COVID Works for Queensland program; and
- Support for commercial tenants and commercial landlords.

Council takes this opportunity to thank the Queensland Government for the above support measures.

Travel policy is an area of particular relevance to Cairns given the city's reliance on tourism and aviation capacity. An apparent conflict between the respective positions of the Federal Government and the Queensland Government regarding interstate travel restrictions has created confusion and uncertainty for many businesses operating in Cairns. An alignment of national and state policy in this regard is important as it contributes to certainty and business confidence.







Recommendations for further initiatives

The economic analysis set out in this submission confirms COVID-19 is having a significant adverse impact on the Cairns economy. These impacts are more severe than the effects experienced in other areas of Queensland and will likely endure for longer. To a large extent, the initiatives implemented to date as part of the Queensland Government's economic response to COVID-19 have been state-wide. It is recommended that further support be considered for, and tailored to, the specific circumstances of those regions (including Cairns) most severely impacted by the pandemic.

In Cairns' case, the *Cairns: Pathway to Recovery from COVID-19* document (Appendix C) provides the blueprint for the further support Cairns requires to recover. Accordingly, Council recommends the initiatives outlined below be considered by the Queensland Government to further support recovery efforts in the Cairns region. These proposals are consistent with the first two phases of economic recovery (Phase 1 – Survive and Phase 2 – Stimulate) outlined in the *Cairns: Pathway to Recovery from COVID-19* document.

Critical short to medium term initiatives

- Remove interstate travel restrictions immediately to enable Cairns to access the
 interstate visitor market in the short term. It is also recommended that the timing
 and nature of future interstate and international travel restriction easing be
 agreed at a national level via National Cabinet and be consistently applied;
- Specific initiatives, further funding and policy aimed at supporting the
 reestablishment of domestic aviation connectivity and capacity into Cairns. This
 could include enabling domestic airlines to access funds from the Attracting
 Aviation Investment Fund/Attracting Tourism Fund to support route
 reestablishment. Council acknowledges the \$15 million package for interstate
 and intrastate flights announced on 16 June 2020; and
- Additional direct investment into Tourism Tropical North Queensland to support destination marketing activities aimed at the domestic (in particular interstate) visitor market.

Phase 1 (Survive) additional initiatives

We recommend that the following measures be specifically continued/extended on a regional basis targeting those regions (including Cairns) most severely affected by the economic impacts of COVID-19:

- Queensland Rural and Industry Development Authority (QRIDA) Queensland COVID-19 - Jobs support loans: Allocation of an additional funding pool available to businesses in severely impacted regions (including Cairns);
- Payroll tax relief: Extension of the payroll tax holiday relief (currently applicable for the period January to March 2020) and payment deferral provisions (currently applicable for the 2020 calendar year) through to March 2021 for businesses in severely impacted regions (including Cairns);
- Land tax relief: Extension of the land tax rebate (currently applicable to the 2019/20 financial year) through to March 2021 for businesses in severely impacted regions (including Cairns);
- Small business adaptation grants: Allocation of an additional funding pool available to businesses in severely impacted regions (including Cairns); and

• Support for commercial tenants where the Queensland Government is the lessor: Extension of support for significantly impacted commercial tenants in Cairns through to March 2021.

Phase 2 (Stimulate) additional initiatives

We recommend that the Queensland Government undertake a review of all major projects in its short to medium term capital works program and accelerate these wherever possible. Such a review would incorporate projects such as:

- Cairns Convention Centre Refurbishment/Upgrade (creating 570 jobs);
- Bruce Highway (Cairns South Stages 3 and 4) road upgrades (creating 579 jobs);
- Wangetti Trail, connecting Cairns and Port Douglas for walkers and cyclists (creating 150 jobs).

In addition to those projects already planned and/or underway, a number of additional stimulus initiatives which will provide benefits across a broad range of industry sectors have also been identified. These initiatives are outlined in the Preliminary Report on Stimulus Initiatives (Appendix D) and would support short to medium term economic recovery, regeneration, job creation and economic resilience. The initiatives are split into three categories:

- **Projects:** Individual projects that would contribute to economic recovery and job creation;
- **Programs:** Government funding programs that would contribute to economic recovery and job creation; and
- Policy: Recommended policy changes that would support economic recovery and job creation.

We recommend that the Queensland Government review and implement/invest in the stimulus initiatives relevant to the Queensland Government as set out in the Preliminary Report on Stimulus Initiatives (Appendix D).

Letters of support

A range of stakeholder organisations have provided input to this submission and a number have provided letters in support. These are attached as Appendix E.

Cairns Regional Council page 3 of 10

Background

COVID-19 is having wide ranging human, social and economic impacts throughout the world. Effectively managing and mitigating these impacts will be one of the biggest challenges faced by our generation. Cairns Regional Council (Council) appreciates that the response to COVID-19 requires a delicate balance between health and safety considerations and the impacts of social distancing and other pandemic suppression measures on the economy and peoples' livelihoods.

In response to COVID-19, the Queensland Government has implemented a range of initiatives aimed at supporting the economy, businesses and jobs. We commend and thank the Queensland Government for the range of measures implemented to date.

On 22 April 2020, the Queensland Legislative Assembly referred an inquiry (the Inquiry) to the Economics and Governance Committee with the following terms of reference:

- That the Economics and Governance Committee inquire into and report to the Legislative Assembly on the Queensland Government's response to COVID-19 in relation to the economic response only;
- That in undertaking the inquiry, the Committee should take into account the Australian Government's response to COVID-19 and its impacts on the Queensland Government's response;
- That in conducting the inquiry the Committee is to be conscious of any requests for witnesses or materials and ensure that any requests do not unreasonably divert resources from the immediate COVID-19 response; and
- 4. That the Committee report to the Legislative Assembly by no later than 3 months after the conclusion of the Public Health Emergency declared under the Public Health Act 2005 regarding COVID-19.

This paper is Council's submission to the Inquiry and was endorsed by Council at its Ordinary Meeting on 24 June 2020.

Economic impacts of COVID-19 on Cairns

Pre-COVID-19, the Cairns economy was growing strongly, with Gross Regional Product (GRP) growth for the three years to June 2019 exceeding growth at both the State and National level. Private and public sector investment in infrastructure supported industry development and resulted in a significant fall in local unemployment, which was 4.3% immediately before the pandemic. There were 82,500 local jobs and GRP was \$9.6 billion. ¹

The Cairns economy does, however, have a significant reliance on tourism with 15% of the region's employment either directly or indirectly related to this industry sector. Tourism also contributes \$1.1 billion (12%) of Cairns' annual GRP. International inbound tourism is a significant segment of Cairns' visitor economy. International

¹ https://economy.id.com.au/cairns Cairns Regional Council

visitors normally contribute \$1.03 billion in visitor expenditure (29% of total visitor expenditure) to the broader Tropical North Queensland (TNQ) region each year with one in 10 international visitors to Australia coming to TNQ. ²

Cairns' distance from domestic metropolitan capitals means that aviation connectivity and capacity is also critically important to the local economy. This is demonstrated by the ratio of airport passenger movements to resident population which is 31.6 for Cairns compared to 9.7 for Brisbane and 9.0 for Sydney.

The Cairns regional economy follows a seasonal pattern with a significantly lower level of economic activity occurring between November and March each year (the region's traditional 'low'/'wet' season) when both visitor numbers and construction activity are subdued due to climatic conditions. Appendix A sets out Cairns Airport passenger movement data and Cairns hotel occupancy levels for the three years to December 2019 which clearly demonstrates this seasonal trend. The vast majority of other Australian tourist destinations do not experience this same seasonal trend.

Cairns' current resident population is 166,862. However, Cairns' 'normal' serviceable population is nearly 200,000 with an average of 31,000 visitors in Cairns on any one day. As a result of COVID-19, the tourism sector has effectively collapsed. Domestic and international visitors have disappeared and the flow on impacts of this downturn have spread to virtually all local industries.

Independent economic analysis on the impacts of COVID-19 on Cairns has been commissioned by Cairns Regional Council and indicates: 4

- Cairns GRP for the June 2020 quarter is expected to be \$386 million (16%) lower than average quarterly Cairns GRP for 2018/19;
- The forecast percentage reduction in quarterly GRP for Cairns (16%) is significantly higher than the forecast reduction for Queensland (12%) and Australia (12%);
- The percentage fall in June 2020 quarterly GRP for Cairns (16%) is forecast to be
 the second worst of any regional city in Australia, behind only the Gold Coast
 (which is forecast to contract by 16.8%). However, the Gold Coast economy is
 likely to 'bounce back' more quickly than Cairns due its proximity to major
 metropolitan capitals and accordingly its ability to access a significant drive
 tourism market as travel restrictions ease;
- The Cairns economy is forecast to suffer a loss of 7,700 local jobs in the June 2020 quarter;
- The percentage loss of local jobs for Cairns (-9%) is forecast to be the second worst of any regional city in Australia, behind only the Gold Coast (-10%);
- COVID-19 will see Cairns' unemployment rate go from being well below the national and state level (pre-COVID-19) to well above. Cairns' unemployment rate for the June 2020 quarter is forecast to reach 12.3% (up from 4.3% in December 2019). This unemployment rate is well above the forecast rate at both the state (10.5%) and national level (10%); and

² TEQ Tropical North Queensland Regional Snapshot – year ending 31 December 2019

³ Cairns Regional Council analysis of ABS Census data

⁴ Refer report prepared by .id Consulting Pty Ltd utilising National Institute of Economic and Industry Research and Cairns Regional Council data (see: www.cairns.qld.gov.au/council/covid19/recovery)

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 Without dedicated support, Cairns will likely endure a similar duration for economic recovery as that following the Global Financial Crisis (GFC) when it took 8 years for Cairns to reach state levels of economic growth, 10 years for unemployment to fall back to the state level and 12 years for the jobs to population rate to also return to the state level.

