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Capricorn Tourism & Economic Development Ltd  
Trading as Capricorn Enterprise

Tuesday 30<sup>th</sup> June 2020

Committee Secretary  
Economics and Governance Committee  
Parliament House  
George Street  
Brisbane Qld 4000

Dear Sir

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

Capricorn Enterprise is one of Queensland's thirteen (13) official membership based Regional Tourism Organisations (RTOs) as recognised by the State government, representing a large part of Central Queensland, from the Central Highlands in the west to the Keppel Islands in the east. We also provide Economic Development support to regional industry in Rockhampton and the Capricorn Coast, acting as an independent voice for the business community.

Capricorn Enterprise represents a diverse range of local business and industry across the region, from accommodation providers and food services to civil engineers and professionals. While some businesses were required to close by legislation, others have seen significant reductions in demand and frequent changes in restrictions. Still others have continued to operate as usual or had to meet busy work schedules under increasingly difficult, constrained or changing conditions.

As one of the region's RTOs, we have had firsthand regular opportunities to work closely with the government on this unprecedented situation while also working closely with industry. Knowledge of both unique and common issues facing tourism operators and other industries across our region has given us a strong base for working with the Queensland government to achieve economic support for our community.

Capricorn Enterprise commends the State government on its support to business (see attached table). Capricorn Enterprise would also like to make comment on the following issues that have been important in managing the COVID-19 economic crisis:

**Working with the Tourism Minister and her Department**

Capricorn Enterprise has deeply appreciated the direct link to Minister Kate Jones MP and her Department of State Development, Tourism and Innovation (the Department). The weekly Zoom meetings with the RTOs, Tourism and Events Queensland (TEQ), Queensland Tourism Industry Council (QTIC), the Department and the Minister's Office have been exceptionally helpful in raising and acting upon issues. The Minister's support, her attendance at Zoom meetings when possible and her availability to RTOs throughout the crisis has been incredible and deeply appreciated.

The expeditious turnaround on queries to the Department has been extremely helpful and important in keeping our industry and community well informed. Early examples of our successful lobbying on specific issues include payroll tax and land tax relief, as outlined below.

We would also like to acknowledge the work the Department has undertaken to ensure that concerns raised to Queensland health were addressed quickly. An example of this was in the use of ferries, where those that were deemed key public transport were able to operate, while the ferries to Great Keppel Island required a special effort to re-instate their ability to move passengers.

The additional funding of \$50 million, to fast-track tourism projects and help our national tourism icons to help businesses get through COVID-19, is also an excellent initiative to benefit operators. The \$25 million Growing Tourism Infrastructure Fund 2020/21 to fast-track the development of new and enhanced tourism infrastructure projects will support tourism operators to build or improve their infrastructure and products while also creating jobs and increasing visitor numbers and expenditure. The Tourism economic recovery package is an important part of assisting the tourism industry during this period of uncertainty and has given our operators hope for the future.

The collaborative efforts of the tourism sector must be acknowledged and it would be remiss not to mention the leadership role that the Queensland Tourism Industry Council (QTIC) played in developing the Tourism Industry Safe Plans to assist business in having a standard template with which to work.

We would also like to commend the Department for the resources developed to support industry during the crisis and recovery period. The Tourism Industry Decision Tree, for example, has been very helpful to tourism operators to find out how their business can be COVID Safe.

Capricorn Enterprise was encouraged by the Minister's recognition that additional support will be needed for the future viability of the RTOs, as a core support mechanism for the tourism industry for 2020-21 and beyond. The collaboration between Tourism and Events Queensland (TEQ) and the RTO Network ensures all regions will receive additional funds for 2020/21 to help mitigate the reduction in tourism industry membership and marketing co-operative funds.

During the recovery phase of COVID-19, tourism operators that have been hard hit by the shutdown of travel locally and internationally will require continued support to operate.

### **Payroll tax**

We wish to congratulate the Queensland government for the support they have shown to industry during the COVID-19 crisis, including payroll tax relief measures to alleviate the impacts. The refunds of payroll tax for two months, the payroll tax holiday for three months, the deferral of paying payroll tax for the 2020 calendar year and the payroll tax exemption on JobKeeper payments are all measures which have helped businesses to continue to operate during times of severely constrained incomes.

