

Economic impacts for Queensland Tourism

Jarrold Ball - Chief Economist, CEDA

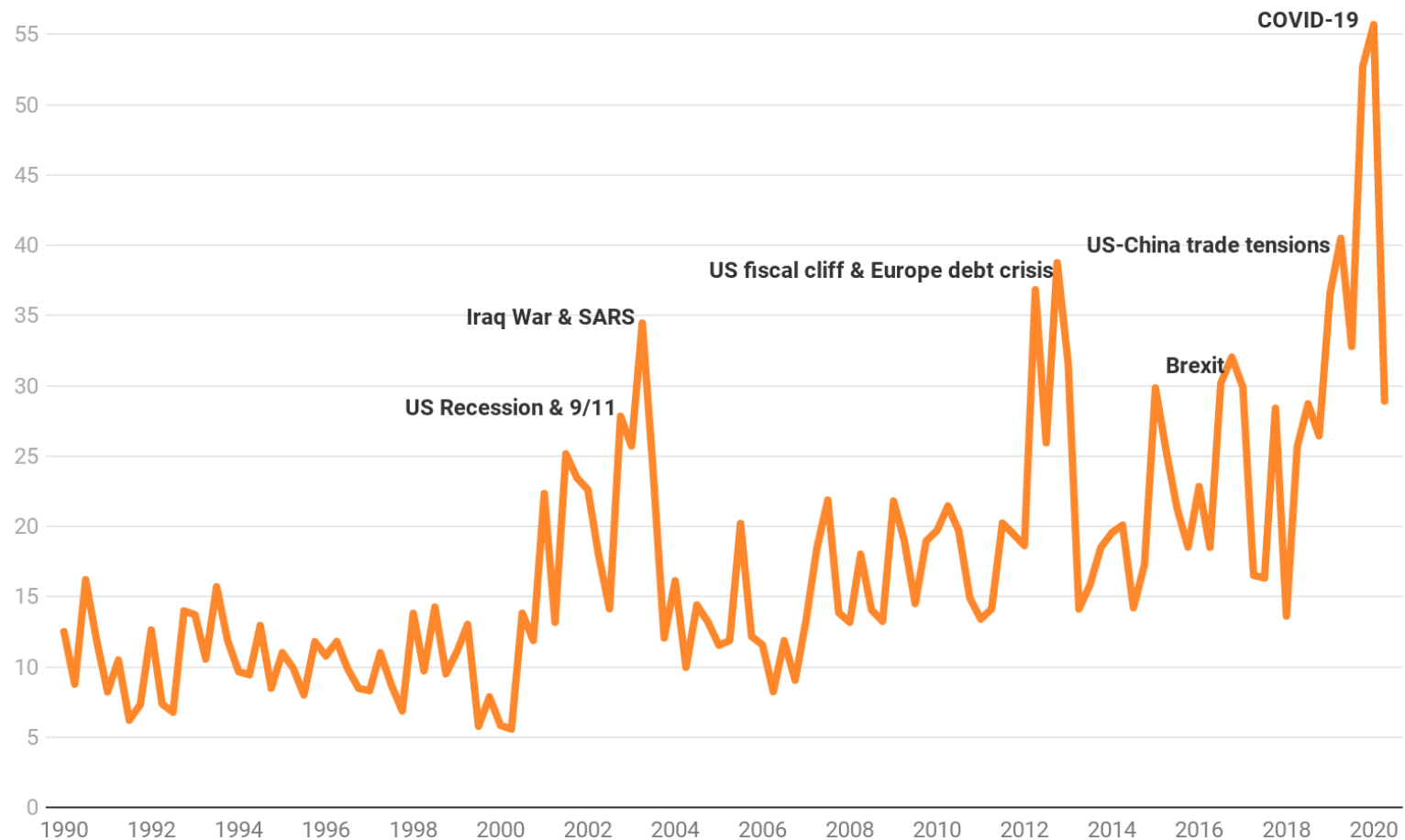
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 @jarroldmball