The economic impacts of COVID-19 on Cairns is further underlined by data recently released by the Australian Treasury, analysing the number of JobKeeper recipients (employers) by postcode. This analysis indicates the Cairns postcode (4870) has the highest number of JobKeeper recipients (3,607 recipients) of any postcode in Queensland (Appendix B).

Further independent economic analysis undertaken by the University of South Australia, University of Newcastle, and George Mason University (USA) has resulted in the development of a Pandemic Economic Vulnerability Index (PEVI), which confirms Cairns is one of the most severely impacted locations in Australia.⁵

As indicated earlier, Cairns and the broader Tropical North Queensland (TNQ) regional economies have a particular reliance on tourism and aviation connectivity. The table below analyses annual visitor expenditure for the TNQ region by source market.

Table 1: Annual TNQ visitor expenditure by source market 6

Source market	\$ Million
Intrastate	1,232
nterstate	1,276
nternational	1,028
	3,536

As indicated above, international and interstate visitor expenditure comprises nearly two thirds of all visitor expenditure in the TNQ region. Current international and interstate travel restrictions effectively mean Cairns and TNQ are unable to access these critical markets resulting in significant flow on impacts to the local economy.

Whilst the recent easing of intrastate travel restrictions is welcomed, intrastate domestic aviation capacity into Cairns remains well below 'pre-COVID-19' levels meaning that intrastate visitor expenditure will also likely remain well below 'pre-COVID-19' levels for the foreseeable future.

The above analysis confirms the COVID-19 pandemic is having a significant adverse impact on the Cairns economy and that these impacts are more severe than the effects experienced in other areas of Queensland and will likely endure for longer. This combined with the region's traditional 'low'/'wet' season over the period November to March each year means the 'survival' phase of Cairns' economic

Cairns Regional Council

⁵ https://www.abc.net.au/news/2020-04-14/coronavirus-australias-most-vulnerable-cities/12136670, accessed 17/06/2020

⁶ TEQ Tropical North Queensland Regional Snapshot – year ending 31 December 2019 (domestic visitor expenditure has been broken into intrastate and interstate components using a pro-rata allocation based on visitor nights)

recovery will last until at least March 2021 with many businesses requiring ongoing support in the interim.

Queensland Government's economic response to the COVID-19 pandemic

Council commends the efforts of the Queensland Government in managing the crisis to date, with consideration of the low number of cases and deaths per capita compared to other states and countries. The collaborative approach adopted by the Federal and State Governments is also acknowledged and welcomed.

Council appreciates that the response to COVID-19 requires a delicate balance between health and safety considerations and the impacts of social distancing and other pandemic suppression measures on the economy and peoples' livelihoods.

The interventions announced to date have certainly mitigated the potentially greater consequences of the current crisis. The following economic initiatives have been particularly well received:

- Queensland Rural and Industry Development Authority (QRIDA) Queensland COVID-19 - Jobs support loans;
- Payroll tax relief;
- Land tax relief:
- Electricity bill relief;
- Small business adaptation grants;
- New home buyer/builder grant;
- 2020-21 COVID Works for Queensland program; and
- Support for commercial tenants and commercial landlords (including specific relief measures for those commercial tenants where the Queensland Government is the lessor).

As highlighted earlier, travel policy is an area of particular relevance to Cairns given the city's reliance on tourism and aviation capacity. Whilst the recent easing of intrastate travel restrictions is welcomed, the reopening of Queensland's border to enable interstate travel will be critical to provide some level of short term economic recovery for Cairns.

An apparent conflict between the respective positions of the Federal Government and the Queensland Government regarding interstate travel restrictions has created confusion and uncertainty for many businesses operating in Cairns. An alignment of future national and state policy in this regard is important as it contributes to certainty and business confidence.

Cairns: A pathway to recovery from COVID-19

To support COVID-19 response and recovery measures in Cairns, the following committee and sub-committees have been established in accordance with disaster management protocols:

 The Local Leadership Committee (LLC) which is comprised of Federal Member for Leichhardt, the Hon Warren Entsch, State Member for Cairns, Michael Healy, and Cairns Mayor Cr Bob Manning. The LLC provides a direct and valuable conduit to all three levels of government, facilitating communication of and collaboration on, the initiatives and support required in response to COVID-19.

- The Human and Social Sub-Committee (HSSC) which has been established to support and facilitate coordination of response and recovery activities related to human and social systems of the Cairns region. The group provides a forum for elevating issues or emerging needs of service users and the broader community. The Sub-Committee is chaired by Council's Local Recovery Coordinator and comprises representatives of health and wellbeing, housing and homelessness, education, disability, aged-care, community safety and emergency relief agencies amongst others.
- The Economic Response and Recovery Sub-Committee (ERRSC) which is chaired by Council's Chief Executive Officer, and comprises representatives of government, business and peak bodies, including: Regional Development Australia Tropical North Inc.; the Queensland Department of State Development, Tourism and Innovation; Advance Cairns; Tourism Tropical North Queensland, the Queensland Reconstruction Authority, Cairns Chamber of Commerce, Cairns Airport, Ports North, and the FNQ Regional Organisation of Councils. The purpose of the ERRSC is to support and help coordinate the economic recovery of the Cairns region in response to the impacts of COVID-19 and to ensure the priorities and initiatives required for economic recovery in Cairns are communicated to all levels of Government throughout the crisis. The ERRSC also engages directly with business and industry via a formal Industry and Business Reference Group (IBRG) comprised of around 50 representatives from a broad cross section of business and industry.

Through close engagement and collaboration with both the ERRSC and IBRG, Cairns Regional Council has prepared the *Cairns: Pathway to Recovery from COVID-19* document which outlines a four phase plan for Cairns' economic recovery from COVID-19 (as outlined below and attached in Appendix C).

Figure 1: A phased plan for economic recovery & prosperity in Cairns



Note: There will be a level of overlap between the Stimulate and Recover phases to provide a seamless transition

Cairns REGIONAL COUNCIL

Cairns Regional Council page 8 of 10

A copy of the *Cairns: Pathway to Recovery from COVID-19* (Appendix C) is attached to this submission and was unanimously endorsed by Council on 10 June 2020. The *Cairns: Pathway to Recovery from COVID-19* is also supported by the following organisations who are also active members of the ERRSC: Advance Cairns; Cairns Chamber of Commerce; Tourism Tropical North Queensland; and Regional Development Australia Tropical North.

At present, Cairns is still very much in the 'survive' phase of recovery and accordingly, the immediate focus remains on measures that can support business survival at this critical time.

Recommendations for further support from the Queensland Government

To a large extent, the initiatives implemented as part of the Queensland Government's economic response to COVID-19 have been state-wide. It is recommended that further support be considered for, and tailored to, the specific circumstances of those regions (including Cairns) most severely impacted by the pandemic. In Cairns' case, the *Cairns: Pathway to Recovery from COVID-19* document provides the blueprint for the further support Cairns requires to recover.

Accordingly, Council recommends the initiatives outlined below be considered by the Queensland Government to further support recovery efforts in the Cairns region. These initiatives are consistent with the first two phases of economic recovery (Phase 1 –Survive and Phase 2- Stimulate) outlined in the *Cairns: Pathway to Recovery from COVID-19* document.

Critical short to medium term initiatives

The actions that would have the biggest impact on Cairns' economic recovery in the short to medium term are the re-establishment of domestic aviation connectivity and capacity into Cairns, coupled with investment in destination marketing and the progressive/accelerated easing of domestic travel restrictions. Accordingly, we recommend that the Queensland Government give specific consideration to:

- Removing interstate travel restrictions immediately to enable Cairns to access the
 interstate visitor market in the short term. It is also recommended that the timing
 and nature of future interstate and international travel restriction easing be
 agreed at a national level via National Cabinet and be consistently applied;
- Specific initiatives, further funding and policy aimed at supporting the
 reestablishment of domestic aviation connectivity and capacity into Cairns. This
 could include enabling domestic airlines to access funds from the Attracting
 Aviation Investment Fund/Attracting Tourism Fund to support route
 reestablishment. Council acknowledges the \$15 million package for interstate
 and intrastate flights already announced; and
- Additional direct investment into Tourism Tropical North Queensland to support destination marketing activities aimed at the domestic (in particular interstate) visitor market.

The above initiatives will be vitally important in returning Cairns' service population to 'pre-COVID-19' levels as soon as possible and getting the local economy moving again.

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Phase 1 (Survive) additional recommendations

The reliance on interstate domestic and international tourism for Cairns and the seasonal nature of the region's economy means the immediate business survival phase of the crisis is likely to extend through the traditional 'low'/'wet' season until at least March 2021. Accordingly, an extension of the Queensland Government's suite business support measures will also be critical during this time.

It is recommended that the following measures be specifically continued/extended on a regional basis targeting those regions (including Cairns) most severely affected by the economic impacts of COVID-19:

- Queensland Rural and Industry Development Authority (QRIDA) Queensland COVID-19 - Jobs support loans: Allocation of an additional funding pool available to businesses in severely impacted regions (including Cairns);
- Payroll tax relief: Extension of the payroll tax holiday relief (currently applicable for the period January to March 2020) and payment deferral provisions (currently applicable for the 2020 calendar year) through to March 2021 for businesses in severely impacted regions (including Cairns);
- Land tax relief: Extension of the land tax rebate (currently applicable to the 2019/20 financial year) through to March 2021 for businesses in severely impacted regions (including Cairns);
- Small business adaptation grants: Allocation of an additional funding pool available to businesses in severely impacted regions (including Cairns).; and
- Support for commercial tenants where the Queensland Government is the lessor: The Queensland Government has provided a range of support measures (including rental waivers/reductions) to a range of commercial tenants operating from Queensland Government owned premises. This support has been welcomed. It is understood that, in accordance with regulations introduced by the Queensland Government in response to the National Cabinet's Mandatory Code of Conduct for commercial leasing, the majority of these waivers/reductions are scheduled to expire at 30 September 2020. It is recommended that consideration be given to the extension of this support in Cairns through to March 2021 (for the reasons outlined above) for those commercial businesses significantly impacted by COVID-19.

