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Submission into Senate Committee on COVID-19

Australian Tourism Industry Council (ATIC)

Contact:

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About ATIC and our impact

The Australian Tourism Industry Council (ATIC) is the national representative body of Australia's state and territory tourism industry councils (TIC) covering all states and territories. Together, ATIC members represent close to 10,000 tourism operators across the nation from Broome to Bruny Island and Port Lincoln to Port Douglas and the majority of which are small to medium sized enterprises. This is holistically reflective of the true make-up of our greater industry where tourism is overwhelmingly delivered by small businesses.

ATIC is the largest and most diverse representation of tourism enterprises across Australia which operate in our once \$150 billion visitor economy (prior to the advent of the COVID-19 pandemic). As well understood by the Australian Government, until the onset of COVID-19, tourism had been one of Australia's fastest growing industries over a long period and a long-established economic pillar. As an individual sector it is amongst the largest within many of Australia's regional and rural economies.

ATIC and its members deliver the **Quality Tourism Framework**, which incorporates three national, industry driven tourism program streams that support quality Australian tourism businesses in their continued development, to review and to benchmark:

- The Quality Tourism Accreditation programs
- The Australian Tourism Awards; and
- Star Ratings Australia Program.

ATIC is a not for profit, independent organisation supported wholly by industry. Our Board is made up of the Chief Executives of each state and territory TIC or an accredited body. The Chair of ATIC is Evan Hall (CEO - Tourism Council WA). Our Executive Director is the former senior tourism and aviation executive, Simon Westaway and General Manager is Erin McLeod, an experienced tourism industry leader with direct managerial responsibility for our major programs.

Overview

During this pandemic, ATIC has been prominent in national debate and consistently proactive in our advocacy and engagement around the impact of COVID-19 and the necessary public health led response to the virus' effective control and containment in Australia, but at great economic and financial cost. Arguably no other industry has been as hardest hit as tourism and came straight after the horrendous impact of the summer bushfire storms across a number of States and Territories.

At the commencement of 2020, our industry supported 1 million Australians in employment – representing 1 in 13 jobs - and directly contributed close to \$50 billion into our economy each year through 302,000 businesses (as outlined by Tourism Research Australia). Over 280,000 of these were considered small or micro businesses comprising 5 or less employees. 95% of all Australian tourism businesses have 20 employees or less. Whilst still difficult to accurately measure, at the conclusion of this pandemic, our industry will have many less firms and far less people employed within it.

ATIC had outlined from the earliest period of COVID-19 that there would be genuine economic and social impacts, and which would indelibly scar our industry for years to come. Regrettably this situation has transpired since the progressive closure of our international border, firstly to Chinese nationals and arrivals from mainland China from 1 February 2020, our once largest international export market in both value (\$12.3 billion p.a.) and volume (greater than 1.4 million annual short term arrivals). Subsequent closure to South Korea and progressively other international arrivals led to the forcible closure of our international border and lockdown by 23 March.

Whilst our industry's strong engagement with the international market was rapidly halted and remains, the decisions by State and Territories to establish hard border closures and the National Cabinet's endorsement of Stage 3 restrictions for the Australian community, also resulted in the effective shutdown of domestic (interstate) as well as intrastate tourism. TRA had outlined that our domestic tourism industry was worth \$100 billion in annual value at the end of 2019. The combined impact has had a catastrophic effect on our industry.

ATIC has publicly championed the number of strong Commonwealth and respective Government initiatives that continue to be outlined and which seek to best support Australia's tourism industry during its time of greatest crisis. Prominent in this is the Federal Government's major fiscal response to the crisis through the *JobKeeper* program and its specific targeting to supporting impacted Australian businesses retain their people.

We acknowledge and understand that the necessary public health led response to counter Coronavirus has greatly contributed to the current dire economic situation which our industry and tens of thousands of tourism business enterprises face. Further the loss of a national airline (Virgin Australia), the skeleton operations of Qantas and REX airlines, through to the huge negative public health and publicity impacts faced by the cruise industry (through the *Ruby Princess* and *Artania* episodes) have further eroded public confidence in the local visitor economy.