This time is different

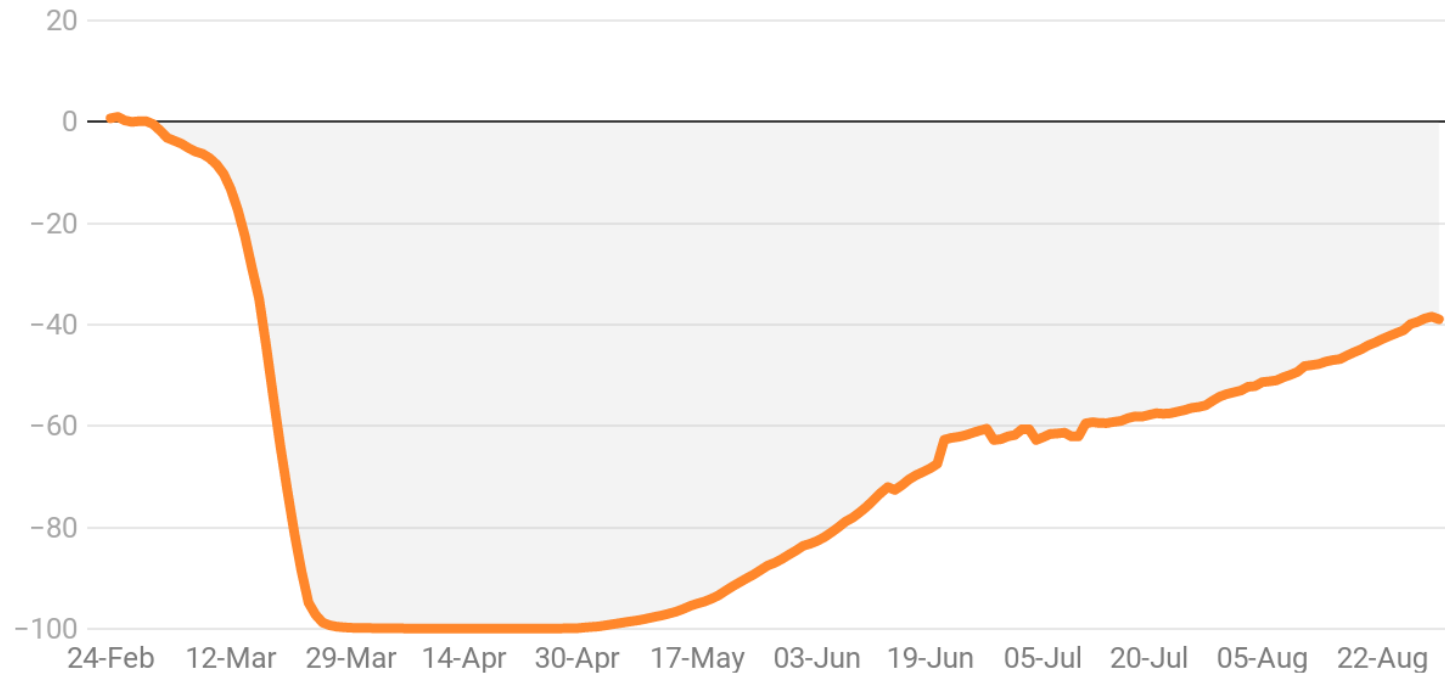
World Uncertainty Index



Swift collapse in global economic activity

Global Seated Diners

% difference to 2019 *



* 7-day moving average

Chart: Jarrod Ball • Source: OpenTable • Created with Datawrapper

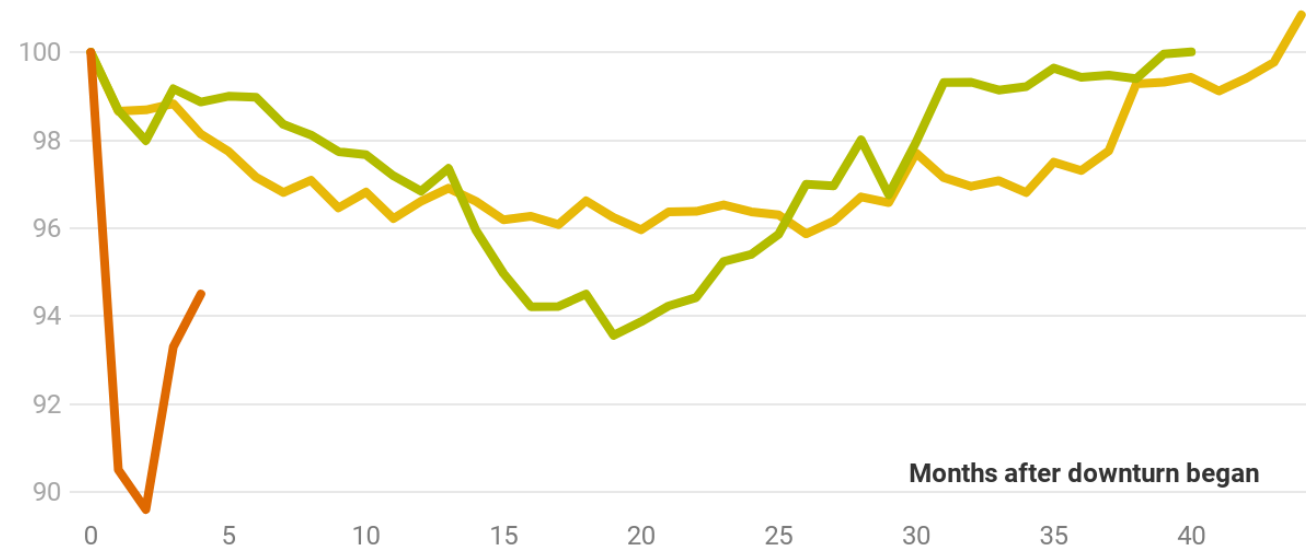


Australia in recession

Hours worked in economic downturns

Index

COVID-19 80s recession 90s recession



100=hours worked in month before downturn

Chart: Jarrod Ball • Source: ABS • Created with Datawrapper

- **42%** of businesses accessing government support.
- **1 in 10 businesses** say they would close if support no longer available.
- **Around 1 in 3 businesses** expect to reduce workforce when support no longer available.



