

# Australian Travel Industry Association (ATIA)

Submission to the  
COVID-19 Response Inquiry

December 2023

## Executive Summary

The Australian Travel Industry Association (ATIA) (formerly the Australian Federation of Travel Agents, AFTA) welcomes the opportunity to provide a submission to the Independent Panel in relation to the Commonwealth Government COVID-19 Response Inquiry. The travel industry was one of the industries that was most impacted by the COVID-19 pandemic and the impact of government policies had a significant and lasting impact. Australia's travel agents and businesses experienced massive revenue falls of over 90% during the extended border closures, while the broader tourism industry lost around \$4 billion per month.

While the COVID-19 pandemic was an unprecedented event meaning government responses were understandably responsive in nature, this Inquiry provides an important opportunity to ensure plans are in place to swiftly deal with future pandemics and national crises in a proportionate and effective manner. Lessons can be learnt in relation to how all levels of government communicated between each other as well as with key industry stakeholders and the general public and how that information was distributed.

Financial support was a key element of government support, including both JobKeeper and the COVID-19 Consumer Travel Support Program (CTSP). Without these, many travel agencies and tour arrangement services throughout Australia would not be in business today and the several billions of dollars of consumer credits and refunds from airlines would not have been managed and maintained on behalf of the Australian public for use again when Australia's borders reopened. ATIA members remain extremely grateful for these programs, which have allowed the travel industry to continue to operate to support travelling Australians. However, there were some significant issues with the implementation and administration of CTSP which served to undermine its purpose and which should be addressed in any such future programs to ensure they achieve their objectives.

ATIA urges the Independent Panel to ensure the lessons learned are incorporated into improved response measures and systems that more effectively anticipate, adapt and respond to pandemics and other national crises.

### Recommendation 1:

To ensure a unified and consistent approach to border control in a future crisis, the Federal Government must put measures in place to implement a more controlled response and assume control of domestic and international border policy as a whole, to better support the national interest.

### Recommendation 2:

Ensure any future response (both in relation to the cruise industry and travel industry more broadly) is proportionate to the risk at hand and that sufficient notice of decisions is provided to industry to facilitate a smooth restart.

### Recommendation 3:

Pandemic / disaster preparedness plans should be developed that are proportionate, scalable and easy to adapt depending on the crisis at hand, based on the programs the Inquiry finds worked well. Government should also identify and appoint from existing coordination committees to act as emergency policy coordination. These should be industry specific and feed into a national plan that is reviewed every five years by Government and Industry to ensure it is fit-for-purpose.

#### **Recommendation 4:**

All levels of government should commit to communicating effectively, including between each other, with key industry stakeholders and with the public. The Federal Government should play a coordination role and ensure the key information relating to discrete topics is available in a single document.

#### **Recommendation 5:**

Government should publicly release the review into the COVID-19 Consumer Travel Support Program in the interests of transparency and to ensure lessons can be learnt for future programs.

#### **Recommendation 6:**

Adequate consultation and engagement must be undertaken with industry to ensure programs are fit for purpose. When issues are identified that prevent programs from achieving their stated objectives, these should be explored and acted on as a matter of priority.

#### **Recommendation 7:**

Ensure any future grant system processes applications at an appropriate pace and provides updates where there are delays.

In any such future program, ensure the process is not unnecessarily burdensome and only essential information is sought. It would also be preferred that those charged with assessing eligibility have an understanding of the travel industry / travel businesses so as to avoid unnecessary additional back and forth and undue rejection of claims. Include a process for appeals where applications have been assessed incorrectly.

#### **Recommendation 8:**

In any such future program, ensure a greater level of understanding of affected industries and consistency in terms of support. Ensure industry is afforded transparency in relation to funding levels.