Despite the obvious detrimental impact that Commonwealth and State/Territory led government border and community controls, (which disappointingly remain in a collective 5 State and Territories), to combat COVID-19 has had on the tourism and visitor economy, ATIC's early established, remains relevant to the time of this submission at the end May:

"The public health, safety and well-being of our fellow Australians must always remain our number one national priority and none more so than at this time. Our members have stood solidly as one behind the all-of-government decisions that are designed to ensure this remains the case in facing the headwinds of COVID-19."

ATIC has sought to be constructive, but we believe we must again raise our valid criticism by the refusal of a majority of our States and Territories to either lift or provide a soon-to-lift timeline of hard border restrictions. Despite less than 500 active COVID-19 cases across the country, perhaps a few dozen people remaining in hospital, and extremely low levels of community transmission, the spirit around the National Cabinet's agreed '*Roadmap to a COVIDSafe Australia*' is not being fully

upheld by a majority of States/Territories. With respect to the matter of hard State/Territory borders the office of the Commonwealth Medical Officer has continued to state this was not seen as a mandatory or necessary response to the management and community containment of COVID-19 within Australia.

ATIC Membership Insights

The impact of the COVID-19 pandemic and the public health led response by Australian Governments has had a demonstrative impact on the ATIC membership base. After all the make-up of our organisation closely reflects the structure of our SME dominated industry. What has also been a constant is how similar and consistent the level the significant impact of the virus has been right across Australian tourism enterprises and all regions.

The Tourism Industry Council of Western Australia (TIC WA) most recent survey of its membership base found 2/3rds of business respondents either had their tourism enterprise presently closed or in hibernation. It is a figure closely mirrored in South Australia, Queensland and Tasmania as facilitated by their TICs. In all these states greater than 95% of surveyed tourism members have consistently highlighted a very significant or major negative impact on operations and staffing levels, including facing closure or existing hibernation.

During May, the Victoria Tourism Industry Council (VTIC) undertook a detailed Coronavirus Business Impact Survey which received a high response from members. Businesses were asked whether they have had to cease operating due to COVID-19 restrictions. 66% of Victorian respondents have had to cease operating; 9% have been able to continue operating; 25% have had to partially close their business. These businesses were also asked to provide the number of employees working in their enterprise before the introduction of COVID-19 restrictions and after the introduction of COVID-19 restrictions. Respondents provided information on full-time, part-time and casual employees.

The VTIC survey found full-time employees prior to the introduction of COVID-19 restrictions had the average number of full-time employees in each surveyed business as 15 personnel. Following the introduction of restrictions, the average number of full-time employees was 9. This represents a 40% decrease in full-time employees as a result of COVID-19 restriction. The majority of VTIC business survey respondents had utilised or had sought to utilise JobKeeper.

ATIC also endorses the dire economic research outlined by fellow national tourism peer and peak bodies such as Tourism and Transport Forum, as to the level of impact of COVID-19 on the tourism industry. The loss of domestic and international tourism receipts. Given the value of the tourism and visitor economy a direct and probable economic impact of zero tourism activity (out of both domestic and international source markets) has been estimated up to \$9 billion per month and only growing. This is not an unreasonable figure given Australia's visitor economy is estimated at \$150 billion. Clearly this global health crisis has brought Australia's tourism industry and its visitor economy to its knees.

The Quality Tourism Framework and a COVIDSafe Industry in Recovery

<https://qualitytourismaustralia.com/home/accreditation/>

The Quality Tourism Framework (QTF) is a business pathway to support the continuous growth and development of an Australian tourism business.

Through this crisis the QTF has remained fit-for-purpose and has further evolved as a business resilience, sustainability and development tool for both our member enterprises and outside tourism businesses. ATIC wishes to advise the Committee of Inquiry of two, important and complimentary program modules within the QTF for the benefit of industry, to address gaps in support and be of real value as businesses try to move from survival to a recovery phase -: a COVID Tourism Recovery Plan module and COVID Clean Practising Business module.

COVID Tourism Recovery Plan module

A recently introduced feature to the Quality Tourism Framework is the COVID-19 Tourism Recovery Plan module. This was implemented in early 2020 with the onset and subsequent significant impact to industry of the Coronavirus pandemic (COVID-19).

The COVID-19 Tourism Recovery Plan tool helps accredited tourism enterprises through a process of critical thinking and assessment to support their response and operational and planning activities associated with the impacts of a major health event such as COVID-19.

The module is also applicable to any tourism business type and is offered free of charge within the QTF Program.