Phase 2 (Stimulate) additional recommendations

During this phase, the fast tracking of capital works already planned or underway in Cairns needs to be a priority for the Queensland Government. We recommended that the Queensland Government undertake a review of all major projects in its short to medium term capital works program and accelerate these wherever possible. Such a review would incorporate projects such as:

- Cairns Convention Centre Refurbishment/Upgrade (creating 570 jobs);⁷
- Bruce Highway (Cairns South Stages 3 and 4) road upgrades (creating 579 jobs);⁸ and

Cairns Regional Council

⁷ https://www.hpw.qld.gov.au/about/initiatives/cairnsconventioncentre, accessed 17/06/2020

⁸ http://statements.qld.gov.au/Statement/2020/5/19/400m-road-stimulus-package-to-supercharge-jobs-qld-economy, accessed 17/06/2020

 Wangetti Trail, connecting Cairns and Port Douglas for walkers and cyclists (creating 150 jobs).⁹

In addition to those projects planned and/or underway, a number of additional stimulus initiatives which will provide benefits across a broad range of industry sectors have also been identified. These initiatives are outlined in the Preliminary Report on Stimulus Initiatives (Appendix D) prepared by the ERRSC and would support short to medium term economic recovery, regeneration, job creation and economic resilience. The initiatives are split into three categories:

- Projects: Individual projects that would contribute to economic recovery and job creation;
- **Programs:** Government funding programs that would contribute to economic recovery and job creation; and
- **Policy:** Recommended policy changes that would support economic recovery and job creation.

We recommend that the Queensland Government review and implement/invest in the stimulus initiatives relevant to the Queensland Government and as set out in Preliminary Report on Stimulus Initiatives (Appendix D).

Support for Council's submission

Council has consulted with representatives of the ERRSC in preparing this submission and a number of regional stakeholder organisations have provided letters of support. These are attached at Appendix E.

We thank you for your consideration of this submission and the recommendations outlined above and we would welcome the opportunity to discuss them in more detail.

Should you have any further enquiries or require additional information, please contact Council's Executive Project Officer, Nick Masasso, on the above phone number.

Yours sincerely,



John Andrejic
Chief Executive Officer

Appendices

Appendix A – Cairns Airport Passenger Movements and Hotel Occupancy

Appendix B – Australian Treasury JobKeeper Summary by Postcode

Appendix C – Cairns Pathway to Recovery from COVID-19

Appendix D – ERRSC Report: Preliminary Report on Stimulus Initiatives

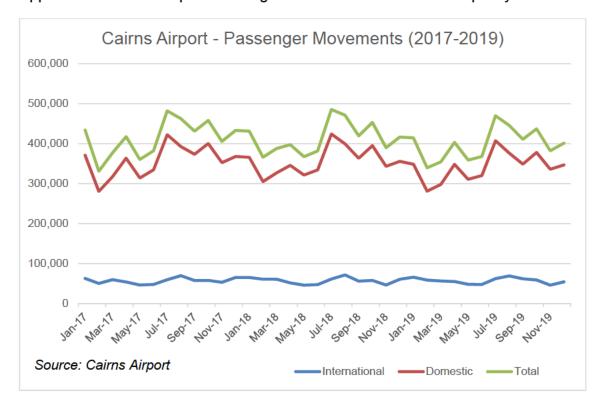
Appendix E – Letters of Support

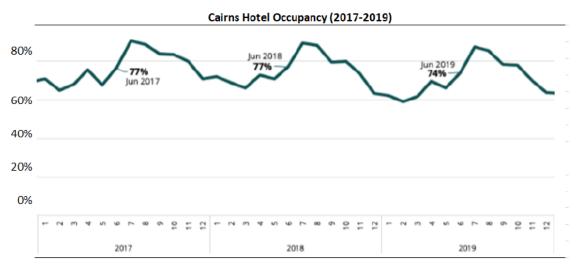
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⁹ https://www.ditid.qld.gov.au/our-work/qld-ecotourism-trails/wangetti-trail, accessed 17/06/2020
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APPENDIX A

<u>Appendices</u>
Appendix A – Cairns Airport Passenger Movements and Hotel Occupancy





Source: Tourism Tropical North Queensland

APPENDIX B

BACKGROUND DOCUMENT

JOBKEEPER

- Data from the ATO shows that more than 844,400 entities have had their applications processed for the \$70 billion JobKeeper Payment
- Treasury estimates the JobKeeper Payment will cover around 3.5 million employees
- As you would expect the top two postcodes where businesses have had applications processed for JobKeeper are the Sydney and Melbourne CBDs
- Outside of those two locations the next largest postcodes take in Liverpool in NSW (2170),
 Hoppers Crossing in VIC (3029) and Cairns in QLD (4870)
- In fact more than 500 more businesses have been processed for JobKeeper in Cairns compared to Brisbane

The following can be attributed to the Treasurer:

"The JobKeeper Payment is an economic lifeline to millions of Australians and hundreds of thousands of businesses."

"From the tourism operator in Cairns to the office worker in Sydney and the manufacturing business in Hoppers Crossing, JobKeeper is keeping businesses in business and people in jobs right across the country."

"Treasury estimate that in the absence of the \$70 billion JobKeeper payment the unemployment rate would be 5 percentage points higher."

"The Government will continue to do what it takes to ensure that Australia bounces back stronger."

NUMBER OF BUSINESSES WITH JOBKEEPER APPLICATIONS PROCESSED BY POSTCODE

	Top 20 postcodes		Top 10 NSW p	oostcodes	Top 10 VIC po	ostcodes	Top 10 WA po	ostcodes	Top 10 NT pos	tcodes
NSW	2000	10,290	2000	10,290	3000	6,693	6065	2,420	0810	755
VIC	3000	6,693	2170	3,995	3029	3,681	6000	1,973	0820	732
NSW	2170	3,995	2010	2,982	3030	3,272	6163	1,943	0870	577
VIC	3029	3,681	2153	2,841	3175	3,211	6155	1,815	0800	409
QLD	4870	3,607	2250	2,693	3064	2,876	6164	1,571	0812	307
VIC	3030	3,272	2145	2,527	3977	2,798	6027	1,530	0830	301
VIC	3175	3,211	2200	2,340	3121	2,475	6210	1,512	0836	192
QLD	4000	3,048	2148	2,252	3150	2,285	6008	1,333	0822	180
SA	5000	3,046	2155	2,153	3350	2,099	6107	1,321	0850	171
NSW	2010	2,982	2026	2,075	3023	1,919	6018	1,214	0832	155
QLD	4217	2,949								
QLD	4350	2,923	Top 10 QLD p	ostcodes	Top 10 SA po	stcodes	Top 10 TAS p	ostcodes	Top 10 ACT po	stcodes
QLD VIC	4350 3064	2,923 2,876	Top 10 QLD p 4870	oostcodes 3,607	Top 10 SA po 5000	ostcodes 3,046	Top 10 TAS p o 7250	ostcodes 1,577	Top 10 ACT po 2617	stcodes 649
		-	•		-		-		•	
VIC	3064	2,876	4870	3,607	5000	3,046	7250	1,577	2617	649
VIC NSW	3064 2153	2,876 2,841	4870 4000	3,607 3,048	5000 5067	3,046 1,026	7250 7000	1,577 1,289	2617 2602	649 638
VIC NSW VIC	3064 2153 3977	2,876 2,841 2,798	4870 4000 4217	3,607 3,048 2,949	5000 5067 5063	3,046 1,026 730	7250 7000 7310	1,577 1,289 687	2617 2602 2913	649 638 631
VIC NSW VIC NSW	3064 2153 3977 2250	2,876 2,841 2,798 2,693	4870 4000 4217 4350	3,607 3,048 2,949 2,923	5000 5067 5063 5159	3,046 1,026 730 704	7250 7000 7310 7018	1,577 1,289 687 495	2617 2602 2913 2615	649 638 631 603
VIC NSW VIC NSW NSW	3064 2153 3977 2250 2145	2,876 2,841 2,798 2,693 2,527	4870 4000 4217 4350 4215	3,607 3,048 2,949 2,923 2,439	5000 5067 5063 5159 5045	3,046 1,026 730 704 671	7250 7000 7310 7018 7005	1,577 1,289 687 495 461	2617 2602 2913 2615 2611	649 638 631 603 531
VIC NSW VIC NSW NSW VIC	3064 2153 3977 2250 2145 3121	2,876 2,841 2,798 2,693 2,527 2,475	4870 4000 4217 4350 4215 4211	3,607 3,048 2,949 2,923 2,439 2,420	5000 5067 5063 5159 5045 5061	3,046 1,026 730 704 671 653	7250 7000 7310 7018 7005 7009	1,577 1,289 687 495 461 440	2617 2602 2913 2615 2611 2609	649 638 631 603 531 508
VIC NSW VIC NSW NSW VIC QLD	3064 2153 3977 2250 2145 3121 4215	2,876 2,841 2,798 2,693 2,527 2,475 2,439	4870 4000 4217 4350 4215 4211 4220	3,607 3,048 2,949 2,923 2,439 2,420 2,283	5000 5067 5063 5159 5045 5061 5031	3,046 1,026 730 704 671 653 618	7250 7000 7310 7018 7005 7009 7004	1,577 1,289 687 495 461 440 397	2617 2602 2913 2615 2611 2609 2914	649 638 631 603 531 508 500

APPENDIX C



CAIRNS PATHWAYTO RECOVERY



survive

stimulate

recover

thrive

airns's proximity and connectivity to Asia and the Pacific, together with its significant regional population base (largest of any region in Northern Australia), means it is well positioned for long term growth and prosperity. Immediately prior to COVID-19, the Cairns economy was in a strong position with Gross Regional Product (GRP) growth exceeding the Queensland and Australian rates of growth and unemployment below both the state and national level. However, with an export led economy particularly reliant on tourism and aviation connectivity, Cairns is susceptible to the impacts of global 'shocks' such as COVID-19 and the Global Financial Crisis (GFC). Independent economic analysis indicates the Cairns economy will be one of the hardest hit of any region in Australia as outlined below.





