FINANCIAL REVIEW

Travel operators at risk of a second bleak winter



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<u>Victoria's latest lockdown</u> will hurt tourism across the country as people are forced to scrap plans to flee Melbourne's winter, travel industry heads say.

Airlines are axing flights to Melbourne and travel agents are dealing with customers cancelling or rescheduling.

States <u>threw up localised or blanket bans</u> against Victoria due to the state's latest coronavirus cluster, which reached 26 cases on Thursday.



Travel industry heads say Victoria's fourth lockdown is a blow to tourism businesses across Australia. **Louise Kennerley**

Industry heads said a greater take-up of the vaccine would help prevent further lockdowns and the economic chaos that follows.

Flight Centre chief executive Graham Turner said Queensland would be the biggest loser as a result of Victoria's fourth lockdown.

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"Obviously this is the time of year a lot of Melbourne people go to Queensland," he said.

"I suspect that will cause pain for north Queensland again."

Victoria will enter a seven-day lockdown at midnight on Friday. Health authorities have issued alerts across the state, where about 10,000 potential close contacts are self-isolating.



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Acting Premier James Merlino has blamed the latest outbreak on the federal government's <u>slow vaccine rollout</u> and its failure to set up new, dedicated quarantine facilities.

Qantas and Jetstar cancelled flights in and out of Melbourne and Avalon on Thursday. Virgin cancelled 10 flights to Melbourne.

The operators of the Ghan train pulled 32 passengers who had been in Melbourne and Bendigo off its Darwin-bound service on Thursday in the middle of outback South Australia.

Journey Beyond Rail Expeditions said it was bussing those passengers back to Adelaide to stay overnight.

"We appreciate our guests' experience have been significantly impacted through no fault of their own," a spokeswoman said.

"We are working to help manage their individual circumstances as best as possible."

The operators were contacted for comment.

Mr Turner said Victorian businesses could be out \$100,000 after just three days of lockdown, describing the strategy as "overkill".

"I think it's a flawed strategy. The NSW example is a good one," Mr Turner said.

"This is going to happen again and again and there's only one solution and that's vaccination."

Tourism Accommodation Australia chief executive Michael Johnson said the more people who were vaccinated the better.

"We would be in a better position to maybe not have a lockdown," he said.

"It definitely sends a message: get vaccinated and hopefully we can avoid lockdowns."



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Hotel occupancy rates in Sydney, which were sitting at about 46 per cent, were now expected to hit the low 30 per cent range by next week.

Mr Johnson said Melbourne's occupancy rates, also in the high 40 per cent range, would "fall right down".

The effects of the lockdown were "two-fold" as Victoria was a massive feeder state for domestic tourism across the country.

"Everyone's going to cancel going into Melbourne and of course no one can leave," he said.

"Here it is, the first week of winter and they're all in lockdown. The knockon for our industry is always devastating."

Businesses would also be hurting more this lockdown because the JobKeeper payment had ended, he said.

High-end travel agent Yvonne Verstandig said while the lockdown would have an impact on business, people were becoming used to snap restrictions.

Ms Verstandig, who owns Y Travel in Melbourne, and Mr Turner said there were fewer people seeking refunds and more were happy to reschedule or take credits.

But Ms Verstandig wanted a clearer road map out of the pandemic from the federal government.

"Do you know a road map that the Australian government is working towards? Give us a road map. Let us know," she said.

"We need the vaccine to be implemented efficiently."