* Based on recent ABS Business Impacts of COVID-19 Survey

Tourism looms large in Queensland impacts

Job losses by location

% change in payroll jobs since mid-March

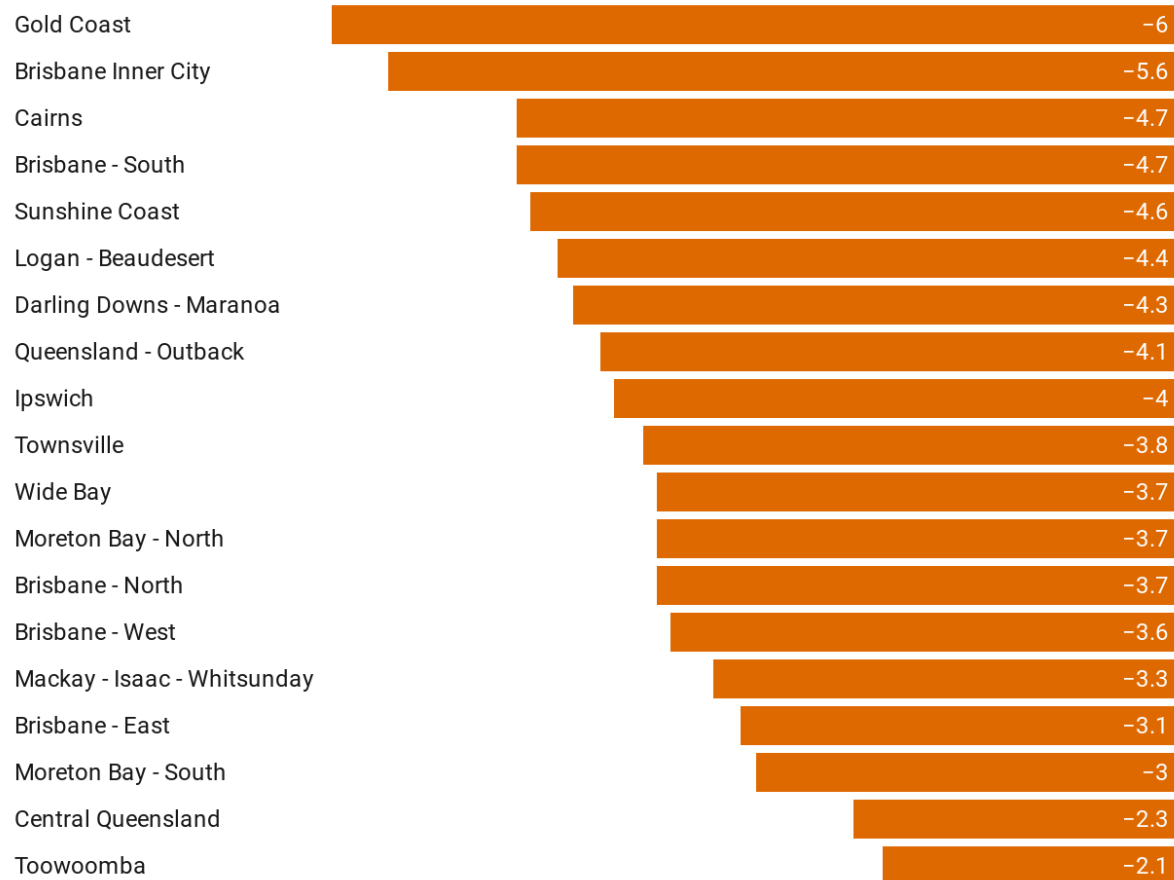


Chart: Jarrod Ball • Source: ABS • Created with Datawrapper