GROSS REGIONAL PRODUCT (GRP)



STRONG GRP GROWTH OVER THE THREE YEARS TO JUNE 19







LOW UNEMPLOYMENT

SERVICE POPULATION 167,000 RESIDENTS & 31,000 VISITORS









AIRPORT PASSENGERS YEAR ENDED 31/12/2019

AIRPORT PASSENGER **MOVEMENTS TO POPULATION RATIO**





OF COVID-19

FORECASI **GRP DROP** 5386M **IN JUN 20 QTR**

CAIRNS

24



SECOND MOST SEVERELY AFFECTED REGIONAL CITY IN AUSTRALIA IN % JOBS LOST AND % LOSS OF GRP (JUN 20 QUARTER)



HIGHEST NUMBER OF JOBKEEPER RECIPIENTS

WITHOUT JOBKEEPER, JUN 20 UNEMPLOYMENT FORECAST TO EXCEED 15%

UNEMPLOYMENT FORECAST

SERVICE POPULATION

RESIDENTS ONLY. MANY RESIDENTS HAVE LOST THEIR JOBS OR HAVE REDUCED CAPACITY TO SPEND

OF BUSINESSES REPORTING NEGATIVE EFFECTS

PASSENGER MOVEMENTS

DOMESTIC

INTERNATIONAL

LOWEST EVER ON RECORD

Cairns' distance from metropolitan capitals and its reliance on tourism and aviation mean economic recovery times will likely be longer than for other parts of the country.

The Global Financial Crisis (GFC) provides an indication of how long the Cairns economy may take to recover from COVID-19. Following the GFC, it took:



for international visitation to return to 'pre GFC' levels



for economic growth in Cairns to return to the State level



for the unemployment rate in Cairns to fall to the State level



for the job to population ratio to return to the State level

UNDER THE 'BEST CASE' SCENARIO, IT WILL TAKE AT LEAST

5 YRS
FOR TNQ VISITOR
EXPENDITURE TO
RETURN TO
2019 LEVELS.



Actual/Forecast TNQ Visitor Expenditure (\$ million)



A NOTE OF APPRECIATION

he Australian and Queensland Governments are to be commended for their world-leading response to the COVID-19 pandemic. This response has required a delicate balance between the human and social impacts of the crisis and its impacts on the economy and people's livelihoods. Containing and supressing the spread of COVID-19 within Queensland and Australia has been a major achievement. The range of immediate support measures implemented by both the State and Federal Governments are also welcomed and appreciated. Without these measures, economic impacts and job losses within the Cairns region would have been much worse. The Federal Government's JobKeeper program has been particularly important in supporting employers and employees during this difficult time.

Whilst the outlook is daunting, a phased plan coupled with targeted government support can see the Cairns economy recover from the COVID-19 crisis more quickly than the recovery times experienced post GFC. Given the depth and potential duration of COVID-19 economic impacts on Cairns, the support required for

recovery will likely be greater and more sustained than that required in other regions.

A phased plan for economic recovery & prosperity

The recovery plan for Cairns will follow four distinct phases. This approach will not only see the Cairns economy return to the position of strength it was in 'pre-COVID', it will also build a more diverse and resilient economic foundation supporting sustained economic growth and prosperity in the long term. As the region plots this path to recovery and prosperity, targeted support from the Federal and State Governments will play a crucial role. Whilst Cairns is still currently in the 'Survive' phase, we are progressively turning our attention to the 'Stimulate' and 'Recover' phases to ensure there is a clear pathway out of the crisis.

NOW

0 TO 2 YEARS 1TO 5 YEARS

Continued

>5 YEARS

survive

stimulate

recover

thrive

Focus on the immediate support measures needed to help businesses survive the crisis and be in a position to recommence/ re-escalate operations and reemploy staff as the crisis passes.

Focus on the projects, programs and policy that will create employment and economic activity in the short term and rebuild business confidence.

implementation of an economic recovery plan that will return the economy to 'pre-COVID' levels but with a more diverse and resilient foundation.

Leverage the stronger, more resilient economic foundation for long term growth and prosperity.

Note: There will be a level of overlap between the Stimulate and Recover phases to provide a seamless transition



Planning for Cairns' recovery is already well underway

A suite of business survival and stimulus initiatives has already been identified for consideration by the various levels of government.

These initiatives have been developed by the city's Economic Response and Recovery Sub-Committee (ERRSC), chaired by Cairns Regional Council's CEO with representatives from the Queensland Government, Tourism Tropical North Queensland, Advance Cairns, the Cairns Chamber of Commerce, Regional Development Australia Tropical North, the FNQ Regional Organisation of Councils, Cairns Airport and Ports North. The ERRSC also engages with a formal industry and business reference group comprised of around 50 representatives from a broad range of businesses and industry sectors.





key stimulus initiative needed

support needed

survival

JobKeeper extension

Reestablishment of domestic aviation capacity/ connectivity coupled with investment in destination marketing and the progressive/accelerated relaxation of domestic travel restrictions

our highest priority

The one thing that would have the biggest impact on economic recovery in the short to medium term is the re-establishment of domestic aviation connectivity and capacity into Cairns, coupled with investment in destination marketing and the progressive/accelerated easing of domestic travel restrictions. This will be vitally important in returning the city's service population to 'pre COVID' levels as soon as possible and getting the local economy moving again.



The four phases to economic recovery and prosperity

survive

The extension of JobKeeper and other immediate support measures will be critical to business survival in Cairns.

The support from both the Queensland and Australian Governments to date has been substantial and is welcomed with many of the business survival initiatives identified by the ERRSC already actioned. For Cairns however, it will be vital for the Federal Government's JobKeeper wage subsidy to be extended to March 2021. The depth and potential duration of economic impact on Cairns warrants this extension and will help businesses survive the crisis and be in a position to resume operations, reemploy staff and rebuild their

business when economic activity returns. We also respectfully request that an extension of the Queensland Government's suite of business survival support measures (payroll tax relief, electricity support, lease fee waivers etc.) be considered for the Cairns region. The recent easing of regional and intrastate travel restrictions is also an important step in rebuilding the visitor economy on which so many Cairns businesses depend for their survival.

stimulate

During this phase, the fast tracking of capital works already underway in Cairns needs to be a priority together with new streams of investment. Re-establishment of domestic aviation connectivity, investment in destination marketing and the easing of interstate travel restrictions will also be critical.

Projects such as the Caims Convention Centre refurbishment and extension, Bruce Highway (Cairns South) Road Upgrades and Wangetti Trail -connecting Cairns and Port Douglas for walkers and cyclists, need to progress as a matter of urgency. A number of additional stimulus initiatives have been identified by the ERRSC and included in a detailed report available on Council's website. These initiatives fall into three categories: projects; programs; and policy. The initiatives would provide benefits across a broad range of sectors and support short to medium term economic recovery, job creation and economic resilience. Initiatives include:

- · CQUniversity New City Centre Campus
- Caims University Hospital
- · Caims Gallery Precinct
- Stage 2 CQUniversity Asia Pacific Aviation Hub
- HMAS Caims Upgrade
- · Cairns Marine Maintenance Precinct
- Pacific Patrol Boat/Guardian Patrol Boat Training
- Export Market Development Grant (EMDG)
 Reset and Reimbursement
- Commonwealth and International Supported Places (James Cook University Medical School)

- Northern Australia Infrastructure Fund Reset for Recovery
- Tourism funding (destination marketing)
- Cairns Esplanade Dining Precinct
- Northern Beaches Leisure Trail
- A range of funding programs supporting economic recovery for regions severely impacted by COVID-19

Above all, the reestablishment of domestic aviation connectivity and capacity, coupled with investment in destination marketing will be critical for short to medium term recovery. This needs to occur in parallel with the progressive/accelerated easing of interstate travel restrictions.

Whilst the domestic visitor market will be the immediate focus, our attention will progressively turn to the international market and international aviation connectivity as and when international travel restrictions ease. A 'watch and act' approach will be adopted in this regard given the return of international travel will be largely dependent on the ability of countries throughout the world to effectively bring COVID-19 under control.

Further details of the above initiatives are set out in a detailed Preliminary Report on Stimulus Initiatives (available here: www.cairns.qld.gov.au/council/covid19/recovery)



The four phases to economic recovery and prosperity (continued)

recover

Planning for the long term economic recovery of Cairns is already well underway with collaboration from all levels of government, business and the community.

Facilitated by representatives from the Queensland Reconstruction Authority (QRA) using a proven recovery planning methodology and incorporating significant stakeholder engagement, the local recovery planning process will provide the road map for Cairns' economy to return to 'pre COVID-19' levels but with a stronger, more resilient foundation. The plan will align with and feed into recovery planning activities being undertaken at the

State and Federal level. The Cairns Economic Recovery Plan is expected to be available in late July 2020 and will set out the support and input required from all levels of government, industry, businesses and the community more broadly. Initially covering a period of two years, the plan will be a 'live' document that will continue to be updated and extended. It is also expected to inform a longer term strategic economic plan for the Cairns region.

thrive

The first three phases of recovery will ensure there is a strong foundation for Cairns' long term economic growth, prosperity and resilience. However, a return to the 'status quo' cannot and will not be our goal.

This crisis provides an opportunity to reshape and reimagine our economy in a way that will provide an enduring legacy for the generations that follow. Transformation will be required to ensure we take advantage of Cairns' unique competitive advantages and the macro trends occurring at a global level. This phase will be informed by the Cairns Economic Recovery Plan developed in the 'Recover' phase as well as the longer term strategic economic plan that evolves from that process.