# 1. Introduction

## Background

The Australian Travel Industry Association (ATIA) (formerly the Australian Federation of Travel Agents, AFTA) welcomes the opportunity to provide a submission to the Commonwealth Government COVID-19 Response Inquiry. ATIA is the trusted source for advice and best practice in the travel industry. Our mission is to highlight the integrity of our members through effective approaches in advocacy, industry recognition and awards and ultimately boost the confidence of the travelling public.

ATIA administers the *Australian Travel Accreditation Scheme (ATAS)*, which is the largest and most representative accreditation scheme for travel businesses in Australia. All ATIA members are ATAS accredited and recognised for their highest operational standards including yearly assessment of finances, minimum levels of training and procedures for dealing with consumer grievances. For 2023 ATAS rejected 15% of applications to join the Scheme. About 85% of consumers are more likely to book with an ATAS-accredited travel agency or tour operator.

Our membership base includes the full spectrum of travel intermediary businesses across Australia including retail, corporate and online travel agents, tour operators, wholesalers and consolidators. Our members range in size from the largest listed organisations such as Flight Centre, Helloworld, Corporate Travel Management and Webjet, through to small independently owned and operated travel businesses.

A large proportion of travel agent members are small to medium businesses, many of whom operate under networks such as Helloworld, Flight Centre Independent, My Travel Group, itravel, Express Travel Group, Travellers Choice and CT Partners. ATIA's membership also includes consolidators, tour operators and wholesalers such as Scenic, APT and The Travel Corporation who are reliant on competitive air prices to maximize ground expenditure.

ATIA has a total of 1,750 ATAS-accredited member locations throughout Australia.

## Impact of COVID-19 on the travel industry

The travel industry was one of the industries that was most impacted by the COVID-19 pandemic and Government responses to the threat of COVID-19. While major parts of the Australian economy adapted to 'COVID normal' and entered the recovery phase following the lifting of state/territory government mandated lockdowns, the travel industry remained in a stage of significantly impaired recovery due to prolonged uncertainty surrounding state/territory border restrictions and the lack of inbound and outbound travel. Government policies had a significant and lasting impact on the travel industry, a \$69 billion industry prior to the pandemic, travel businesses, as well as people's lives generally, including the Australians who represent the approximately 12 million international trips each year.<sup>1</sup> Typically, at least 70% of all international air sales and over 90% of corporate sales (medium and large businesses) are through agencies rather than direct with airlines.

Australia's travel agents and travel businesses experienced massive revenue falls of over 90% during the extended border closures, triggered immediately on the international travel ban and exacerbated further by state border closures, while the broader tourism industry lost around \$4 billion per month. Travel businesses spent the COVID-19 pandemic with no income due to the international travel shutdown, chasing \$10 billion in credits and refunds on behalf of customers. They also played a key role in assisting Australians return to Australia and their respective state/territory during changing border restrictions. While many parts of the Australian economy have rebounded, the impacts on the travel industry continue, with international travel still below pre-pandemic levels.

There were also significant impacts on the travel workforce, with the travel industry experiencing a loss of more than a third of its skilled workforce at a time when supporting travelling Australians was made more difficult and time consuming due to COVID-19 requirements, travel restrictions and a

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<sup>1</sup> See ABS, Overseas Arrivals and Departures.

massively constricted travel infrastructure. Commencements in traineeships in the travel industry fell by over 80 per cent, severely limiting the pipeline of skilled workers. This impact is ongoing, with employers in the travel industry experiencing significant difficulties in recruiting and attracting people back to the industry, largely due to the perceived unpredictability of the industry following past approaches by governments during the COVID-19 pandemic.

Border closures and restriction of movement between and within states and territories were a central feature of Australia's overall response to the COVID-19 pandemic, and the biggest source of impact on the travel industry. These had a significant and lasting effect on the travel industry. While we note actions unilaterally taken by state and territory governments do not form part of the Terms of Reference, in order to achieve the Inquiry's stated aims of more effectively adapting and responding to future pandemics, it is critically important these be considered. This has been reinforced by the Australian Human Rights Commission who has advocated for this inclusion, stating:<sup>2</sup>

*Lockdowns, border closures, school closures, mask mandates and many other aspects were the domain of state and territory governments and to not examine these as part of the inquiry means it will be harder for us to improve our response for future pandemics.*

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<sup>2</sup> Australian Human Rights Commission Media Release, [Human Rights Commissioner critical of COVID inquiry scope](#), 21 September 2023.