The module assists a wide range of areas including response and recovery, provision of a cashflow management template, asset management, staffing and workplace relations, product management and positioning, marketing and communications (external and internal). All are assessed against the direct and interrelated impacts to enterprise and anticipated customer behaviour and demand. The module is also specifically designed in the present to prepare enterprise users around the process of recovery, restructure and business repositioning when there is a pathway to recovery.

COVID Clean Practising Business

COVID Clean Practising Business is a complimentary online program that assists tourism businesses to develop plans and procedures to create and maintain a COVID safe workplace and operations. It was formally launched on 26 May.



The free program represents a becomes core component of the QTT. The COVID Clean Practising Business program represents a new offering to the already thousands of accredited star-rated and award-winning tourism businesses across Australia within the QTF. It is also available to other tourism enterprises keen to engage with the program.

Using Workplace Health & Safety standards and reflecting individual State or Territory requirements, the COVID Clean Practising Business program develops customised cleaning checklists that are specifically tailored for tourism businesses. The program also supports the development of safe work practices such as social distancing, staff training and customer guidance and the creation of a COVID-19 risk register. Once in place, these systems support individual tourism business efforts to minimise community spread of COVID-19 and to provide peace of mind to customers, guests and employees.

ATIC believes it is the responsibility of industry to be proactive and constructive in developing these types of sound guidelines and practices which we hope lead to greater confidence of State and Territory Governments and health authorities to ease remaining restrictions around their response to coronavirus in a faster and more efficient way. We also recognise the important role tourism enterprises must play to maintain a COVID safe community.

We also acknowledge and note leading research, including that provided by Tourism Australia, that confidence in returning to travel is still not high amongst Australian consumers, a situation exacerbated by border closures, but which will need to be rectified to support recovery.



WHAT NEEDS TO BE DONE IN RECOVERY

- An Open Australia – Remove State and Territory hard border restrictions
- Maintenance and Extension of JobKeeper Program
- Social Distancing
- Trans-Tasman Travel Bubble
- A competitive domestic airline industry
- Too big to fail – re-investment in tourism infrastructure for key tourism areas
- Support a national Quality Tourism Framework for greater tourism small business resilience
- Tourism Australia and the Domestic Market
- Tourism 2030

An Open Australia - State and Territory Border hard border restrictions immediately removed

With the National Cabinet's 'Road Map for a COVIDSafe Australia' of 8 May, it clearly outlined by Stage 3 (~ 10 July) that all interstate travel would be recommenced, equating to a full removal of existing, remaining state and territory 'hard' borders.

Only fully open internal borders can provide a true catalyst and enable a genuine recommencement of domestic, interstate tourism whilst further stimulating intrastate tourism and visitor economy activity within individual States and Territories.

Currently only New South Wales, Victoria and the ACT have open borders. The remaining States and Territories – Queensland, South Australia, Western Tasmania, Tasmania and the Northern Territory have not provided a firm or indicative timeline for their hard border removals. Queensland have publicly indicated they will review their border restriction for southern states on a monthly basis.

This is not a tenable situation given the position of National Cabinet and the Commonwealth Medical Officer that hard State/Territory border closures were not a required response to the pandemic.

ATIC urges for more to be done at the Federal level to also get the remaining States and Territories moving again. Upon borders (or the majority of borders being re-lifted) ATIC urges the consideration of the Federal Government and Tourism Australia for a public-information campaign that our country is again open to visitor business and that it is COVID safe with all tourism and accommodation businesses committing to a COVID safe operations. It could form a new iteration to the presently parked '*Holiday Here this Year*' but has informative components to encourage future travel, even short trips or breaks, as we seek to repair our deeply damaged \$100 billion component of our national visitor economy.

This week the Tourism Industry Council of Tasmania (TICT) declared Tasmania's domestic border restrictions should be lifted as soon as possible in accordance with public health advice, as part of a national approach to re-establishing non-essential travel and domestic tourism between States and Territories. TICT has strongly opposed Tasmania 'lagging-behind' other States in lifting our border restrictions, without the Tasmanian Government making public clear and compelling advice of the public health risks posed to the Tasmanian community of removing restrictions, along with a clear pathway and date for when restrictions will be eased.

