



To: Committee Secretary

Economics and Governance Committee

Parliament House George Street Brisbane Qld 4000

Via email: egc@parliament.qld.gov.au Inquiry into the Queensland Government's economic response to COVID-19

From:

Greater Southern Gold Coast Chamber of Commerce

Executive Committee

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Submission to the Queensland Governments Enquiry into the COVID 19 response
Dated 26.06.20

Terms of Reference

1. 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;
2. 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;
3. 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.

Background Greater Southern Gold Coast Chamber of Commerce is located on the Southern Gold Coast and represents the interests of the local business community. The Chamber has 107 members made up of small, medium and large businesses including Gold Coast Airport, Southern Cross University, Currumbin Wildlife Sanctuary, John Flynn Hospital, The Pines Elanora Shopping Centre, Currumbin RSL and Neumann Group. Like many Gold Coast businesses, Southern Gold Coast businesses' rely directly and indirectly on the Tourism, Education and Health industries to survive. Unlike the rest of the Gold Coast what makes the Southern Gold Coast unique apart from its natural beauty, is its proximity to the NSW border and the challenges that presents under normal circumstances, but particularly in the current climate.

While we acknowledge that the COVID-19 global pandemic is presenting an unprecedented disruption for all Australians, there is additional disruption being experienced by the Southern Gold Coast community due the border closure and difference between State COVID regulations and restrictions. With border residents living, working and socialising on both sides of the border, the current border closure is creating enormous challenges. Border businesses are experiencing reduced trading and subsequent declining revenues, longer travel commutes, and confused consumers regarding different restrictions in both states. Last minute announcements and uncertainty around when the border will open are also impacting businesses.

Terms of Reference Response

The following information is in response to the Terms of Reference specifically in relation to economic response. The broad categories are economic stimulus, border closure, tourism impact, messaging and inconsistent reopening applications.

Economic Stimulus

The State and Federal Governments' have provided diverse and wide reaching stimulus arrangements during the pandemic. The stimulus has benefited businesses on the Southern Gold Coast, especially Job Keeper which has allowed many employers to keep connected with their employees. Also beneficial was the Federal stimulus targeting not-for-profits and small businesses with a turnover under \$50 million. The tax-free cash payment of from \$20,000 up to \$100,000 has helped businesses retain staff and continue operating. At a State level the stimulus benefit in the form of payroll tax relief has primarily been beneficial for medium and large businesses.

What has not been as appealing or as useful for many businesses is the offer of loans. Many businesses have been reluctant to take on further debt without knowing how long or how far reaching the impacts of the pandemic will be.

In saying that, there have been some businesses who have participated in the programs to relieve financial pressure while trying to re-establish their businesses. The focus for business now is longer term viability with the looming September cut off of Job Keeper threatening employment and economic recovery of many businesses, especially small to medium business.

Border Closure

As mentioned, probably the most significant impact on the Southern Gold Coast has been the border closure. The border communities of Tweed Heads and Northern NSW and Southern Gold Coast suburbs such as Coolangatta, Tugun, Currumbin and Palm Beach generally move freely throughout the area in doing business, attending appointments, working, shopping, attending schools and participating in social and sporting activities. There is generally very little separation between the communities with both the NSW and Queensland economies benefiting from cross border spending, employment and movement.

Some of the negative impacts these communities are experiencing as a result of the border closure include the following as examples:

- Many border businesses have seen a reduction in trade with NSW residents unable to shop, seek health or educational services or participate in activities in Queensland
- For those employed across State lines there are daily delays with the border crossing with unproductive time spent in commuting
- NSW businesses have different COVID regulations relating to numbers and scope of services available, which is confusing for consumers
- Queensland residents are travelling across the border and spending money on entertainment such as gaming and other activities that Queensland does not permit

Tourism Impact and Border Closure

Businesses that rely on Tourism are being significantly impacted by the border closure. Gold Coast Airport provided the following information:

State and Gold Coast Tourism Spend

- In the July-September quarter of 2019, Queensland welcomed 2.2m domestic overnight visitors from outside QLD and 4.3m intrastate overnight visitors
- Despite being almost half in terms of volume, interstate visitors outspent intrastate visitors, putting \$3.7b into QLD's economy at an average \$1676/visitor vs \$2.3b from intrastate visitors at an average \$529/visitor
 - Domestic overnight spend was 62% from interstate
- For the Gold Coast/Mount Tamborine/Lamington National park region specifically, the economic impact of interstate visitors is much more

pronounced – \$1.2b economic benefit at \$1556/visitor from interstate visitors vs \$374m at \$599/visitor from intrastate