## 2. COVID-19 response and border management

Border closures and restriction of movement between and within states and territories were a central feature of Australia's overall response to the COVID-19 pandemic and the biggest source of impact on the travel industry. While the Government's decision to introduce travel restrictions was based on protecting the health of Australians, the economic impacts and mental health concerns following the restrictions and border closures must also be considered and it is important to ensure any such response to future crises is proportionate.

### Consistent approach to borders

Border closures formed a central part of Australia's COVID-19 management strategy. However the ongoing uncertainty over the status of domestic borders damaged consumer confidence in travel and made the job of travel intermediaries increasingly difficult.

Each state and territory had their own set of regulations as to when the border would be locked down and when it would be reopened. The inconsistent approaches taken by states and territories on border opening and closing as well as the extremely short notice provided between the announcement of such lockdowns and reopenings and when they took effect had a significant impact on the travel industry, the Australian public and the economy at large.

To ensure a unified and consistent approach to border control in a future crisis, the Federal Government must put measures in place to implement a more controlled, collaborative and co-ordinated response and assume control of domestic and international border policy as a whole to better support the national interest.

#### Recommendation 1:

To ensure a unified and consistent approach to border control in a future crisis, the Federal Government must put measures in place to implement a more controlled response and assume control of domestic and international border policy as a whole to better support the national interest.

### Approach to cruise restart

Before the pandemic, Australia was one of the world's top cruise markets. Cruise tourism was worth \$5.2 billion a year to the Australian economy<sup>3</sup> and sustained more than 18,000 Australian jobs. Travel agents and tour operators are key cruise partners that are heavily reliant on cruise for their viability, with many building up their operations during the growth trajectory of cruise tourism and marketing specifically to cater to cruise passengers. Over 65% of travellers use travel advisors to book cruises.<sup>4</sup>

Cruising to and from Australia was closed from March 2020 until April 2022, after approximately 86 other countries had allowed their cruising industry to restart.<sup>5</sup> The ban on cruise was continually extended, leaving those businesses unable to plan for their future. While international air travel reopened in February 2022, the ban on cruise was not lifted until three months later. Despite industry advising the restart of cruise requires significant lead times for preparations, notice was provided just one month prior to the ban lifting. This resulted in a delay in the ability to capitalise on the ban lifting, and it was not until 31 May 2022 that the first cruise ship with passengers departed.<sup>6</sup>

During the restriction period for cruising, a comprehensive plan was developed by industry to facilitate cruising to restart as quickly and as safely as possible, however this was not adopted.

<sup>3</sup> Cruise Lines International Association Australasia (2022), [Pre-budget Submission 2022-23](#), January 2023, pg.1.

<sup>4</sup> CLIA, State of the Cruise Industry, September 2023 update, at [https://cruising.org/-/media/clia-media/research/2023/clia\\_state-of-the-cruise-industry-report-sept-2023-update-live.ashx](https://cruising.org/-/media/clia-media/research/2023/clia_state-of-the-cruise-industry-report-sept-2023-update-live.ashx)

<sup>5</sup> Parkes-Hupton, H. (2022), [First cruise ship to arrive in Australia for two years due to COVID-19 pandemic docks in Sydney](#), 18 April 2022, ABC News.

<sup>6</sup> Swain, S. (2022), [First cruise in more than two years sails out of Sydney](#), 31 May 2022, 9 News.

It is important for any future response to be proportionate to the risk at hand and for there to be sufficient engagement with industry, including to ensure sufficient notice is provided so that industry can prepare for cruise restart.