Whilst noting that SA and WA have strong intrastate tourism and visitor economies, and in the case of SA over 1 in 2 visitor dollars are spent by South Australians within South Australia, the obvious impact on drive (including Caravans), fly and rail travel and aligned tourism activity is greatly impacted. Removal of artificial State and Territory border closures is absolutely paramount in order to reactivate domestic tourism to commercially sustainable levels.

Maintenance and extension of JobKeeper Program

ATIC has been a strong supporter of the JobKeeper initiative and it is clear it has been well utilised by thousands of small and medium tourism enterprises across Australia since its implementation. The examples of surveyed businesses under the ATIC umbrella (i.e. WA and Victoria) underscore that the majority that have been declared in 'hibernation' or short term closure, have sought to utilise JobKeeper to maintain key personnel in the hope for a future upswing in commercial activity later this year.

ATIC provides the weight of the support of our 10,000 small business members that a JobKeeper extension should be maintained for eligible enterprises right across the tourism industry. We also argue it should be extended in a targeted way to best assist industry and provide the necessary additional time needed to get tourism and its delivery to returning customers truly back on its feet.

Given the slow and in many parts of Australia still non-existent recovery in tourism activity, JobKeeper for enterprises right across the tourism needs to be extended beyond September. ATIC positively notes recent comments by the Federal Treasurer and members of the Government that more support is needed to industry sectors like tourism and JobKeeper has been highlighted as a key support mechanism around this. ATIC remains constructive in our dialogue with the Federal Government and we look towards JobKeeper's next anticipated iteration with the review into the program scheduled in June.

ATIC reiterates that as part of any future change to JobKeeper, over and beyond its extension in time to eligible businesses, that many other tourism employers have not been able to participate in the JobKeeper program. This needs to be considered in the June review. It includes for self-employed small business owners and regional businesses with tourism seasons. A key example is the far north west coast and the Kimberley region of Western Australia where a tourism season is very defined.

ATIC asks the Committee to consider as part of a restructured or refocussed JobKeeper program outstanding issues of:

- Seasonal Tourism Businesses (when the regular seasonal workforce commenced after 1 March 2020 and triggered ineligibility)
- Seasonal Tourism Businesses (when the Season is less than 12 months)
- Employment contracted pre-1 March 2020 but commenced post 1 March 2020
- Start-up business not yet operating for 12 months
- Self-employed working directors, trusts and partnerships
- Business model does not show downturn, but major refunds or business lost at later date

Tourism businesses previously ineligible for JobKeeper payments we believe as part of the June review should be seriously considered for future eligibility of assistance. A broadening of eligibility and application of the program to assist those in genuine businesses that have remained in genuine need we hope can be advocated and considered.

ATIC would like to share some past three (3) real life examples around how JobKeeper did not effectively interface with seasonal tourism businesses (i.e. a seasonal workforce commences after 1 March) *"Lake Argyle Cruises is the most East Kimberley of tourism operators and a company that employs seasonally. Our income (at that time) had completely stopped! Our workforce consisted of skippers, bus drivers, admin staff that quite often return season after season, mainly starting in April through October/November. I have several loyal staff that would like to qualify for the JobKeeper payments but are concerned not having been here by 1 March that they may or would not comply."* - Greg Smith, Managing Director, Lake Argyle Cruises, Kununurra, WA)

"We are a seasonal business due to weather restrictions. We operate from early April until late November. Our season was about to commence on 3 April 2020. Operationally we employ Ground Operations Staff and Pilots on a casual seasonal basis. All of whom have been working for the business for more than 12 months but obviously they haven't worked during the off-season and were due to recommence working recently." - Damien Hays, Chief Pilot/Director, Windward Balloon Adventures, Northam, WA

"Kings Ningaloo Reef Tours operates marine charters in Exmouth during the Whale shark and Humpback Whale seasons, April – September/October. Our crew works seasonally and seek other employment during the summer period to sustain them until they can work the tourist season here. The JobKeeper Payment condition that employees must have been with us for 12 months and as at 1st March just doesn't (didn't) apply to our crew. They wouldn't have commenced their season with us until the end of March. Most have been with us for at least 2-3 seasons or longer but just for the season not the entire year. We never even got to start our touring season due to travel restrictions so they were left between jobs, the ones that were working short term or had just left prior to travelling to Exmouth and the ones that were meant to start but never got the chance. We'd love to salvage some part of our season as currently there has been next to nil income come in as any pre-season bookings have mostly been refunded rather than transferred simply due to the uncertainty of the situation. Most people are requesting refunds as they are unsure as to whether they will be able to afford to travel even when restrictions are lifted. If we are able to operate for part of the season, we'd love to have our crew return. However, without financial stability many are seeking employment elsewhere." - Deb Kezich, Office Manager, Kings Ningaloo Reef Tours, Exmouth, WA