Potential areas of focus for consideration for our region include:

- Food production
- Strategic location (physical proximity and connectivity to the Asia Pacific region)
- Renewable energy and the 'green' economy more broadly
- · Tertiary education
- Tourism
- Support for a skilled and growing population



For more information, see: www.cairns.qld.gov.au/council/covid19/recovery or email economicdevelopment@cairns.qld.gov.au

The Cairns Pathway to Recovery from COVID-19 is proudly supported by the following organisations who are also active members of the Cairns Economic Response and Recovery Sub-Committee:









APPENDIX D

COVID-19: CAIRNS ECONOMIC RESPONSE AND RECOVERY SUBCOMMITTEE (ERRSC) PRELIMINARY REPORT TO LOCAL LEADERSHIP COMMITTEE (LLC) – STIMULUS INITIATIVES

21 APRIL 2020

In accordance with disaster management principles and protocols, the Economic Response and Recovery Sub-Committee (ERRSC) has been established. The purpose of the ERRSC is to support and help coordinate the economic recovery of the Cairns region in response to the impacts of COVID-19. The ERRSC reports to a Local Leadership Committee (LLC) comprised of Mayor Bob Manning, the Hon Warren Entsch (Federal Member for Leichhardt) and Michael Healy (State Member for Cairns) and also to the Chair of the Local Disaster Management Group – Cairns Region (LDMG-CR). The impacts of COVID-19 on the Cairns economy have been significant and will be ongoing with wide spread reports of business closures and mass employee stand-downs.

On 27 March 2020, the ERRSC presented its report to the LLC on recommended Business Survival Initiatives (see here). That report sets out the 10 key initiatives the ERRSC recommended be considered by the various levels of Government as an immediate response to the impacts of COVID-19 on Cairns businesses and the Cairns economy. A number of these recommendations have since been implemented and the ERRSC continue to monitor and engage with Government on the Business Survival Initiatives that remain outstanding. The focus of these initiatives was on business survival – ensuring, to the maximum extent possible, businesses were able to survive the COVID-19 crisis and be in a position to re-establish/re-escalate operations once the crisis had passed.

This report focuses on potential Stimulus Initiatives i.e. those initiatives that would support job creation and economic recovery for the Cairns region in the short to medium term. In addition, short term initiatives that would support medium to longer term economic recovery were also considered.

The ERRSC met on 31 March 2020, 7 April 2020 and 21 April 2020 to develop the suite of recommended Stimulus Initiatives contained in this report. The ERRSC considered:

- Ideas and initiatives put forward by the Industry and Business Reference Group (IBRG). The IBRG is comprised of approximately 40 local business and industry representatives drawn from a range of sectors;
- Relevant initiatives included within the existing advocacy priorities of Cairns Regional Council (<u>State</u> and <u>Federal</u>), Advance Cairns (<u>State</u> and <u>Federal</u>) and others;
- Ideas and initiatives put forward by members of the ERRSC;
- Relevant feedback provided by local businesses and individuals directly to Cairns Regional Council through various channels (including direct to Council's Economic Development team and via Council's Local COVID-19 Hotline); and
- Feedback received from the LLC.

Recommended Stimulus Initiatives have been split into three categories:

- **Projects:** Individual projects that would contribute to economic recovery and job creation.
- **Programs:** Government funding programs that would contribute to economic recovery and job creation.
- Policy: Recommended policy changes that would support economic recovery and job creation.

The initiatives are summarised on the next page with further details included in the accompanying appendices.

The recommended initiatives should be considered preliminary and are subject to further update and refinement over the coming months as the duration and economic impact of COVID-19 becomes clearer.

COVID-19: CAIRNS ECONOMIC RESPONSE AND RECOVERY SUBCOMMITTEE (ERRSC) PRELIMINARY REPORT TO LOCAL LEADERSHIP COMMITTEE (LLC) – STIMULUS INITIATIVES

21 APRIL 2020

PROJECTS (REFER <u>APPENDIX 1</u> FOR FURTHER DETAIL)	PROGRAMS* (REFER <u>APPENDIX 2</u> FOR FURTHER DETAIL) Relevant Level of Government in Brackets	POLICY (REFER <u>APPENDIX 3</u> FOR FURTHER DETAIL)
 CQUniversity New City Centre Campus Cairns University Hospital Cairns Gallery Precinct Stage 2 CQUniversity Asia Pacific Aviation Hub Wangetti Trail HMAS Cairns Upgrade Cairns Marine Maintenance Precinct Cairns Esplanade Dining Precinct Northern Beaches Leisure Trail 	 Building Better Regions Fund – Coronavirus Recovery Round (Federal) Works For Queensland – Coronavirus Recovery Round (State) Attracting Tourism Fund – Coronavirus Recovery Round (State) Jobs and Regional Growth Fund – Coronavirus Recovery Round (State) Program Adaptation – Coronavirus Recovery Support (Various) Events Funding (Various) Tourism Funding – Cairns/TNQ (Various) Business Case Funding Program – Coronavirus Recovery Projects (Various)# 	 Domestic Aviation Connectivity and Capacity Pacific Patrol Boat/Guardian Patrol Boat Training Export Market Development Grant (EMDG) Reset and Reimbursement Commonwealth and International Supported Places (James Cook University Medical School) Northern Australia Infrastructure Fund – Reset for Recovery

^{*}a specific example of an 'investment ready' project that could be funded under one or other of these programs (or directly) and which would support economic growth and diversification as well as job creation is Skytek's General Aviation Hangar project which would support expanded aircraft (general aviation) maintenance and repair operations. Refer Appendix 2 for further details.

#a specific example of a project that could be funded under this program is the completion of a business case for Cairns Airport's proposed Cairns Aviation Excellence Precinct (CAEP). The CAEP project is one which has the potential to deliver significant long term economic and employment benefits to the region as well as contributing positively to the region's economic diversification and resilience. Refer Appendix 2 for further details.

