

The Australian Government's response to the COVID-19 pandemic

Australian Trade and Investment Commission Submission

The Australian Trade and Investment Commission (Austrade) Overview

Austrade is an Australian Government agency within the Foreign Affairs and Trade portfolio, responsible for delivering quality trade and investment services to businesses, promoting Australian education globally, and developing and implementing tourism policy.

At a practical level, Austrade connects Australian exporters to global export opportunities and shares knowledge and trusted advice to make the export journey easier, faster and more successful. We promote Australia as a destination of choice to potential international students and promote Australia as a promising place to invest, attract investors to specific projects and help facilitate foreign capital into projects that will develop Australian capability and create jobs. In tourism, we lead Australian Government policy, programs and the official statistics for tourism and the visitor economy. Austrade also provides consular and passport services in designated overseas locations to Australian citizens where there is no Department of Foreign Affairs and Trade (DFAT) presence.

Austrade's contribution to the Australian Government's COVID-19 response

To support Australia's economic recovery from COVID-19, the government called on Austrade to deliver program support for Australian businesses. This included initiatives such as the International Freight Assistance Mechanism to help re-establish Australia's airfreight supply chains to enable exports and critical COVID-related imports, administering tourism programs to support the visitor economy, and continued consular support to help repatriate Australians offshore. These programs were delivered alongside Austrade's regular trade, investment, education and tourism responsibilities. Further information on Austrade led COVID-19 response programs is as follows.

The International Freight Assistance Mechanism (IFAM)

IFAM was a temporary emergency measure established to restore key airfreight routes following the collapse in international passenger flights into and out of Australia. The total program funding between 1 April 2020 and 30 June 2022 was \$1,062 million.

Over the life of the program, IFAM maintained connections for Australia to 63 international destinations, enabling the movement of more than 50,750 tonnes of high-value perishable Australian products to international customers and facilitating the import of nationally important goods, including medical supplies, on over 28,000 flights.

Agri Business Expansion Initiative (ABEI)

ABEI was a funding package aimed at supporting Australian food and agriculture exporters through a period of economic challenges, including a difficult and complex global trading environment due to COVID-19. As part of this package, Austrade received \$42.9 million to bolster the number of agri-food exporters that received Austrade's support to maintain, diversify and expand their export markets amidst these challenges.

Funding through ABEI directly supported a total of 2,091 agribusiness exporters and provided 6,706 services between 1 January 2021 and 30 June 2022. As of December 2022, these exporters had gone on to see more than 1,000 reported trade outcomes, valued at \$1.3 billion. Austrade's evaluation of

ABEI using merchandise trade data, demonstrated ABEI clients had better outcomes than other exporters.

Visitor Economy Support

Austrade delivered a number of government funded programs to ensure the ongoing viability of tourism businesses. These were the:

1. Supporting Australia's Exhibiting Zoos and Aquariums Program

The \$139.6 million Supporting Australia's Exhibiting Zoos and Aquariums Program helped 140 zoos, aquariums and wildlife parks maintain and care for animal populations during the downturn in visitor numbers due to the pandemic.

2. Business Events Grants Program

The \$56 million Business Events Grants Program increased confidence in business travel and supported attendance in the \$35.7 billion business events sector which saw an almost 100% loss in revenue due to the pandemic. With more than 1,500 applicants awarded funding, and together with matched funding, the program injected \$100 million into the economy.

3. COVID Consumer Travel Support Program

The \$258 million COVID Consumer Travel Support Program assisted travel agents and tour arrangement service providers to continue to hold credits and process refunds for consumers unable to travel due to the pandemic.

4. Recovery for Regional Tourism Fund

The \$50 million Recovery for Regional Tourism Fund delivered tailored support to nine regions and tourism businesses disproportionately affected by the economic impacts of the pandemic and the loss of international visitors. Funded projects and activities attracted visitors to the regions and improved the regions' capacity to meet the needs of domestic visitors.

Austrade consular services

Austrade provides consular services on behalf of the Department of Foreign Affairs and Trade in 11 locations. Consistent with support provided by DFAT-led posts, Austrade's COVID-19 consular support helped vulnerable Australians during international border closures and lockdowns by facilitating access to flights to Australia and providing financial assistance where required through the Hardship Program.

Specifically, Austrade supported travel through Frankfurt Airport, including three Qantas repatriation flights in December 2020, January 2021 and February 2021, assisted Australians transiting Dubai, including those initially stranded at the Dubai International Airport, assisted Australians returning home on seven flights from Sao Paulo, and helped repatriate Australians from the Zaandam and Rotterdam cruise ships.

Post-program reflections

Evaluation of Austrade delivered programs highlighted the following:

Time limited nature of short-term support programs should be better addressed through program structures

Leading up to the pandemic, some tourism businesses were notably affected by technology changes, a changing market demand profile, and a more concentrated supply chain. When the pandemic commenced, government support covered firms that would have naturally transitioned out of the industry.

Some segments of the tourism sector recognised government support was temporary and proactively shifted their focus; the zoo and aquarium industry, for example, pivoted to domestic visitor earnings prior to support programs ending in June 2022. This proactive effort adapted to the changed circumstances of the pandemic. However, other industry bodies such as the former Australian Federation of Travel Agents and the Council of Australian Tour Operators continue to lobby for additional government funding given international travel has still not returned to pre-COVID levels. Public messaging about temporary programs needs to emphasise funding is time-limited, encourage funding recipients to actively identify alternative revenues or changes in business practice and therefore be designed and implemented in such a way that it achieves this aim and supports industry to adapt.

Regular engagement with a wide range of key stakeholders needs to be meaningful

The IFAM program's integrated, regular and consistent communication and engagement with key stakeholders in industry and government was key to its success. Strategic communication was developed within IFAM's delivery teams (operations and commercial), creating the foundation for continuous outreach and engagement across a broad spectrum of stakeholders. Business intelligence and insights garnered from industry and government stakeholders were collated and analysed to inform program decision-making, then circulated back to stakeholders for situational awareness and to inform their own commercial decision-making.

Successful program elements provide the foundation for future program design

IFAM is a prime example of a government program established in a highly volatile and complex emergency response environment. The program demonstrated the benefits of having the right skill sets working in an agile whole-of-government team. The program also effectively evolved from emergency response to a sustainable large-scale program. Important features of IFAM that can inform future programs include its approach to rapid implementation, its leadership model, effective multidisciplinary and geographically dispersed teams, good governance, clear grants eligibility criteria and processes, targeted stakeholder engagement and data analytics underpinning decision making.

Delivering pandemic support had a high administrative burden

The pandemic required significant government intervention in many areas within Austrade's responsibility, such as the tourism sector. Austrade's departmental capacity needed to expand however additional funding was not made available. Reallocation of staff stretched the system and had domino effects creating pressure on Austrade's ability to deliver its core business and significant pressure on its enabling corporate areas (for instance IT, HR, security and recruitment).

At the same time, newly established programs received very high numbers of ineligible applications from businesses which fell outside program criteria. Dealing with the ineligible businesses created a high workload for the agency and Ministers' staff. Managing these situations resulted in Austrade enduring considerable staff turnover, and burnout, alongside staff and client dissatisfaction.

Ultimately, to meet the peak demand for tourism response and recovery programs, agency funds needed to be redirected from other functions, while also affecting the agency's cash reserves as COVID programs were extended without additional funds to support their delivery. Some of this came

from redirecting funding from programs like the Approved Destination Status scheme that were not able to progress during border closures.

Austrade's ongoing funding available to deliver programs continues to be impacted.