### Recommendation 2:

Ensure any future response (both in relation to the cruise industry and travel industry more broadly) is proportionate to the risk at hand and that sufficient notice of decisions is provided to industry to facilitate a smooth restart.

## Transparency and future preparedness

COVID-19 was an unprecedented event and managing a pandemic the magnitude of COVID-19 was beyond the institutional memory of the Commonwealth, state and territory public services. Given this, much of the governance during the pandemic was reactive. This Inquiry provides an important opportunity to learn lessons from the response to the COVID-19 pandemic and make improvements in terms of preparing for future crises.

Throughout the pandemic, there was not sufficient clarity as to what was required to take the next step towards managing the accurate health response while balancing other community functions. This significantly contributed to the uncertainty for the travel industry and the Australian public as a whole. While a roadmap to reopening was eventually developed, aspects were not closely followed, which further contributed to uncertainty.

While the COVID-19 pandemic was an unprecedented event, it has highlighted the need to have pandemic / disaster support programs that are proportionate, scalable, and easy to adapt dependent on the crisis. These should be based on the programs the Inquiry finds worked well.

The plan should include what type of financial support programs would be made available and in what circumstances. This needs to be aligned with key measures such as bankruptcy law protections, temporary industrial relations changes which allow strong businesses to trade successfully during the impacted period. To compliment whole of economy support measures, identified impacted industries should have specific support programs which are activated once selected whole of economy measures are implemented.

Government should also identify and appoint from existing coordination committees to act as emergency policy coordination. These committees are established dialogues between Government and Industry and would allow for rapid advice to improve the decision-making process limiting the potential for unintended consequences.

These measures would be scalable, so there is an understanding of what Government response may be expected, ranging from the more minor events such as Swine Flu all the way to another pandemic similar to COVID-19 or significant terrorism incident.

These plans and processes should be reviewed every five years by Government and Industry to make sure they are still fit for purpose taking into consideration the landscape and future potential risks over the next five years. Such an approach would enable Government to act swiftly and would allow businesses to consider these as part of their business planning, instilling heightened business confidence.

### Recommendation 3:

Pandemic / disaster preparedness plans should be developed that are proportionate, scalable and easy to adapt depending on the crisis at hand, based on the programs the Inquiry finds worked well. Government should also identify and appoint from existing coordination committees to act as emergency policy coordination. These should be industry specific and feed into a national plan that is reviewed every five years by Government and Industry to ensure it is fit-for-purpose.

## Communication between Governments and Industry

Communication between agencies, departments, industry associations and the Australian public during the COVID-19 pandemic was unfortunately inefficient and there is significant room for improvement.

When decisions were made, communication on policy changes were delivered with a very short lead time between announcement and implementation without the nuance of standard policy development. There were examples of a policy change being announced commencing either immediately or shortly thereafter, without an accompanying document explaining the changes, which generally followed some time later.

In addition, the fracturing of Federal and state/territory Government responsibilities led to a confusing array of information sources, with no one clear fact sheet or explanatory document that industry or the general public could access in order to easily understand the requirements across Australia. There were fractured communications between and from governments of all levels to industry and each had their own approach to their own borders and restrictions within them. There was no document setting out the relevant border restrictions (including arrival caps, quarantine requirements, etc) for Australia's international border as well as for each state and territory. Not only did businesses have to keep up with the various restrictions across states and territories but they also had to keep up with their various timetables and requirements for reopening, which were different. This impacted business's ability to ensure compliance with regulations for themselves and their customers. This was heightened due to the speed and frequency of the changes.

All levels of government should commit to communicating effectively, including between each other, with key industry stakeholders and with the public. This was a key recommendation made by the Senate Inquiry on COVID-19 in its final report.<sup>7</sup> The Federal Government should play a coordination role and ensure this information is made available.

### Recommendation 4:

All levels of government should commit to communicating effectively, including between each other, with key industry stakeholders and with the public. The Federal Government should play a coordination role and ensure the key information relating to discrete topics is available in a single document.