It is hoped important and previously flagged issues such as seasonality of workforce, temporary Visa holders as well as casual workers whom are so critical to the efficient running of many tourism businesses could also be considered, on an industry specific basis, as part of next month's review process into JobKeeper.

Social Distancing

The ongoing issue of distancing, hygiene and barriers in the return to operation of tourism enterprises will remain an important issue that will require ongoing review. The economics around 4m2 and permittable numbers of people in both indoor and outdoor areas remains impactive against commercial returns over the longer term if not addressed.

The impact of social distancing on tour operators, delivery of transport and shuttle services for tourism activity and a range of other activities such as adventure tourism is a further, critical area that will require constant review and not left idle over time. Tourism Top End (Northern Territory) have effectively engaged with NT Department of Health to ensure that good social distancing and hygiene practices will be put in place for 4WD and Bus Tours within the Territory to the same seating ratio provided all passengers are front facing. This is a positive, practical outcome.

The application of requirements is applied at a State and Territory level and inconsistencies by State/Territory, not dissimilar to the disparity of border measures, however, have appeared to emerge.

Trans-Tasman travel bubble

The National Cabinet's 'Road Map for a COVIDSafe Australia', an early start for international travel was flagged in Step 3 – from July – on the competitive Trans-Tasman Route. Whilst the Trans-Tasman is seen as a 'consideration' on the 'map to the visitor economy's recovery', it nonetheless sits alongside all interstate travel having recommenced, which in itself means a removal of existing, remaining state and territory 'hard' borders.

A return of Trans-Tasman air services will not be a likely prospect until the latter stages of 2020, but conceivably we see no reason why a road map and supportive framework towards this being the case and welcoming our first international services back later this year cannot be strongly considered.

ATIC welcomes the latest public update this by the Australia New Zealand Leadership Forum (ANZLF) and its Trans-Tasman Safe Border Group of a proposed blueprint to support to advance Trans-Tasman travel again. This is likely to occur by early June.

ATIC urges for a realistic timeframe and workable plan to get sustainable and efficiently operated air services back on the Trans-Tasman route and to be done so supported by the smart use of the latest health and passenger processing technology, a genuine pursuit for as seamless as travel experience as possible in dual directions and to be seen as a test case for future medium and long-haul international services again returning to Australia. We also urge for Tourism Australia to appropriately pivot its tourism and supply side engagement and resource activity with New Zealand in FY21 to take best future advantage of an operational international travel bubble between both countries.

Collectively just over 3 million short term arrivals between Australia and New Zealand took place during 2019 on the route. And whilst critics or sceptics of the value of the Kiwi traveller to the Australian tourism industry will remain, the hard and fast reality is NZ has consistently represented one of our largest tourism export markets by spend (\$2.6 billion p.a.) and by short term visitor (1.4 million arrivals p.a.) in the pre-COVID world. One anticipates it can grow under COVID safe and friendly travel arrangements with likely beneficiary markets being in NSW, QLD, Victoria and additional opportunities for remaining States and Territories.

A competitive domestic airline industry

ATIC supports the maintenance of a competitive domestic airline industry moving forward in Australia. This importantly includes a strong and competitive Qantas Group as the mainstay of our aviation industry. But we also strongly support a continuation of conditions that facilitate competition in services and on domestic and regional routes by other Australian airlines and in time more competitive and active regional air gateways.

Too big to fail – re-investment in tourism infrastructure for key tourism areas

A long-term ATIC policy position has been that to continue to grow and be competitive as a destination, Australia must invest in quality visitor infrastructure and experiences. Off the back of the COVID-19 pandemic this not only remains the case, but it has become critical to ensure our most important and well-visited tourism areas and ‘icons’ have the appropriate levels of investment to secure their future.