Inquiry into the Queensland Government's economic response to COVID-19

Submission 007

COVID-19: CAIRNS REGION ECONOMIC RESPONSE AND RECOVERY SUB COMMITTEE

POTENTIAL STIMULUS MEASURES FOR CONSIDERATION

DM#6343287

Proponent CQUniversity	Project Name Permanent New City Centre Campus	Brief description CQUniversity is seeking a permanent, purpose-built CBD campus capable of accommodating 2,500+ students to continue to be an educator of impact in Cairns. Community and industry engagement will be the defining philosophy of the new campus, with an 'opendoor' campus model being employed. This will further help to engage local students from low socioeconomic and/or disadvantaged backgrounds – a student base of which CQUniversity outperforms every other Australian university in terms of enrolment proportion and student support. But most importantly, this permanent new campus would galvanise Cairns' identity as an agile, innovative two-university city with a highly skilled, professionalised workforce. This permanent new campus will give CQUniversity the security it needs to invest further in education in Cairns.	\$50M	Support/funding sought \$50M contribution sought from government (predominantly federal)	Some short term	Creates jobs - implementation/construction	Se Creates jobs - ongoing	Existing advocacy priority - Adv Cairns	Existing advocacy priority - CRC	Diversify industry base/support economic resilience	Comments Refer page 22 of Cairns Regional Council's (CRC's) Federal Government Priorities Document and page 14 of Advance Cairns' 2020 Federal Budget Submission document for further details (both hyperlinked to the left).
Cairns Hospital/James Cook University	Cairns University Hospital	The aim is for Cairns Hospital to become a university hospital within the medium term and for the hospital to continue to expand the higher level of services offered locally. For this objective to be realised, facilities need to be developed which support clinical research and education. The establishment of the proposed Cairns Health and Innovation Precinct (CHIP) supports this initiative and aligns with James Cook University's Cairns Tropical Enterprise Centre (CTEC) project. The CTEC project has already received a federal funding commitment of \$60 million. A \$100 million commitment is now required from the Queensland Government to support land acquisition and to enable the design and construction of the CHIP to progress. In addition, Cairns Hospital will need a further \$60 million in capital funding to refurbish areas that are vacated by facilities/services moved into the CHIP thereby creating an 70 additional beds to meet demand and expand clinical services until 2027.		Immediate funding is required to support land acquisition to enable this project to progress in the short to medium term.	Yes	Yes	Yes	<u>Yes</u>	<u>Yes</u>	Yes	Refer page 18 of CRC's Queensland Government Priorities Document and page 6 of Advance Cairns' 2020 State Budget Submission document for further details (both hyperlinked to the left).
Cairns Regional Council	Cairns Gallery Precinct Project	The project will transform and connect three heritage listed buildings in the Cairns City Centre (the Cairns Art Gallery, 'Old' Court House and former Mulgrave Shire Council offices) and establish a new world class gallery building to create a dynamic and unique gallery precinct with benefits for both the local community and domestic and international visitors. In addition to the significant economic impact and employment created during construction, once operational, the project will add \$20.7 million per annum to the regional economy (Gross Regional Product) and support 177 ongoing full time jobs through its direct operation and induced tourism expenditure. An independent and comprehensive business case for the project has been completed utilising funding provided by the Queensland Government. The business case supports the case for project investment with the preferred project option having a Benefits to Cost Ratio (BCR) of 1.19 and a Net Present Value (NPV) of \$13.3 million.	\$39.8M	\$13.3M in funding is sought from each of the State and Federal Governments (CRC has committed \$13.3M to the project subject to the State and Federal funding being secured).	Yes	Yes	Yes	<u>Yes</u>	<u>Yes</u>	Yes	Refer page 16 of CRC's Queensland Government Priorities Document and page 18 of Advance Cairns' 2020 State Budget Submission document for further details (both hyperlinked to the left). The project is also included in both CRC's and Advance Cairns' Federal Advocacy documents.
CQUniversity	Stage 2 CQUniversity Asia Pacific Aviation Hub	CQUniversity has already launched Stage 1 of its Asia Pacific Aviation Hub from premises located at the Cairns Airport. Stage 2 would build upon this initial investment and includes new laboratory facilities to provide specialist space for human factors research, new flight simulators, and the roll-out of new aviation courses including Bachelor of Accident Forensics, Bachelor of Airline and Airport Management, Bachelor of Airworthiness, and Aviation Masters and Research Programs. Whilst not included in this Potential Stimulus report, a third stage incorporating further expansion of both facilities and course offerings is also planned in the medium to longer	\$10M	\$10M federal government funding for stage 2.	Yes	Yes	Yes	<u>Yes</u>	<u>Yes</u>	Yes	Refer page 24 of CRC's Federal Government Priorities Document and page 14 of Advance Cairns' 2020 Federal Budget Submission document for further details (both hyperlinked to the left).
Queensland Government	Wangetti Trail	The Wangetti Trail is a proposed 76km dual use (mountain biking and hiking) trail stretching along the coastal plains and mountain hinterland between Palm Cove and Port Douglas. The trail will be one of Australia's leading adventure based ecotourism experiences, attracting both domestic and international visitors. The trail will provide walkers and mountain-bike riders with a wilderness bushland and ocean experience, showcasing the beauty of the Wet Tropics Rainforest, national parks and the Great Barrier Reef.	\$41M	State funded project that has already commenced (\$2.9M in 19/20 State Budget).	Yes	Yes	Yes	Yes	<u>Yes</u>	Yes	Refer page 43 of CRC's Queensland Government Priorities Document (hyperlinked to the left).
Federal Government	HMAS Cairns Upgrade	Navy Capability Infrastructure Subprogram – as part of this program, a series of wharf and landside upgrades are planned for the HMAS Cairns naval base in readiness for the base homeporting four of the new Offshore Patrol Vessels (OPVs). Works at the HMAS Cairns base are expected to commence in 2023 and run to 2025 with an anticipated project value of around \$170 million. The project is already planned but should be accelerated to support job creation in the short term.	\$170M	Federally funded (already planned proposal is a 'bring forward')	Yes	Yes	Yes	<u>Yes</u>	<u>Yes</u>	Yes	Refer page 30 of CRC's Federal Government Priorities Document and page 10 of Advance Cairns' 2020 Federal Budget Submission document for further details (both hyperlinked to the left).
Various (State and Private)	Cairns Marine Maintenance Precinct	Cairns has an established track record in the delivery of marine maintenance and sustainment services with a skilled workforce and industry base operating within the Cairns Marine Maintenance Precinct. A Stage 1 funding package of \$24 million was announced in April 2019 supporting upgrades at three of the precinct's key facilities: BSE Cairns Slipway, Tropical Reef Shipyard and Norship Marine. Stage 1 works are underway. Further funding of \$125 million is being sought to support Stages 2 and 3 of the Cairns Marine Maintenance Precinct upgrade to complement the planned redevelopment and expansion works at HMAS Cairns as well as improving the sector's capacity and competiveness more broadly.	\$125M	Combination of Government and private funding	Yes	Yes	Yes	<u>Yes</u>	<u>Yes</u>	Yes	Refer page 31 of CRC's Federal Government Priorities Document and page 10 of Advance Cairns' 2020 Federal Budget Submission document for further details (both hyperlinked to the left).
Cairns Regional Council	Cairns Esplanade Dining Precinct	Throughout 2018 and early 2019, Cairns Regional Council invested extensive resources in developing the Cairns City Centre Master Plan 2019 including significant public input and consultation. Almost 2,500 people took the opportunity to give feedback and make suggestions on initial project ideas using innovative mediums including Council's interactive online ideas wall. Reflecting on the community's feedback and suggestions, Council developed a suite of opportunities and preliminary concept sketches. Council invited feedback on these project opportunities throughout July and August 2018, with more than 3,300 people engaging in the process. Council is progressing with concept design and consultation on the Esplanade Dining Precinct project included within the Master Plan. Elements of this project could be accelerated with some facets potentially even being undertaken whilst the City Centre is 'quiet' with current social distancing measures.	Scaleable	Government funding (incl Council)	Yes	Yes	Yes	No	<u>Yes</u>	Indirectly	Refer page 12 of CRC's Queensland Government Priorities Document (hyperlinked to the left). Also refer to the Cairns City Centre Master Plan document: https://www2.cairns.qld.gov.au/filestore/2019Masterplan_09042019b.pdf. Note proceeding with elements of this project in the immediate term (whilst social distancing measures are in place) minimises disruption to businesses (e.g. restaurants and cafes) seeking to re-establish operations once social distancing measures are relaxed.
Cairns Regional Council	Northern Beaches Leisure Trail	The Northern Beaches Leisure Trail (NBLT) has been a long-term priority of Cairns Regional Council for some time. The ultimate aim of the project is to provide a shared-use (walking and cycling) link between Palm Cove and the Cairns City including, connecting all of the Northern Beaches suburbs located between those two destinations. Significant components of the NBLT are in progress/completed but further funding is required to deliver the remaining components (in particular bridge and other connections).		Government funding (incl Council)	Yes	Yes	Indirectly	No	<u>Yes</u>	Indirectly	Refer page 32 of CRC's Queensland Government Priorities Document (hyperlinked to the left). Elements of the project are shovel ready.

Inquiry into the Queensland Government's economic response to COVID-19

COVID-19: CAIRNS REGION ECONOMIC RESPONSE AND RECOVERY SUB COMMITTEE

POTENTIAL STIMULUS MEASURES FOR CONSIDERATION

DM#6343287

Level of Government	Program Name	Brief description	Recommended Total Program Value \$M	Further Details on Previous Rounds of the Program	Deliverable in short term	Creates jobs - implementation/construction	Creates jobs - ongoing	Comments
Federal		The Building Better Regions Fund (BBRF) supports the Australian Government's commitment to create jobs, drive economic growth and build stronger regional communities into the future. The fund invests in projects located in, or benefiting eligible areas outside the major capital cities of Sydney, Melbourne, Brisbane, Perth, Adelaide, and Canberra. The most recent round of the program (Round 4) was targeted at drought affected regions. It is recommended that a 'Special Round' of this program be implemented with a focus on those regions (including Cairns) whose economies have been severely impacted by Coronavirus. It is also recommended that the eligibility criteria be broadened to include private sector applicants with relaxed co-contribution requirements and a fast tracked assessment process also considered.	\$400M	<u>Click Here</u>	Yes	Yes	Yes	It is noted that the funding for this program could come from the \$1 billion allocation made by the Federal Government on 12 March 2020 to sectors, regions and communities severely impacted by Coronavirus.
Queensland	Works for Queensland - Coronavirus Recovery Round	The Works for Queensland (W4Q) program supports regional Councils to undertake job-creating maintenance and minor infrastructure projects. The allocation is to be spent on job-creating maintenance and minor infrastructure projects relating to assets owned or controlled by Council. Eligible Councils should place emphasis on providing jobs for young people (15 to 24 years) in the 'not in employment, education or training' (NEET) category. It is recommended that a 'Special Round' of the Works for Queensland Program be confirmed in the 2020/21 year with a focus on those regions (including Cairns) whose economies have been severely impacted by Coronavirus. Councils would be able to spend proportionate allocations on the delivery of job creating projects over the period 1 July 2020 to 30 June 2022.	\$400M	<u>Click Here</u>	Yes	Yes	Yes	
Queensland	Attracting Tourism Fund - Coronavirus Recovery Round	The Attracting Tourism Fund (ATF) provides funding for products, experiences and infrastructure projects that are capable of significantly increasing international overnight visitation, expenditure and jobs for Queensland. Projects must also demonstrate long-term benefits to Queensland. It is recommended that a 'Special Round' of the ATF be implemented to support tourism product and experience development in those regions whose tourism sector has been severely impacted by Coronavirus.	\$100M	<u>Click Here</u>	Yes	Yes	Yes	
Queensland	Jobs and Regional Growth Fund - Coronavirus Recovery Round.	The Jobs and Regional Growth Fund (JRGF) aligns with the Queensland Government's Advancing Queensland Priorities, specifically to increase private sector investment and create jobs. JRGF aims to assist business to grow and expand throughout regional Queensland. JRGF facilitates projects which support regional business investment and improve ongoing employment outcomes with a predominant focus on regions outside SEQ. It is recommended that a 'Special Round' of this program be made available in regions whose economies have been particularly hard hit as a result of Coronavirus. Program criteria and assessment needs to be streamlined as much as possible to support project delivery in the short term.		<u>Click Here</u>	Yes	Yes	Yes	
Federal/Queensland	Program Adaptation - Coronavirus Recovery Support	There are a number of existing/previous funding programs that support economic growth and employment generation that should be reviewed with a view to repurposing future rounds for Coronavirus Recovery Support. Examples include the Queensland Government's Building Our Regions and Made In Queensland grants programs and the Federal Government's Regional Jobs and Growth Fund and Regional Jobs and Investment Packages grant programs. New rounds of these programs should be considered along with streamlining of assessment criteria, fast tracked assessment processes and relaxed co-contribution requirements to enable investment in projects that support economic recovery from Coronavirus. Regions particularly hard hit from the economic impacts of Coronavirus should receive a priority allocation of funding.	Various	Various	Yes	Yes	Yes	
Queensland/Local/Private Sector	Events Funding	Establishment of a specific Bid Fund for Cairns and TNQ to support the attraction of major events in accordance with the region's Major Events Prioritisation Strategy.	\$10M	N/A	Yes	No	Yes	This bid fund will be particularly important in securing events for the newly refurbished and expanded Cairns Convention Centre (currently under construction)
Federal/Queensland	Tourism Funding - Cairns/TNQ	Prior to the devastating sector impacts of Coronavirus and despite TNQ's position of competitive advantage, the region had experienced a steady and concerning decline in tourism market share. TNQ has lost an estimated 17% of national market share in the three years to June 2019. From June 2016 to June 2019, TNQ grew at just 1.9% per annum, less than a quarter of the national average growth of 8.2%. To address this decline, TTNQ requires an additional \$10M pa in destination marketing funds delivered either through a specific State Government allocation or implementation of a 2.5% visitor levy.	\$10Mpa or visitor levy	N/A	Yes	No	Yes	
Federal/Queensland	Business Case Funding Program - Coronavirus Recovery Projects	Further development of and investment in, projects that support medium to long term economic recovery and job creation needs to remain a priority. The further development of such projects could be supported through the allocation of a specific funding pool/s that can be accessed to support strategic planning and business case development for these medium to longer term projects with an emphasis on regions whose economies have been particularly hard hit as a result of Coronavirus. The Queensland Government's Maturing the Infrastructure Pipeline Program (MIPP) is an example of a previous program in this regard. Funding obtained under this program was utilised to complete the business case for the Cairns Gallery Precinct Project which is now an 'investment ready' project included at Appendix 1.	\$100M	<u>Click Here</u>	Yes	No	Yes	A specific example of a project that could be funded under this program is the completion of a business case (estimated cost \$250K-\$500K) for Cairns Airport's proposed Cairns Aviation Excellence Precinct (CAEP). The CAEP project is one which has the potential to deliver significant long term economic and employment benefits to the region as well as contributing positively to the region's economic diversification and resilience. The CAEP project is estimated to deliver economic benefits in excess of \$2 billion in the decade to 2030 utilising a combination of public and private investment. Further details on the CAEP project are set out on page 8 of Cairns Regional Council's Federal Government Priorities document which can be accessed via the hyperlink below. Cairns Aviation Excellence Precinct Hyperlink