<sup>7</sup> Senate Select Committee on COVID-19 (2022), *Final report*, April 2022, recommendation 6.



### 3. COVID-19 Consumer Travel Support Program

The COVID-19 Consumer Travel Support Program (CTSP) was a program that provided grants to eligible travel agents and tour arrangement service providers. It was administered by Austrade and took place over three rounds.

This was an important program that resulted in several thousand travel agents and tour arrangement service providers throughout Australia and many more employees of those businesses remaining open and employed to provide the much-needed and ongoing support to Australians. This included those whose travel plans had been impacted by COVID-19 cancellations and delays who were chasing refunds and credits and those travelling internationally to return to Australia and travelling domestically where necessary and permitted. ATIA members are extremely grateful for the CTSP and without it, many travel agencies and tour operators would not be in business today. In addition, several billions of dollars of consumer credits were able to be managed and maintained on behalf of the Australian public for use again once Australia's borders opened. Combined with JobKeeper, it also played a role in travel agencies being able to retain some of their staff throughout the pandemic.

However, there were a number of issues with the design and administration of the program that resulted in suboptimal outcomes which were not in line with its purpose. The process for so many of our members was difficult, frustrating and the approach not fit-for-purpose in a number of instances. We have outlined a number of these issues in this section, including recommendations for how these could be addressed if the industry faces a similar situation in the future.

We also note that Austrade has done a review of the CTSP, however this has not yet been released. The COVID-19 Response Inquiry should examine this review, as there are undoubtedly lessons to be learnt from the processes and approach adopted. In addition, in the interests of transparency, this review should be released publicly.

#### Recommendation 5:

Government should publicly release the review into the COVID-19 Consumer Travel Support Program in the interests of transparency and to ensure lessons can be learnt for future programs.

### Consultation, engagement and responsiveness

ATIA understands the need to strike an appropriate balance between rapidly deploying support and constructing a policy response that is fit for purpose. Unfortunately, while the CTSP greatly assisted many travel businesses, engagement and responsiveness following the identification of issues was severely lacking.

ATIA (noting at the time, ATIA was known as the Australian Federation of Travel Agents, AFTA) worked closely with Austrade and the Federal Government on refining the implementation details of the CTSP. On several occasions, ATIA requested the opportunity to review and comment on the detail of the proposed CTSP and the implementation approach, however details in large part were not forthcoming. As a result, there were multiple flaws in the approach which created unnecessary confusion and strain in a period which was already extremely challenging for business owners and their employees. At the peak of the pandemic, ATIA was engaged in almost daily communication with Austrade on behalf of members, highlighting the inconsistent application of processes and lack of transparency around delivery and rejections.

We have set out below details of a number of specific instances, including issues relating to unequal application of eligibility criteria, transparency and difficulties in securing the level of support required for ongoing border closures.

This can be contrasted with JobKeeper, which the *Independent Evaluation of the JobKeeper Payment* found that key institutions involved in designing and implementing JobKeeper were appropriately responsive and effective at engaging with industry, and that Treasury and the ATO were generally collaborative and communicated well, resolving issues quickly as they arose.<sup>8</sup>

## Inequal application of eligibility criteria and distribution of funds

Throughout the implementation of CTSP there were a number of issues relating to the application of eligibility criteria which resulted in inequality and added to the strain already felt by businesses during this extremely difficult period. As just one example, some members were excluded on the basis that they were not believed to be a travel agent or tour operator business. This was despite being a member of the Australian Federation of Travel Agents (as ATIA was then known), and a participant of AFTA's Australian Travel Accreditation Scheme, where membership is limited to travel intermediaries such as travel agents and tour operators.