Job losses by sector

% change in payroll jobs since mid-March

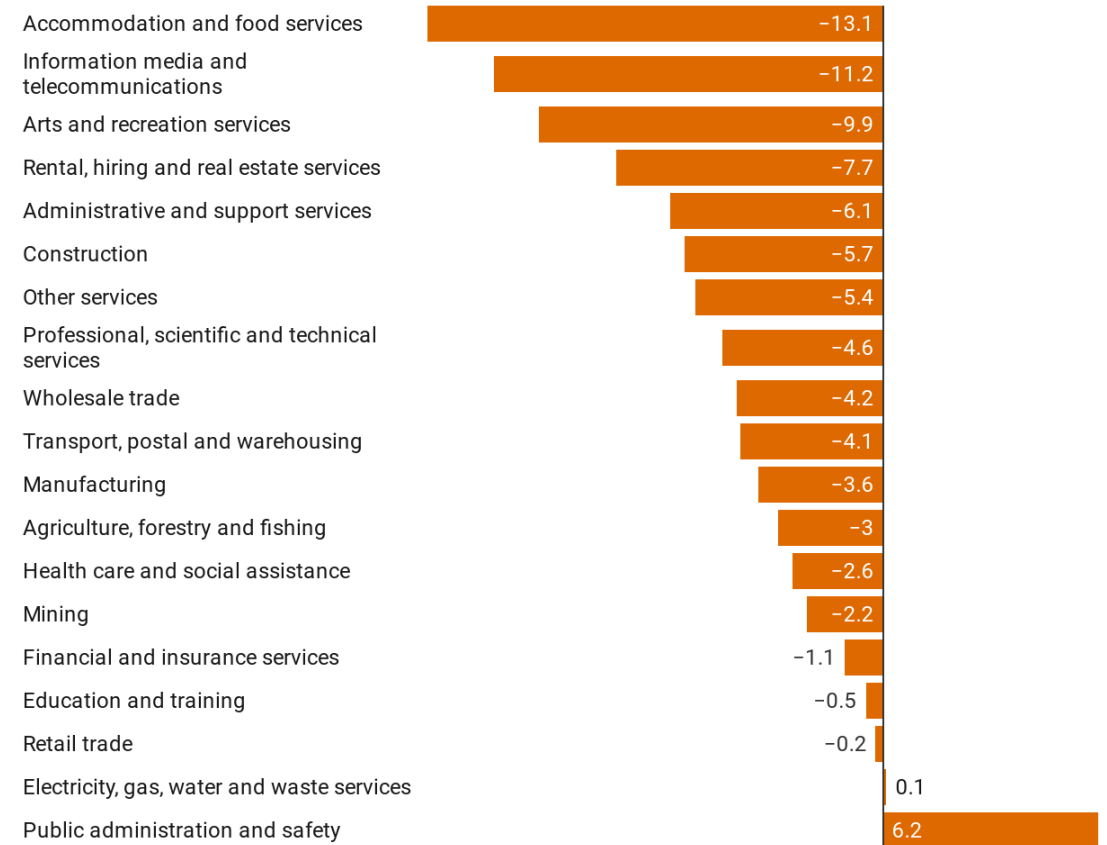


Chart: Jarrod Ball • Source: ABS • Created with Datawrapper

The travel demand cliff

Google Australia Search Index for 'travel deals'

100 = peak popularity (4-week moving average)