ATIC believes the Australian Government has an important role in supporting economic-enabling infrastructure that stimulates visitation and Australia’s competitiveness in tourism and that this is extended to our regions. This is because domestic tourism in Australia, which pre COVID-19 represented around 75 per cent of total visitor spend and greater than 90 per cent in many of our regions, will do even more heavy lifting moving forward, until international inbound visitation returns.

In 2019, in the lead-up to the Federal election, ATIC successfully advocated for a \$50 million Regional Tourism Icons Package of direct Commonwealth support of infrastructure associated with key regional tourism product offering in specific regions and across a series of sites. This has proven to be an excellent policy concept and the Morrison McCormack Government have overseen the commenced rollout of a Regional Tourism Icons Package, to some degree focused on ‘too big to fail’ tourism regions.

Several project approvals and funding allocations have now occurred at a range of sites including Western Australia (Rottnest Island), Tasmania (Freycinet National Park) and in Queensland, with further state-by-state projects to soon come on-stream post their formal approval process such as Victoria’s Sovereign Hill. The concept now needs to be extended and even more towards too big to fail.

ATIC believes a Tourism Icons Program be considered and moving forward could advance a pipeline of qualified projects for the Federal Government’s due consideration against set criteria that includes too big to fail. Australia needs sustainable tourism continuing or returning by example to Uluru and Kakadu and by extension the gateway regions to the Great Barrier Reef and key infrastructure support for the Gold Coast; Tasmania’s Cradle Mountain; South Australia’s Kangaroo Island; NSW’s central west region including the world-acclaimed Western Plains Zoo far north NSW; the Kimberley and Victoria’s Great Ocean Road, Goldfields, Alpine region and the Phillip Island Penguin Parade. All are but examples of tourism icons.

The October 2019 Report - Deloitte Economics / Tourism Research Australia (TRA) ‘*Understanding Regional Dispersal of Australian Tourists*’ and its core findings are strongly supported by ATIC. It provides the clear evidence base to systematically address the impediments to greater regional



visitor dispersal and spending, that would be better leveraged through improved infrastructure and appeal of regional offerings. It reported 43 cents in every visitor dollar spent in Australia's regions and this must again reach this figure and further grow.

But this spending is not evenly spread with the Deloitte / TRA Report identifying few of Australia's regions are capturing significant benefit from visitation to their regions. Ongoing focus on supply side opportunities can help fast-track a bridging of this gap and building upon it for a more sustainable Australian tourism industry moving forward.

Support a national Quality Tourism Framework for greater tourism small business resilience

ATIC has consistently outlined to the Australian Government how a new Partnership between it and small business tourism can build upon a strong and existing national, 100% industry funded and driven program that develops better quality tourism and greater capacity building at the enterprise level. This is the national **Quality Tourism Framework (QTF)**. Its core feature is ATIC's long-standing **Quality Tourism Accreditation Program** which includes alignment to quality tourism deliverables found within the prestigious and annually held Australian Tourism Awards.

A Quality Tourism Framework Partnership between ATIC and the Federal Government can help underpin the recovery phase for our tourism industry.

The Coronavirus and its indelible impact on Australian tourism businesses has again identified the need to address the 'gap' in overarching and accessible risk assurance and management measures that need to be made more accessible to tourism firms to support sustainable business continuity.

The ability for a tourism enterprise to manage rapid changes in booking cancellations or deferred travel payments and the broader effects of a rapid change in the market impacting profitable operations and people resources are not easy to remedy. These two business continuity challenges are what most businesses have recently faced, and rapidly so, with COVID-19. The QTF provides a combative structure to be drawn upon and which has continued to adapt with new free program modules available to industry.

ATIC has assumed national industry leadership in small to medium tourism business resilience by first establishing and strongly growing a Quality Tourism Framework. At commencement it combined then disparate industry development, accreditation and awards programs into a single capacity building program for tourism businesses. It is an industry developed, led and managed accreditation program, targeted specifically for current, emergent or indeed future first-time tourism enterprises.

The QTF provides a tailored pathway for each business, from start-up through to enterprises planning and building their business plans, strategies and develop resilience when engaging in international markets. Notably few industries in Australia has so many small business operators (in both volume and as a percentage) directly engaged in export markets as does tourism. It helps explain the major market dislocation and economic impact that COVID-19 has had on so many tourism enterprises.