### *Turnover v Total Transaction Value (TTV)*

Another key issue was the lack of clarity and understanding around how financial information was sought and acted on in terms of eligibility for different tiers of funding. Businesses were required to submit financial information. In their G1 (total sales) on their BAS that was submitted as part of the application, some businesses reported TTV in their G1, while others submitted turnover. No guidance was given as to how to present this information, so businesses did this in line with the custom and practice of how they ordinarily approached their G1. However, this resulted in inconsistency with how a business qualified for the various tiers of payments. As a result, it was decided that 'for equity', these businesses would be treated differently in future rounds – see the example below for how this operated in practice. This resulted in a shortfall for these businesses throughout the grant rounds through no fault of their own.

#### *Case Study 1 – Example of inequality of application of eligibility criteria*

ATIA member in 2019 had the following:

- TTV of \$11 million
- Turnover of \$1.3 million

#### **ROUND 1**

This business had always reported TTV in G1, not turnover.

Due to the Government making G1 the criteria, the business was paid \$100,000.

As the ATO has confirmed, the business is not incorrect to report their TTV in G1. For equity, those paid on TTV in Round 1 were excluded in Round 2.

#### **ROUND 2**

However, Round 2 allowed exceptional circumstances to calculate if a business was due funding if paid correctly under both rounds and the gap was paid.

#### **ROUND 3**

No exceptional circumstances were allowed to determine if a shortfall is due to the member if paid correctly under each round.

In this example, if the ATIA member had been paid correctly according to the turnover, they would be entitled to the following:

<sup>8</sup> See [Independent Evaluation of the JobKeeper Payment Final Report](#), 27 October 2023.

- Round 1: \$37,500 (estimated under Guidelines)
- Round 2: \$62,500
- Round 3: \$156,250

However, they only received \$100,000, and experienced a \$56,250 shortfall.

ATIA urgently sought an Exceptional Circumstances review for those businesses who were excluded from Round 2 but were due funding under Round 3.

### Multi-outlet businesses

Multi-outlet businesses (i.e. multiple outlets operating under a single ABN) were disadvantaged in relation to grant funding allocation under the ABN-based eligibility model. Eligibility was limited to one payment per ABN. This failed to recognise the additional burden of maintaining multiple shopfronts or retail premises for small and medium sized travel businesses and that fact that each store had rent, staff wages, overheads and customers to support in processing credits and refunds.

This resulted in significant inequalities in the way that the funding was distributed and detracted from the CTSP's ability to achieve its aims. The case studies below demonstrate these inequalities.

In October 2021 a \$10,000 multi-outlet grant was announced by the Government which went some way to addressing the shortcoming of the CTSP. However this announcement came 1 year and 7 months after the Federal Government closed the Australian borders, 10 months after Round 1 of CTSP grants opened and 6 months after Round 2 grants opened. This was despite ongoing communication from ATIA about the inequality of this eligibility criteria. In this way, responsiveness in response to the CTSP not being fit for purpose was significantly lacking. Further, inequality remained due to the amount of the multi-outlet grant, which was lower than if the outlet was treated as a standalone business.

### Case Study 2 – Example of inequality of application to multi-outlet businesses

One ABN has 9 retail stores throughout regional NSW and received the max of \$100,000. However, if you break it down per store via turnover, just one of these stores would be eligible for the \$100,000 grant under the current model. This resulted in inequality as each store had rent, staff wages, overheads and customers to support in processing credits and refunds.

Stores	Turnover	Round 2 Grant Amount	Grant Amount if assessed separately
1	\$3,223,359	\$100,000	\$100,000
2	\$1,976,245		\$62,500
3	\$263,611		\$25,000
4	\$305,847		\$37,500
5	\$453,097		\$45,000
6	\$621,459		\$50,000
7	\$307,280		\$37,500
8	\$357,861		\$37,500
9	\$356,375		\$37,500
<b>TOTAL</b>	<b>\$7,865,142</b>	<b>\$100,000</b>	<b>\$432,500</b>

### Case Study 3 – Impact on multi-outlet businesses

Two large non-listed largest privately owned multi-outlet agency groups at the time collectively operated over 50 travel outlets, with strong representation in not only metro, but regional Australia, employed over 350 staff (pre-COVID), mostly female and represented approximately over 2% of travel revenue nationally and substantially higher percentage if the publicly listed chains are excluded.