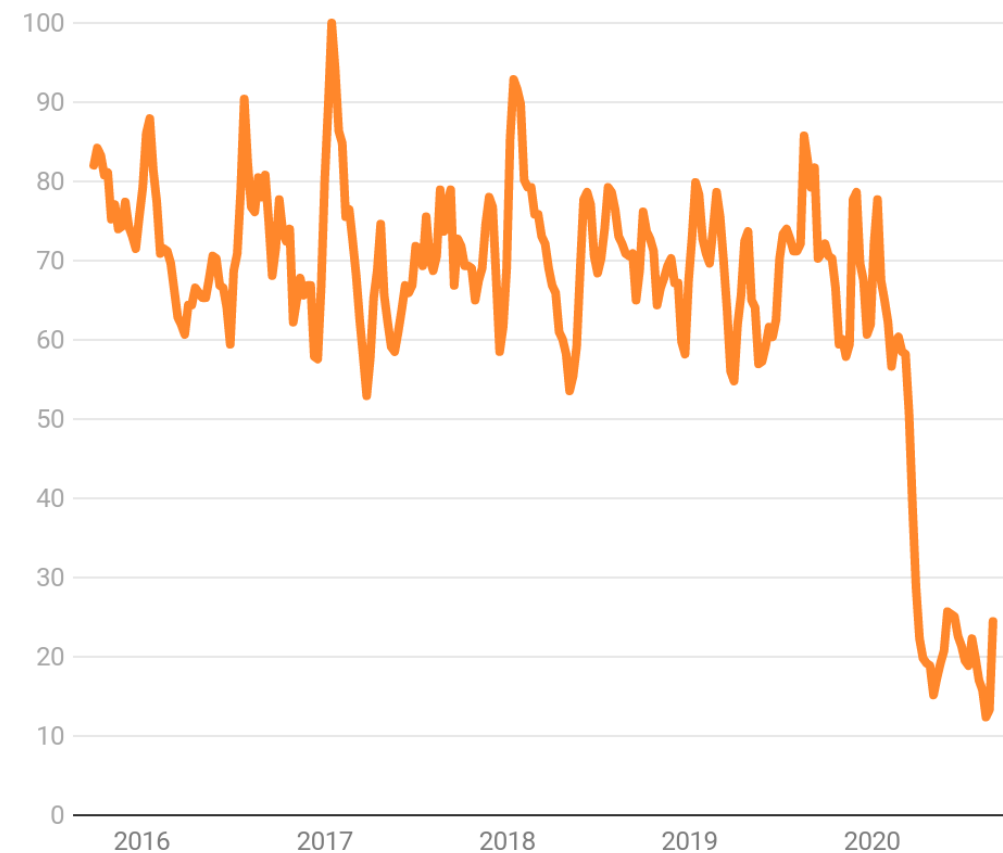


Chart: Jarrod Ball • Source: Google • Created with Datawrapper

Monthly aircraft trips

— Brisbane-Cairns — Brisbane-Sydney

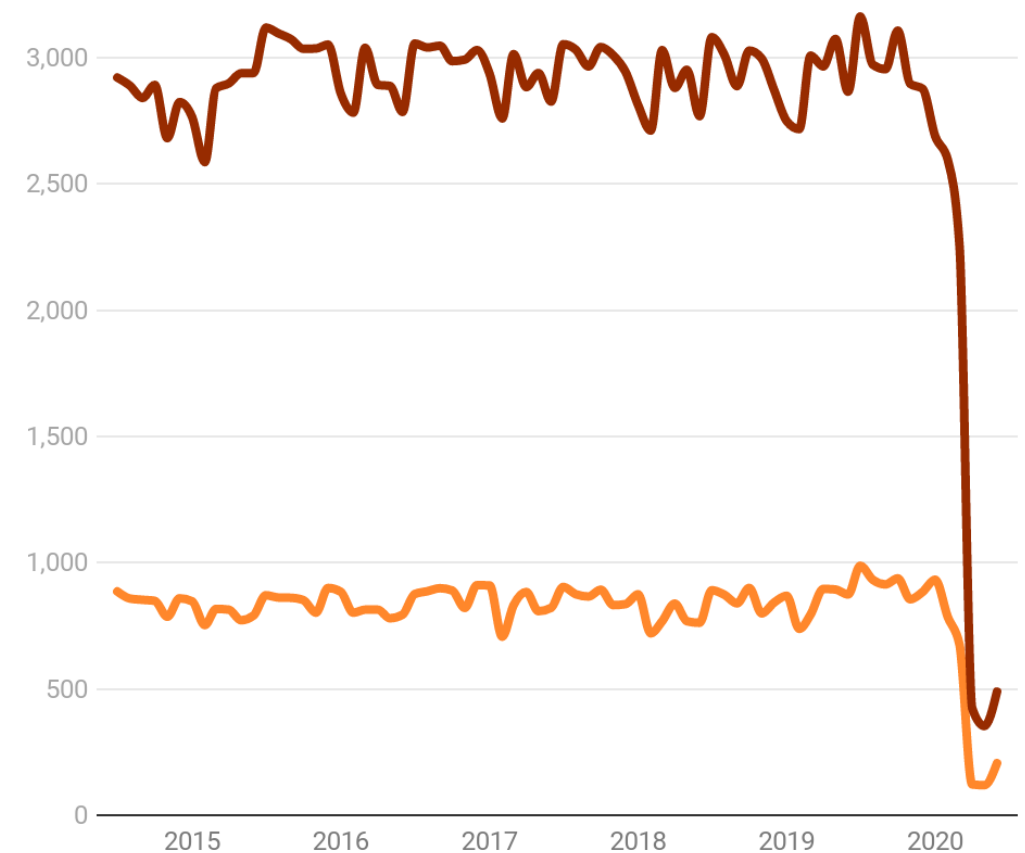


Chart: Jarrod Ball • Source: BITRE • Created with Datawrapper