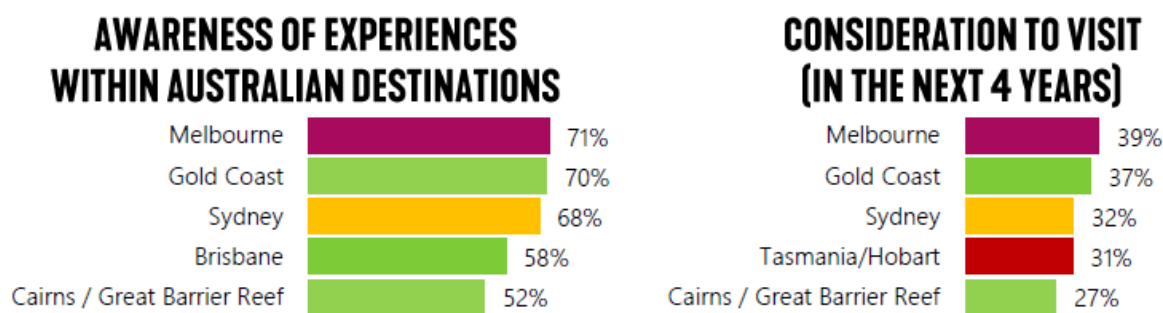
- Domestic overnight spend was 76% from interstate
- Tropical North QLD received \$799m from interstate visitors at \$3161/visitor compared to \$166m at \$102/visitor from within QLD
 - Domestic overnight spend was 83% from interstate
- Queensland relies on interstate aviation – four of the top six busiest routes in the country last July were QLD interstate markets (Sydney to Brisbane, Melbourne to Brisbane, Sydney to Gold Coast, Melbourne to Gold Coast)

Airport Traffic

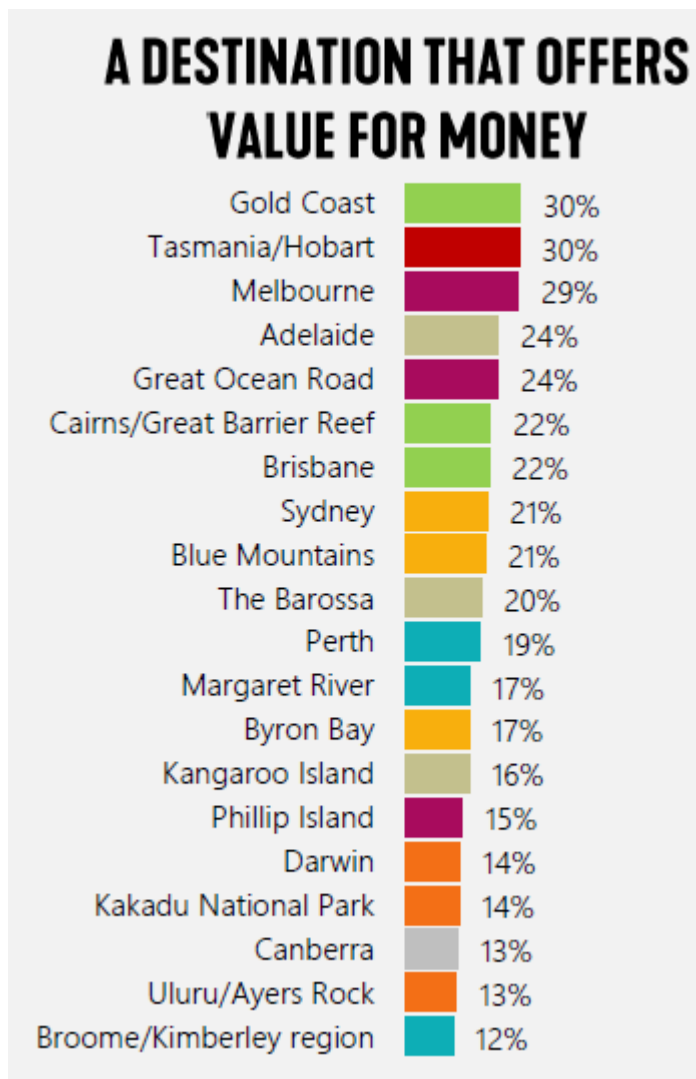
- For the same July-September 2019 quarter, Gold Coast Airport saw 1.4m domestic passengers
- In the same period, Brisbane Airport had 4.6m domestic passengers, Sunshine Coast Airport 334k domestic passengers and Cairns Airport 1.1m domestic passengers
- All airports are now running at substantially reduced rates – Gold Coast Airport has fallen over 99% vs last year in April and May, Sunshine Coast Airport has no flights and Cairns Airport is down 97%. Brisbane Airport has fared slightly better as the key hub for essential intrastate services
- If these trends continue into the July-September quarter, the economic benefit seen last year will not necessarily disappear – other regions will take market share from Queensland as the critical source markets of Melbourne and Sydney loosen restrictions on travel