### **Land tax relief**

The announcement of the waiver of more than \$33.8 million in State land rent to help support business has been important in protecting Queensland businesses and jobs in agriculture, tourism, sport and recreation and other industries. With the shutdown of travel, the tourism sector has been hit hard and the waiver means that more than 90 tourism lessees, including local operators Great Keppel Island Hideaway, Great Keppel Island Holiday Village, Pumpkin Island, Freedom Fast Cats,

Keppel Bay Marina and others, can operate for longer on their reduced incomes. Capricorn Enterprise played a major role in raising the issue of island lease fees in our weekly Zoom meetings and we are grateful that the government listened and acted upon our concerns.

### **Small Business Adaption Grants**

The Small Business Adaption Grants as part of a \$100 million initiative has been of great assistance to those small businesses that were either forced to close, restructure or change their business operations as a consequence of COVID-19 requirements. The speedy uptake of the grants by Queensland businesses demonstrated the need for immediate cash support to reinvest in their businesses and look at ways to keep operating. The exclusion of sole traders from the Grants meant that a large proportion of small tourism businesses were ineligible to apply, with these operators continuing to face considerable difficulties in the recovering economy.

The announcement of a second round of Small Business Adaption Grants was most welcome. Capricorn Enterprise and its members are grateful for the allocation of a dedicated proportion of the funding to businesses outside of South-east Queensland which acknowledges the importance of regional businesses in the state's economy. Certainty around the opening date of the second round also gives small and medium size businesses the time to dedicate resources to the application and participate in the process.

### **The importance of two airlines**

Capricorn Enterprise believes that Australia's, and Queensland's, economy needs both major carriers, Virgin Australia and Qantas, to survive the COVID-19 pandemic. Capricorn Enterprise raised this issue early in the Zoom meetings and Minister Jones acted promptly. Aviation plays an important role in tourism, business and connecting communities making a commitment to services in rural and regional areas necessary.

The Queensland government's recognition of the genuine concerns raised by the regions demonstrates a clear understanding of the importance and seriousness of this issue.

### **Difference of opinions on school and borders caused uncertainty and stress for Queenslanders**

Whilst State border closures have also assisted in managing the spread of the virus, with some states rapidly reducing their number of active cases to returning residents, the ensuing contrary advice from the Federal Chief Medical Officer and the State and Territory Chief Medical Officers has caused ongoing angst. Acknowledging the process for reopening state and international borders will consider balancing the health risks against economic risks, the ongoing debate of "wealth before health" is highly offensive to the business community.

The disparity between states and the nation on border and school closures has been a challenge in managing expectations and the economy. While we acknowledge that Queensland's border closure has assisted in managing the transmission of the virus, its continued closure is having significant impacts on the economy and the tourism industry.

The difference in messaging regarding the safety of students in schools between the state and federal levels of government has been confusing and concerning to parents. Confidence in their children's safety at school increases a parent's likelihood of being able to return to the workplace and contribute to the economy.

The initial response to the COVID-19 pandemic, with border closures and school closures, has provided hospitals, schools and other organisations with an opportunity to prepare safety plans and manage supply lines. With adequate resourcing to the Queensland health and education sectors in place and COVID Safe plans in businesses, Capricorn Enterprise advocates for a united Australian position on reopening our economy.

Risk is managed, not eradicated. Just as businesses face risks on a daily basis and manage them accordingly, managing the risks of a pandemic, in theory, is no different. Until a vaccine is found for COVID, our lives and businesses must continue, understanding that in the event of an outbreak, that outbreak will be managed by the Health authorities.

We recognize the necessity to support and assist individuals and communities to manage their own personal and health safety during the COVID-19 crisis, however the onus of responsibility lies with the individual.

If you have any questions regarding this submission, please contact me on [REDACTED] or email [REDACTED].