Queensland tourism's global exposure

Composition of tourism consumption by type

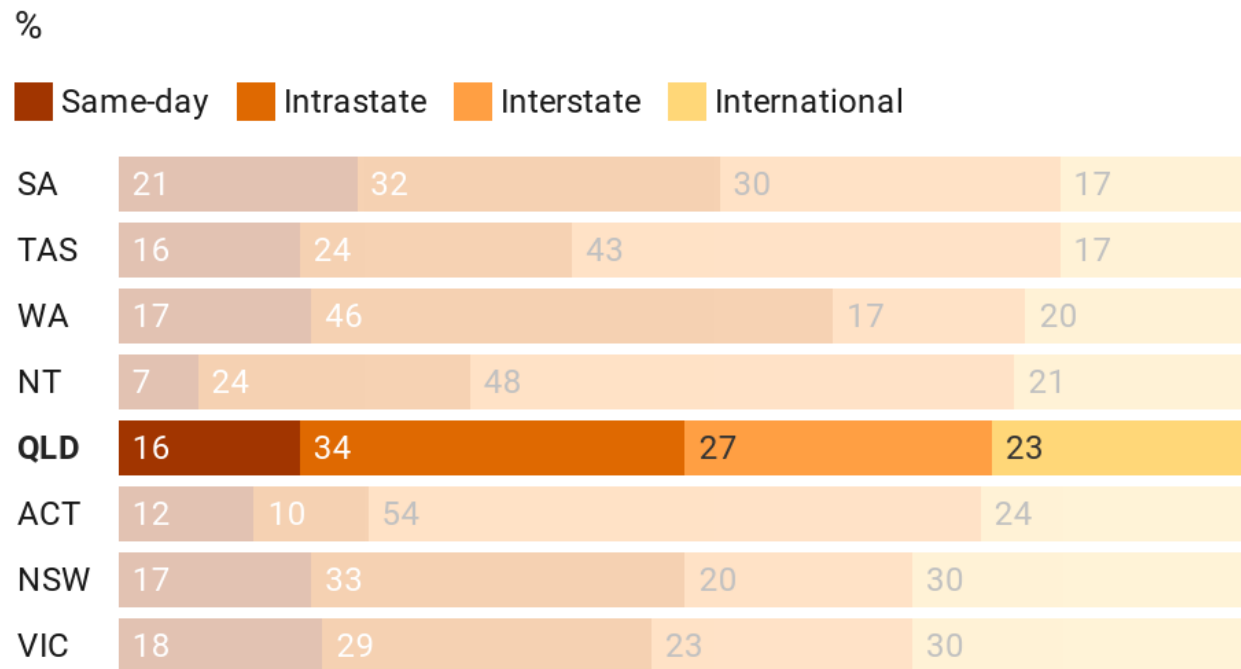


Chart: Jarrod Ball • Source: Austrade • Created with Datawrapper

International share by location (%)