Note: An example of an 'investment ready' project that could be supported through one or other of the funding programs outlined above (or directly) is Skytek's General Aviation-engineering services ranging from logistics and supply chain management of parts, consumables, aircraft ground service support, as well as heavy maintenance including aircraft modification capability for both fixed and rotary wing aircraft. The project provides for a fixed wing hangar (including associated ground and apron works) to be established in the Cairns Airport Aviation Precinct to accommodate larger aircraft for Maintenance Repair and Overhaul (MRO) services. The project is estimated to require 20 additional FTEs in first year of operation, building to 45 FTE by 2024/25. The project value is \$8.5 million (\$3.5 million for the hangar) with \$6 million sought from an appropriate government funding source acknowledging that aviation has already been identified by the Queensland Government as a priority industry for the Cairns region.

Inquiry into the Queensland Government's economic response to COVID-19

COVID-19: CAIRNS REGION ECONOMIC RESPONSE AND RECOVERY SUB COMMITTEE

POTENTIAL STIMULUS MEASURES FOR CONSIDERATION

DM#6343287

Level of Government	Policy area	Brief description	Deliverable in short term	Creates jobs - implementation/construction	Creates jobs - ongoing	Comments
Federal/State	Domestic Aviation Connectivity and Capacity	Aviation connectivity is of critical importance to the Cairns and Tropical North Queensland (TNQ) economy, in particular the region's tourism sector. This is underlined by the ratio of airport passenger movements to resident population. Prior to COVID-19, there were approximately 4.8 million in annual passenger movements through the Cairns Airport representing a ratio of 28.8 times the Cairns resident population - this compares with a ratio of 7.3 for Melbourne, 8.4 for Sydney and 9.6 for Brisbane (Source: Bureau of Infrastructure, Transport and Regional Economics and ABS data). In the short to medium term recovery phase, domestic tourism will be a key focus for the Cairns and TNQ economies. Accordingly, it is critical that domestic aviation connectivity and capacity into Cairns be supported and restored to the maximum extent possible following the relaxation of social distancing and travel restrictions. The recently announced Federal Government \$165 million airline support package is welcomed, but targets the continuity of air services during the COVID-19 'shut down' period. Further policy needs to be investigated and implemented to ensure that when social distancing measures are eventually relaxed and domestic travel returns, aviation capacity into Cairns is restored.	Yes	Yes	Yes	
Federal (Dept of Defence)	Pacific Patrol Boat/Guardian Patrol Boat Training	The Pacific class is a class of 22 patrol boats built by Australia and donated to twelve South Pacific countries. They are operated by militaries, coast guards or police forces of 12 island nations. These boats are supported by the Pacific Patrol Boat (PPB) Program and used primarily for maritime surveillance and fisheries protection. The PPBs are now being progressively replaced by Guardian Patrol Boats which are gifted by the Commonwealth to each participating nation and are sovereign assets of that respective nation. The boats are not based in Cairns but return to Cairns to allow the Commonwealth to complete ongoing, deeper level maintenance tasks. The Australian Maritime College Search (AMCS) – the commercial arm of the Australian Maritime College in Launceston, Tasmania has been delivering training relating to Pacific Patrol Boats since 1992. The current contract expires in December 2020. Given the vessels already return to Cairns for maintenance it is recommended that consideration be given to having training services delivered by the Great Barrier Reef International Marine College operated by TAFE.	Yes	Yes	Yes	Whilst the current contract does not expire until December 2020, if the new contract was awarded to the Great Barrier Reef International Marine College in Cairns, a 'ramp up' in activity (employment) and investment (facilities) would be expected to occur in 2020 in readiness for training delivery.
Federal	Export Market Development Grant (EMDG) Reset and Reimbursement	The Export Market Development Grants (EMDG) scheme is a key Australian Government financial assistance program for aspiring and current exporters. Administered by Austrade, the scheme supports a wide range of industries. On 1 April 2020, the Federal Government announced an increase in funding for the Export Market Development Grants (EMDG) scheme. Funding for the scheme will increase by \$49.8 million in the 2019-20 financial year, allowing exporters and tourism businesses to get additional reimbursements for costs incurred in marketing their products and services around the world. Whilst this additional support is welcomed and will provide an additional positive impact to cash flow, it is recommended that further support be provided to assist with market re-entry and reestablishment following Coronavirus. Recommendations include: Resetting the eligibility criteria so that existing businesses who have 'exhausted' their EMDG entitlement can again reapply. Setting the reimbursement rate at 100% for the 2020/21 financial year.	Yes	Yes	Yes	
Federal	Commonwealth and International Supported Places (JCU Medical School)	The aim is for Cairns Hospital to become a university hospital within the medium term and for the hospital to continue to expand the higher level of services offered locally. For this objective to be realised, facilities need to be developed which support clinical research and education. The allocation of additional places within James Cook University's Medicine and Dentistry school will also be required to support the hospital achieving university status. Specifically, 80 additional places (50 Commonwealth Supported Places and 30 International Places) within James Cook University's Bachelor of Medicine and Bachelor of Surgery programs will be required.	Yes	Yes	Yes	This allocation is an existing advocacy priority for both Advance Cairns and Cairns Regional Council and supports/complements the Cairns University Hospital project outlined in Appendix 1.
Federal	Northern Australia Infrastructure Fund - Reset for Recovery	The Northern Australia Infrastructure Facility (NAIF) is a \$5 billion lending facility established to provide loans to infrastructure projects in northern Australia. The NAIF can play a critical role in supporting Northern Australia's recovery from COVID-19 by supporting projects and infrastructure that lead to job creation and economic growth. With this in mind, a comprehensive review of NAIF eligibility and project assessment criteria should be undertaken with a view to ensuring government and private sector proponents can access the funding necessary for economic recovery. Any such review should consider, amongst other things, a reduction/relaxation of lending thresholds and criteria as well as the fast-tracking of project assessment.	Yes	Yes	Yes	

APPENDIX E



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Wednesday, 24 June 2020

Committee Secretary
Economic and Governance Committee
Parliament House
George Street
BRISBANE QLD 4000

Inquiry into the Queensland Government's economic response to COVID-19 – Letter of Support

This letter is to support the Cairns Regional Council submission to the Economic and Governance Committee's review regarding the Queensland Government's response to the COVID-19 pandemic.

Firstly, we would like to commend the Queensland Government for the leadership shown in 'flattening the curve' when it comes to the spread of the virus across the State.

Associated with that, we recognise and appreciate the swift and substantive response to minimise the economic harm from the restrictions implemented. Economic initiatives that have been particularly well received in Cairns include:

- Queensland Rural and Industry Development Authority (QRIDA) Queensland COVID-19 Jobs support loans;
- Payroll tax relief;
- Land tax relief;
- Electricity bill relief;
- Small business adaptation grants;
- New home buyer/builder grant;
- 2020-21 COVID Works for Queensland program; and
- Support for commercial tenants and commercial landlords.

However, the Queensland Government's handling of travel policy is an area of specific concern to Cairns given the city's reliance on tourism and aviation capacity.

An apparent conflict between the respective positions of the Federal Government and the Queensland Government regarding interstate travel restrictions has created confusion and uncertainty for many businesses operating in Cairns.

An alignment of national and state policy in this regard is urgently sought as it contributes to certainty and business confidence.

Since the outbreak earlier this year Advance Cairns has been actively involved in working with Cairns Regional Council, a range of other industry organisations and a host of businesses in our region to develop a list of support mechanisms we are seeking from the Queensland Government.

As arguably one of the hardest hit regions in Australia (tourism accounts for one in five jobs in the tropical north), Cairns will be eager to garner support from all levels of government across business survival and stimulus initiatives.

We strongly support the Cairns Regional Council submission to the *Inquiry into the Queensland Government's economic response to COVID-19* and would welcome a formal response to all supporting stakeholders.