Travel Intentions

- Tourism Australia have recently released their consumer demand profiles for domestic markets, and QLD destinations figure prominently in terms of awareness, consideration and intention



- Importantly for when Australia is experiencing its first recession in 30 years, Gold Coast was seen as the top destination on 'value for money'



One of the biggest challenges for the tourism industry is the lack of information regarding when the borders will reopen. Given many holiday makers book in advance for peak times, without certainty around the border reopening, there is concern the whole of 2020 will be impacted by low and no interstate travel bookings.

Much of the Southern Gold Coast community directly and indirectly rely on tourism for their employment and economic welfare. Uncertainty around the border reopening is causing a huge amount of financial stress and consequently mental angst within our community.

Messaging

Given the unrepresented nature of the pandemic, consistent and clear messaging has been difficult. From a business perspective the biggest challenges with the messaging have related to last minute announcements and differences in Federal and State restrictions causing confusion for border residents and business operators.

The closure of many businesses back in March was sudden and dramatic. It took some time for many businesses to completely shut down and as such it takes time for them to reopen. Last minute announcements and changes to the Staging have been problematic to business and confusing for customers. The initial reopening announcements that Clubs, Pubs and Cafés could reopen but only with 10 people caused problems because it was unviable for most businesses. From a customer perspective they did not understand why many venues weren't opening. Better consultation with businesses would be welcome.

Inconsistent Reopening Plans

While businesses have been understanding and compliant with staged reopening, there have been inconsistencies with messaging and application of regulations. It would appear on face value that Tourism and Hospitality is one of the hardest hit industries, yet in reopening it has had some of the most stringent regulations to adhere to. These regulations and requirements have been expensive to implement and frustrating for both consumers and business operators.

While businesses understand the need for social distancing and strict cleaning protocols it would appear these same standards are not being applied across all industries. For example it is possible to fill a car with petrol with no hand sanitiser available at many service stations. Hospitality venues limited to groups of 20 people with 1.5 metre distancing yet there can be large groups of people in shopping centres, and grocery and department stores not adhering to the same rules. Most recently it was announced 10,000 people could attend a sporting game in Queensland yet you can't have more than 20 people in a hospitality venue without an approved COVID Safe Industry Plan. It is these inconsistencies which frustrate business.

Overall economic response

Clearly the pandemic has presented unprecedented challenges for government and decision makers. The business community, including the Greater Southern Gold Coast Chamber of Commerce, appreciate that it has not been an easy task to navigate both closing and reopening business and manage the health crisis, however it is suggested that some improvements could be made. Such improvements include greater consideration for border communities and the impact that border closures have on inhabitants and businesses, improved messaging, ongoing stimulus support for business and consistent clear messaging and application of regulations.

From: [REDACTED]
Sent: Thursday, 13 August 2020 1:30 PM
To: Economics and Governance Committee
Cc: [REDACTED]
Subject: RE: Inquiry into the Queensland Government's economic response to COVID-19
Importance: High

Hi

The GSGC Chamber would be very interested in another opportunity to address the Economics and Governance Committee again if the current QLD/NSW border restrictions are changed any further.

We have deep concerns that the proportionality of economic harm when compared to current COVID cases both in QLD and NSW may be getting lost in the apparent rush to be “the best” at something.

We are concerned that the examination of the management of the COVID crisis was undertaken at a time when the restrictions in place were becoming less of an impost and when they were more proportionate to the real situation on the ground. This is no longer the case. The economic, community and long term damage now being done and further contemplated by the ongoing and threatened further border restrictions, far outweighs the potential harm to the State in terms of the COVID impact. Currently there are businesses who are working on a plan B for keeping their businesses open if the threat made by the CHO is implemented and a hard border is enforced.