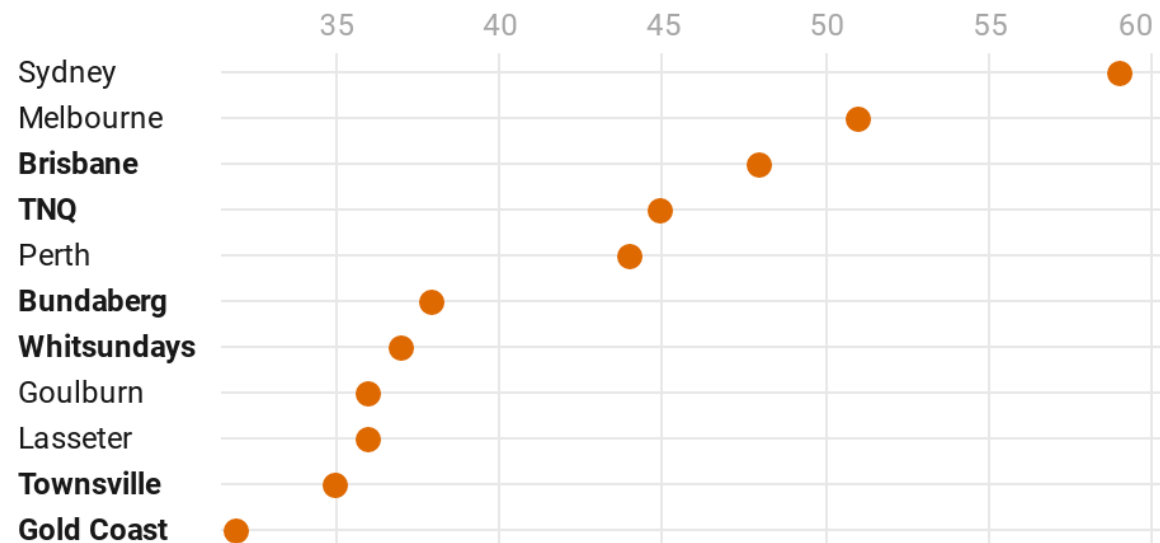


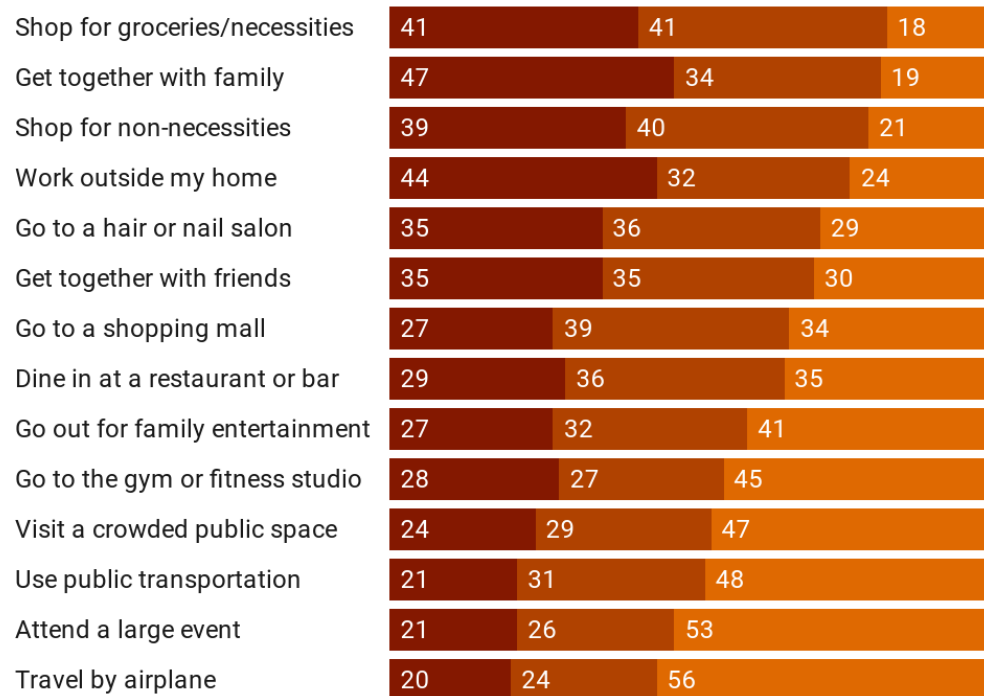
Chart: Jarrod Ball • Source: Austrade • Created with Datawrapper