The QTF is a single portal for online training, quality assurance, product development, digital distribution, reputation management and market development. The QTF applies to tourism businesses across all Australian regions and in all sectors of our industry. This includes tours, attractions, retail, hospitality and accommodation.

It has also for some time included a highly-successful China visitor readiness and capability modules which is vital as China, our largest international visitor market in both volume and visitor spend prior to COVID-19, will unquestionably over time again return as an important tourism export market.

QTF also has an important business resilience and sustainability delivery module which ATIC has continued to enhance based on user demand for the benefit of our small and medium sized tourism business enterprises in the Program. This will prove an important tool to support future business planning and mitigation activities by business users considering the impact of the crisis conditions afflicting the visitor economy through COVID-19 and future subsequent crisis.

The QTF has been successfully rolled out to 6500 operators nationwide and has the potential to now significantly expand Australia's range of internationally competitive high-quality tourism businesses at this critical juncture in the soon hoped-for recovery phase for our industry.

A new Partnership proposal could be for ATIC to further expand the Quality Tourism Framework with the support of the Federal Government. This could be considered through a minimum (such as 2500 additional SME businesses) inside 3 years. The Partnership proposal is in two-tiers:

- \$5 million to fully develop a further 2500 SME businesses through the QTF – Tier 1
- \$1 million in cooperative marketing and facilitated support for both existing and new tourism businesses (those part of the QTF Program), undertaken in the domestic market – Tier 2
- Additional financial contributions will be made directly from ATIC and tourism businesses over the period of the Partnership

The new Partnership would be delivered by ATIC under appropriate governance and reporting arrangements.

This new Partnership for the Quality Tourism Framework can be further scalable over time if proven successful with ATIC delivering the Program through a services agreement. Its success provides a benchmark to further expand or evolve the framework to even more tourism businesses as well as key sectors within the industry over time.

With ATIC to train and mentor 2500 SME operators through the QTF arrangement, we will grow to 9000 high quality tourism businesses (within the QTF) across Australia achieved within the 2023 financial year.

It is noteworthy that many recent category winners, medallists and finalists in the Australian Tourism Awards have 'graduated' and remain proactive within the Quality Tourism Framework.

Tourism Australia and the Domestic Market

Tourism Australia is a globally pre-eminent national tourism marketing agency. We acknowledge its success over past years and its clear focus on the international market. ATIC is a strong supporter of the agency.

However in the current environment a more formalised positioning of Tourism Australia around its role in the Australian domestic market should be outlined in its FY21 strategy and forward planning, possibly over the next two financial years to properly direct resources, keep industry best informed and appraised and to play an important, overarching and coordinating role to address gaps and play a constructive role in the hoped-for recovery of our industry, initially through intrastate and interstate travel and tourism activity.

We also urge for Tourism Australia to appropriately pivot its tourism and supply side engagement and resource activity with New Zealand in FY21 to take best future advantage of an operational international travel bubble between both countries when this commences and stabilises.

Tourism 2030

ATIC believes delivery of the next decade 'national long-term strategic tourism industry plan' – *Tourism2030* – needs to not stagnate and continue towards delivery. We accept that whilst not the top priority of the Federal Government at this time, given the survival and necessary recovery initiatives required for Australian tourism, the benefits of an overarching long-term plan for our major industry far outweigh it being moved to one side and not completed for an extended period.

ATIC had made substantive contributions into the *Tourism2030* draft planning process and is able to continue to make constructive inputs.

A possible two-phase plan – an outline of recovery and the initiatives required to reboot the Australian domestic tourism industry (as well as a returned Trans-Tasman market) we suggest should occur before the end of year 2020. This could also provide an effective closure and summary to industry and the Australian public of the strong outcomes of this strategy. A future *Tourism2030* with a detailed next decade plan, agreed strategies amongst all of government and key industry, including formal and stretch targets could then be finalised during 2021 with medium- and longer-term strategies and associated targets.

The *Tourism2020* long-term joint government and industry endorsed plan was a strong success and importantly provided tourism investment facilitation including with international investors. This is also an important area that needs to be included in *Tourism2030*. It is noted *Tourism2020* was not released until during the 2011 calendar year.



ATIC Contact

Should you require further information, or a request to appear before the Senate Committee, please do not hesitate to contact the Executive Director of ATIC, Simon Westaway

Simon Westaway

Executive Director - Australian Tourism Industry Council