Yours sincerely

Nick Trompf
EXECUTIVE CHAIR
Advance Cairns



Suite M2a, Mezzanine Level, The Pier Cairns Qld 4870

T 07 4031 1838 | F 07 4031 0883 E info@cairnschamber.com.au W www.cairnschamber.com.au



22 May 2020

To Whom It May Concern;

Re: Cairns Regional Council - submission to the Select Committees inquiry into the Australian Government's response to the COVID-19 pandemic

The Cairns Chamber of Commerce is the peak body for business representation in the Cairns region. We are here to help our members' businesses grow by connecting them to opportunities and to act in the best interests of the Cairns region business community.

The response from the Australian Government in regards to the COVID-19 crisis has been swift, effective and coordinated. The Cairns Chamber of Commerce commends the Australian Government on their world-leading efforts in managing the crisis to date. The collaborative approach adopted by the Federal and State Governments is also acknowledged and appreciated.

However, independent evidence indicates the impacts of the crisis in Cairns will be greater in severity, and the likely recovery times longer in duration, than for other regions in Australia. Accordingly, further targeted initiatives will be required to support the recovery phase for Cairns.

The Cairns Chamber of Commerce supports Cairns Regional Council's submission to the Select Committees inquiry into the Australian Government's response to the COVID-19 pandemic.

Should you wish to discuss our support in greater detail please do not hesitate to contact me.

Kind Regards,

Patricia O'Neill

CHIEF EXECUTIVE OFFICER

CAIRNS CHAMBER OF COMMERCE



24 June 2020

Mr John Andrejic Chief Executive Officer Cairns Regional Council

By email: cc:

Dear John,

Re: Cairns Regional Council submission to the Inquiry into the Queensland Government's economic response to COVID-19

Thank you for responding to this important initiative on behalf of the region.

Cairns Airport is one of Australia's leading regional airports, providing air links to a range of domestic and international locations. It is the gateway to World Heritage Great Barrier Reef and Tropical Rainforests of North Queensland and is just 7 kilometres from the Cairns CBD.

Prior to COVID-19, Cairns Airport accommodated over 5 million passengers each year, with direct domestic flights from Brisbane, Gold Coast, Sydney, Melbourne, Adelaide, Perth, Darwin, Townsville as well as Alice Springs, Ayers Rock (Uluru) and regional centres across North Queensland; and direct international flights from Tokyo, Osaka, Singapore, Shenzhen, Bali, Port Moresby and Auckland.

The geographic proximity of Far North Queensland to South East Queensland and indeed to all large population centres in Australia means that aviation, both domestic and international, plays a critical role in the region's economy. Accordingly, all Cairns Airport terminals have remained operational throughout the COVID-19 period and whilst the number of operational flights has been severely reduced, utilisation of available flights is high, primarily catering to the FIFO workforce, medical travel, corporate travel, government service access and VFR. Of course, international freight flights ex Cairns also continue to sustain regional Queensland's fishing industries.

The immediate importance of returning substantial domestic seat capacity into Cairns cannot be underestimated. Additional capacity will reduce constraints on corporate and leisure travel which will both play significant roles in the recovery of the Far North Queensland economy.

Furthermore, we strongly support Cairns Regional Council's suggestion to extend the additional initiatives listed under Phase 1 of the response through until March 2021. Cairns is a seasonal economy and to withdraw these initiatives as the (COVID-19 impacted) 2020 peak season is finishing would be disastrous.

Should you wish to discuss our support in greater detail please do not hesitate to contact me.

Sincerely,

Norris Carter

Chief Executive Officer
Cairns & Mackay Airport



Our Ref: 6408515

17 June 2020

Mayor Bob Manning Cairns Regional Council PO Box 359 Cairns QLD 4870

Dear Mayor Manning

Inquiry into the Queensland Government's response to COVID-19

The Far North Queensland Regional Organisation of Councils (FNQROC) represents 13 member Councils, being Cairns, Cassowary and Tablelands Regional Councils, Carpentaria, Cook, Croydon, Douglas, Etheridge, Hinchinbrook and Mareeba Shire Councils, and Hopevale, Yarrabah and Wujal Wujal Aboriginal Shire Councils. Member Councils cover more than 3000,000 square kilometres with a total population of approximately 276,000.

Across our 13 councils, in the June Quarter 2020, GRP is forecast to fall by 13%, local jobs are forecast to fall by 8.1% (14.6% if jobkeeper is included).

In March 2020, 6.7% of our population lost their jobs or went onto Job seeker overnight. The worst hit were Cairns at 8% (13,413 people) and Douglas Shire at 9% (1,547 people).

FNQROC echo's your sentiment in thanking the Queensland Government for their support measures in assisting to mitigate the potentially greater consequences of the current crisis. We also support your submission and the recommendations you have put forward.

Yours Sincerely

Darlene Irvine
Executive Officer



TROPICAL NORTH

24 June 2020

Nick Masasso
Executive Project Officer, Executive & Support
Cairns Regional Council
PO Box 359
CAIRNS QLD 4870

Via email:

PO Box 2738 Cairns, QLD 4870 p: 07 4041 1729 e: info@rdatropicalnorth.org.au

Dear Nick

RE: Letter of Support – Cairns Regional Council Submission to the Inquiry into the Queensland Government's economic response to COVID-19

Regional Development Australia Tropical North (RDATN) is pleased to endorse Cairns Regional Council's submission to the inquiry into the Queensland Government's economic response to COVID-19.

Cairns' remoteness, combined with its reliance on tourism and extensive small business sector, has resulted in Cairns' economy being hit particularly hard by the COVID-19 pandemic, with recovery predicted to be slow.

RDATN supports Council's recommendations to lift interstate travel restrictions and reinstate domestic aviation connectivity to bring visitors back to our city and region, to fast track and facilitate major projects and to provide financial support and tax relief to Cairns residents to assist in the economic recovery of the region and create jobs.

As a member of the Cairns Economic Response and Recovery Sub-Committee, and as a key supporter of regional economic development, RDA Tropical North is happy to provide its support for Council's recommendations to assist with the Queensland Government's economic response to the pandemic.

Yours sincerely

Danielle Carey

CHIEF EXECUTIVE OFFICER

Regional Development Australia Tropical North Inc.



An Australian Government Initiative



23 June 2020

Committee Secretary
Economic and Governance Committee
Parliament House
George Street
Brisbane QLD 4000

Re: Letter of Support | Cairns Regional Council's submission to the Inquiry into the Queensland Government's economic response to COVID-19

Tourism Tropical North Queensland (TTNQ) as the Regional Tourism Organisation (RTO) for Tropical North Queensland (TNQ) unequivocally supports the Cairns Regional Council's submission to the Economic and Governance Committee on COVID-19 on their Inquiry into the Queensland Government's economic response to the COVID-19 pandemic.

TTNQ concurs with Cairns Regional Councils acknowledgement of the Queensland Governments considered and balanced response to the health and safety considerations and economic initiatives provided and listed in Councils letter.

While the support measures will help businesses get through the coming months, we remain very concerned about the precipice beyond the cutoff date for federal government subsidies in September. TTNQ supports the Cairns Regional Council's "Cairns: Pathway to Recovery from COVID-19" document highlighting the further support Cairns requires.

TNQ is losing \$10M a day at the moment, and by December 2020 will have lost \$2.2B costing Queensland 11,750 jobs. Further, every week in winter our regions tourism industry loses \$91M from domestic tourism of which 60% is interstate. The support needed is twofold, extended hibernation support for iconic businesses and demand driving projects for the region to bring forward new visitors.

We ask that as one of Queensland's most severely affected regions, a longer period of tapered withdrawal of assistance be implemented. There must remain a critical mass of surviving tourism businesses until we have a functioning transactional economy again.

The most important thing we can do now is to turbo-charge early domestic tourism and aviation or there will be no Cairns. With the countdown underway to open up restrictions, driving early demand to support the commercial success of Cairns routes is a prerequisite for any further recovery initiatives.

While we are focussing on the drive market, we are a long way from population centres. Aviation remains critical for tourism and the region, but will respond to demand, so the first flights need to be successful by being filled with visitors coming to Cairns. It is encouraging to see flights increasing to Cairns. TTNQ along with Cairns Airport has been engaging direct with the airlines on securing more regular legs with the capital cities.

Then (and only then) on that re-established platform, we can build the longer-term transformation of Cairns, with tourism being the catalyst, then build on the tourism platform to grow other industries. From a geopolitical perspective, a thriving Cairns community and economy has never been more important to Australia as a leader within the Pacific.

To achieve this critical early success, we need to:

1. Build demand

- a. An early hard push on results-led domestic destination marketing with Tourism and Events Queensland and Tourism Australia-led destination marketing contributing to measurable results (\$10M per annum for our destination) and;
- b. Turbo-charging the tactical execution of the "Leave Greater" in partnership with airlines to drive early success and build on our long-term environmentally sustainable credentials (\$100M Statewide through AAIF).

2. Support Business Recovery

- a. Extend the hibernation period for business support in significantly impacted regions (vehicle and vessel registration, Payroll tax, Land tax Leases and Electricity costs) and;
- b. Reduce red-tape for rapid business transformation.

3. Transform the tourism sector

- a. Manage the health risk using appropriate risk assessment to ensure commercial viability, supported by a joint State/Federal fund of \$60M across Queensland to convert businesses to COVID Safe operations;
- b. Elevate Events marketing to (among other things) leverage the upgrade of the Cairns Convention Centre (\$1M per year) and;
- c. Develop/support innovative and emerging experiences/products (e.g. agritourism, adventure sports, edu-tourism, culture and superyachts).

The road back for Cairns will be long and challenging. As the region plots its path to recovery, through targeted support the Australian and State Governments will play a crucial role as enablers and partners.

Please don't hesitate to contact me should you require any further information or clarification. We look forward to the Australian Governments continued support for our region to enable our capacity to first survive, then to transform both the tourism industry and our broader economy in the Cairns region.

Yours sincerely

Mark Olsen

Chief Executive Officer

Tourism Tropical North Queensland