Yours sincerely,



**Mary Carroll**  
**Chief Executive Officer**



Table 1: COVID-19 Business Support

Recipients	Measures
Support for businesses	<ul style="list-style-type: none"> <li>• Up to \$950 million for payroll tax relief for businesses. For businesses with payroll below \$6.5 million this includes a two-month refund of payroll tax, with an average refund of nearly \$9,000 and a three-month payroll tax holiday, saving an average of \$13,360. Larger businesses will receive a two-month refund of their payroll tax. All subsequent payroll tax payments for all sized businesses will be deferred for the rest of 2020. JobKeeper payments are also excluded from payroll tax.</li> <li>• \$1 billion jobs support loans providing low interest loans up to \$250,000 to help businesses retain employees and maintain operations, with the first-year interest free.</li> <li>• \$96 million Small Business COVID-19 Adaption Grants provide \$10,000 in grants to small and microbusinesses significantly affected by COVID-19 to adapt, pivot and sustain their business.</li> <li>• \$4 million in funding for online training to support development and implementation of sector-specific online education and training to help small businesses emerge from hibernation.</li> <li>• Free online skills training for business owners and operators and individuals. Financial Resilience Webinars and Online skill sets and micro-credentials through TAFE Queensland and CQUniversity in food service, community care, health support, customer engagement, digital literacy and cyber security are available.</li> <li>• \$1 billion Industry Support Package providing support to large and regionally significant businesses through this period to ensure they will be able to scale up and service the community when economic activity improves.</li> <li>• Renting relief for up to six months for businesses renting government premises.</li> <li>• Support for commercial tenancies to prevent evictions if the tenant is in financial distress due to COVID-19, prevent rent increases and penalties for reducing trade and opening hours.</li> <li>• Establishment of a Small Business Commissioner (appointment pending) to assist with small business leasing disputes due to COVID-19 including helping businesses understand options for resolving these disputes, prior to any consideration of more formal legal dispute resolution process.</li> <li>• \$400 million land tax rebate of 25 per cent of eligible properties to be passed onto commercial tenants and a three-month deferral of land tax liabilities.</li> <li>• \$500 rebate on electricity bills for all Queensland SMEs that consume less than 100,000 kilowatt hours.</li> <li>• Mentoring for Growth</li> </ul>
Support for workers	<ul style="list-style-type: none"> <li>• Up to \$500 million Workers Assistance Package to assist workers and businesses who lose their job or income.</li> <li>• Creation of the Jobs Finder online portal enabling jobseekers to register as a job finder, review job opportunities and access free online skills courses.</li> </ul>



Recipients	Measures
	<ul style="list-style-type: none"> <li>• Free online skills training for individuals and business owners and operators. Online skill sets and micro-credentials through TAFE Queensland and CQUniversity in food service, community care, health support, customer engagement, digital literacy and cyber security are available.</li> <li>• \$20 million for additional free online training to assist unemployed and underemployed Queenslanders, particularly young people and women, who have borne a disproportionate burden through job losses nationally.</li> </ul>
Industry specific support	<ul style="list-style-type: none"> <li>• \$33.8 million to waive land rent for farms, tourism operators, and community and sporting clubs for six months.</li> <li>• \$54.5 million to support regional air, bus and ferry operators to maintain services.</li> <li>• Support for manufacturers <ul style="list-style-type: none"> <li>o Supply chain matching</li> <li>o \$50 million for essential supply manufacture</li> </ul> </li> <li>• \$3.66 million commercial fishing package includes waiving tropical rock lobster and coral trout quota fees, fishing boat licence fee waivers for fisheries affected by COVID-19, a local seafood promotion campaign and access to rural financial counselling services</li> <li>• \$10.5 million to support the arts sector. This includes \$2.5 million in grant support for individual artists and arts organisations, funding under the Queensland Arts Showcase program, boosting individual funding grants with a focus on building digital skills and creative development, and government rent relief for relevant art bodies.</li> <li>• Support for tourism sector <ul style="list-style-type: none"> <li>o Waiving renewal fees for inbound tour operators, rebates on marina fees for commercial tour or reef operators</li> <li>o \$7 million in international tourism promotion</li> <li>o \$4.8 million targeted for the Tropical Far North and Gold Coast regions</li> <li>o \$50 million to support the Queensland tourism businesses and iconic Queensland theme and animal parks get through COVID-19. A domestic marketing campaign will be delivered.</li> </ul> </li> <li>• Waiving of liquor licensing fees for business impacted by enforced safety industry shutdowns.</li> <li>• Maintain infrastructure investment at more than \$50 billion over the next four years.</li> <li>• A \$400 million Accelerated Works Program to deliver new road, bridge and pavement sealing works across the state.</li> <li>• A further \$200 million in 2020-21 for a Works for Queensland program to support jobs and fund productive building projects.</li> <li>• An \$11.25 million expansion of the Household Resilience Program in cyclone affected areas.</li> <li>• A \$10 million support package to support international students and safeguard Queensland's global education brand.</li> <li>• \$14.8 million to support project development of the CopperString 2.0 project that will connect the North West Minerals Province with the national electricity market.</li> <li>• \$20 million towards construction of a Queensland Apprenticeships Centre in renewable hydrogen at Beenleigh.</li> </ul>