

Australia rolls out USD 928m stimulus for tourism

A Monitor Report

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Sydney : The government of Australia has introduced a AUD 1.2 billion (USD 928 million) stimulus package for the battered tourism industry of the country on March 11 with the aim of boosting domestic tourism as international routes remain closed following the Covid-19 pandemic.

Several airline ticket subsidies for travellers, cheap loans to small tour companies and financial aid for the country's two largest airlines is designed to keep the struggling industry surviving until foreign tourists return.

"This package will take more tourists to our hotels and cafes, taking tours and exploring our backyard," Prime Minister Scott Morrison said. "Meaning more jobs and investment for the tourism and aviation sectors as Australia heads towards winning our fight against COVID-19 and the restrictions that have hurt so many businesses."

Tourism is a major growth driver for the Australian economy, generating AUD 60.8 billion in gross domestic product (GDP) in 2018/19 and employing around 5 per cent of the country's workforce.

The sector was hard hit when Australia closed its international borders - with a few exceptions for returning nationals and some others - a year ago to prevent the spread of COVID-19. A series of internal state and territory border closures sparked by COVID-19 outbreaks exacerbated the downturn.

The country's two major airlines, Qantas Airways and Virgin Australia, slashed

flights and put planes into hibernation while thousands of people across the industry became reliant on a federal government wage subsidy programme, which expires in March.

The support package includes A\$200 million for Qantas Airways and Virgin Australia from April to October to help maintain mothballed aircraft, bringing planes out of storage and wages for international flying staff.

Qantas hopes to resume some international flights by the end of October, when Australia expects to complete its national COVID-19 immunisation drive. Morrison said it was "too early" to confirm a projected date for the international border to reopen.

The 50 per cent subsidies on about 800,000 plane tickets will be focused on destinations that usually rely heavily on foreign tourists, including Alice Springs and Kangaroo Island, and will be available from April 1 until the end of July.