Attitudes to getting out and about

Australians' attitudes to out-of-home activities in next two weeks

%

■ Not worried ■ Somewhat worried ■ Worried



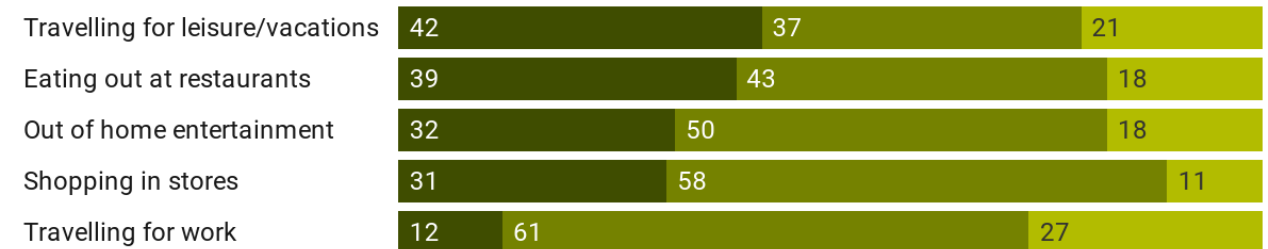
n=798, Survey undertaken in mid-July

Chart: Jarrod Ball • Source: McKinsey Consumer Pulse Survey • Created with Datawrapper

When things return to 'normal'

%

■ Want to do more than during virus ■ Want to do about the same as during virus ■ Want to do less than during the virus



n=1220, conducted in July

Chart: Jarrod Ball • Source: BCG COVID-19 Consumer Sentiment Survey • Created with Datawrapper

Can Qld tourism fly out of COVID-19?

Headwinds (- Slowing recovery)

Crosswinds (« » Adjustments necessary to enable better recovery)

Tailwinds (+ Accelerating the rate of recovery)

Headwinds (-)

- **Slow economic recovery (~3 years)**
- **International border closures**
- **Rising Aussie Dollar**
- **Supply constraints – decimated aviation**
- **Poor coordination and prolonged domestic border closures**
- **Consumer attitudes to plane travel**
- **Depressed corporate travel budgets**
- **Shrinking major events market**

AUD/USD Daily exchange rate



Chart: Jarrod Ball • Source: RBA • Created with Datawrapper

Crosswinds (« »)

- **Health & safety as a value proposition**
- **Value over volume**
- **Onshoring Aussie outbound tourism demand**
- **Changing accommodation preferences**
- **Regional tourism capacity**
- **Building enhanced tourism infrastructure (inc. digital infrastructure)**

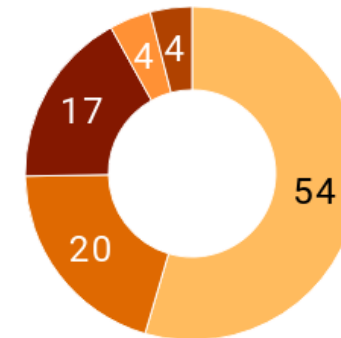
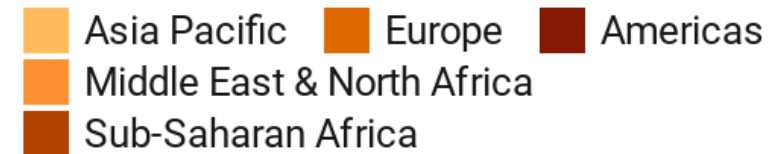


Tailwinds (+)

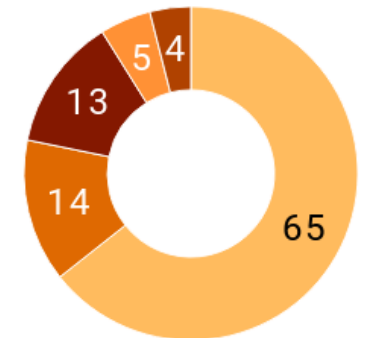
- **Queensland containment of virus**
- **Return of international students**
- **Pace of Asian recovery**
- **Long-term growth of Asian middle class**
- **QLD as preferred host (Grand Final effect)**
- **Cashed-up, cooped up consumers with large leave balances**
- **Australian economy better placed than other advanced economies**

Global middle class by region

%



2020



2030

Source: Brookings Institute • Created with Datawrapper