This raises the questions of unintended health impacts as well, beyond direct economic impacts. These range from the impacts to people who can't attend vital appointments, or where their specialist is not available due to border restrictions and lack of exemptions, which may lead to deterioration of ongoing medical issues, the failure to identify any issue until it has dire or even fatal outcomes, and the ceasing or curtailment of vital treatment. This may lead to ongoing chronic issues or even premature death. Sadly in many cases this will impact NSW more than QLD as in many cases the proximity to quality services in Brisbane has until now been vital to these people. We are reminded that this is all in one Australia, although this point seems to be almost totally forgotten currently. Further there will be a significant number of people whose business or working arrangements are badly impacted which then leads to increased mental health issues, or in some cases suicides. The impact of COVID 19 should not be underestimated in this space and the overzealous use of border restrictions which are disproportionate cannot be misjudged in this regards. Many people who have been strong to this point, are now feeling a level of despair not seen before, as they can see no end to the futility of trying to remain open, positive and productive, when the calls for a reasonable response are so soundly rebutted, and where the populist battle cries of “close the border” emanating from Social media are treated as the will of the people. Rather than being recognised for what they really are, the thought bubbles of those with enough time on their hands to be on FB all day. This growing Health issue is further exacerbated by the potential for a number of QLD paramedics not being able to work without moving home, or re-training as they are located in NSW and vice versa. There are potentially hundreds of paramedics who will be impacted by this decision if it were to be applied in both QLD and NSW and this again may have unintended outcomes with systems and practises which are different and not compatible occurring across the border region. The cost to QLD as a state of these adverse Health outcomes must be measured and given deep consideration before they become a reality and the costs to our people becomes a burden too many Queenslanders have to share in far too many ways.

Returning to the business impacts, for small businesses it's not possible or viable to move staff physically from one state to another when as much as 75% of the team live in the wrong state (which can be 3 out of 4 staff with only the Saturday worked in the correct location) There are still very large numbers of people who were permitted to travel under the original restrictions, who would not be permitted to travel under any hard border enforcement. There are now businesses who have staff located too far south of the NSW bubble, or who's businesses are too far

north of the QLD bubble with staff in NSW who cannot attend work. There are businesses in the border towns who until now have been impacted by the lack of visitors from interstate and overseas who would now have to close because their staff and many customers are the wrong side of an arbitrary line on a map. The financial impact to the State can be measured in the unemployment impacts, the state revenue impacts, the GST take and at a federal level in the amount of income support claims resulting from increased JobKeeper, or JobSeeker claims. No amount of regional jobs packages can replace the small business jobs which are currently under threat. Small business employed 44% of the QLD working population prior to Covid

The Chamber undertook a very quick survey today of business who currently operate within 5 klm of the QLD/NSW Border on the QLD side. Around 100 businesses were polled from owner operators to national concerns, mainly in the services, medical and the retail sector and all not overly impacted as a direct result of tourism impacts. The questions asked included do you have staff who live in NSW, what number and proportion of your staff do these make up. Could you operate without these staff, how much would this cost you if you could not operate or make arrangements to move staff etc. They would represent a broad cut across the general business populous. The outcomes were that of those who responded almost 50% said that they had staff who lived in NSW. 27% of those with staff living in NSW said that they would need to close at least 2 days a week resulting in a turnover impact and 18% said that they would close altogether. The financial impacts were ranging from to as much 100% loss of business for those who would have to close. The proportion of staff involved ranged from as few as 10% to as many as 75% of the head count. A number raised the issues of their staff specialist training and skills meaning that they can't just be replaced by other team members working extra and that those costs where they were possible would be an impost that was not possible for more than a few days. Some pointed out that they were already on JobKeeper and staff were not as flexible when receiving this payment. If this were to be replicated across the entire border region this could mean that almost 50% of the businesses would be impacted by further border closures to one degree or another. It would be interesting to compare the number of border passes issued in April when the initial restrictions came into play to now and use that as a measure of those who are or will be impacted by such changes.

The COVID case numbers in March and April when the original border closure was put in place were significantly higher than it is now. In NSW during March as many as 216 cases had been reported in a single day at the time of the border closure, during April they were reporting from as many as 150 cases on April 1st which very quickly dropped down to single figures in the third week of April. Here in QLD at the same time we were reporting a peak of 78 cases a day in March down to zero cases in the third week of April. QLD still remains at zero cases a day and NSW now has in the low 20's of cases each day, which is dropping and is certainly not seeing the level of growth in VIC. How a hard border closure, of much greater scale than ever previously undertaken, can now be considered proportionate is difficult to comprehend. We after all part of the same country and the border is merely a line on a piece of paper drawn when the area was lots of small villages.

Please feel free to contact the undersigned for further insight into this situation.

Regards



Hilary Jacobs
President – Greater Southern Gold Coast Chamber of Commerce