During COVID, the ongoing uncertainty about border restrictions continued to erode consumer confidence in booking travel. This had a devastating impact on revenue, whereby most months were less than 10% of pre-COVID levels.

A large cost burden requires support for a multi-agency support payment that is closer aligned and more reflective of the cost of running such a business. This includes payroll/staff costs, leases (without the protection of any Mandatory Code of Conduct for commercial leasing), telecommunication and IT costs, etc.

### Recommendation 6:

Adequate consultation and engagement must be undertaken with industry to ensure programs are fit for purpose. When issues are identified that prevent programs from achieving their stated objectives, these should be explored and acted on as a matter of priority.

## Assessment of applications and distribution of funds

Throughout the process there were concerns about delays in assessing and paying travel agents and tour arrangement service providers and ATIA believes the pace was not in keeping with the intention of the CTSP.

For example, as at 21 July 2021 the figures provided from Austrade indicated that only \$25.2 million of Round 2 (which had an allocation of \$130 million) had been distributed, representing 1,206 payments. This was despite the application process opening on 2 May 2021, over two months earlier. This was significantly impacting travel businesses' ability to operate, who needed the funds to retain their skilled workers and remain open to assist Australian consumers. ATIA fielded many calls from distressed members seeking an update, with the delays causing uncertainty as to whether they would in fact receive the funds and if they could keep their doors open.

Deloitte was engaged by Austrade to undergo the verification process. It was brought to ATIA's attention that there were a number of extremely onerous and unnecessary requests made for applicants in relation to their financials that were more in line with a full audit, rather than making the simple determination that they were not paid on TTV. There were a number of worthy applicants from Round 1 and 2 who were been rejected due to the narrowness of the Deloitte assessment. Deloitte's involvement significantly slowed the process and produced inconsistent and unfair outcomes including as a result of their acting beyond agreed scope. This process contributed to the already slow rate of distribution, which was contributing to the challenges and uncertainty faced by these businesses. In addition, there was no clear appeal process when the parameters were applied incorrectly.

### Recommendation 7:

Ensure any future grant system processes applications at an appropriate pace and provides updates where there are delays.

In any such future program, ensure the process is not unnecessarily burdensome and only essential information is sought. It would also be preferred that those charged with assessing eligibility had an understanding of the travel industry / travel businesses so as to avoid unnecessary additional back and forth and undue rejection of claims. Include a process for appeals where applications have been assessed incorrectly.

## Transparency and level of support

Throughout the process there were concerns about delays in assessing and paying travel agents and tour arrangement service providers and ATIA believes the pace was not in keeping with the intention of the CTSP.

Round 1 of the CTSP was announced on 1 December 2020, opening on 14 December and closing on 13 March 2021. Round 2 was announced on 11 March 2021 and remained open until 2 May 2021. It was not until 21 February 2022 that the Federal Government reopened Australia's borders to all fully vaccinated visa holders, including tourists, business travellers and other visitors. As is evident, this was a significant period of time for travel agencies and tour operators to keep their business afloat with drops in revenue of over 90% through no fault of their own.

As such, ATIA requested further funding in the form of Round 3 of the CTSP to sustain the industry to keep their doors open to continue to support Australian consumers and retain the critical skills of an industry made up of 70% women. In making such a request, ATIA sought information from Austrade about the level of funding that was left over from Round 2. However, we were advised that this information was held by Austrade, but it was not able to be provided. Unfortunately, ATIA did not have the volume of applications and payments made to date under Round 2. This made it difficult to model data to put a proposal in relation to an additional round of funding or to assess if the program delivered on its stated objectives.

Transparent design and implementation of public policy is good practice and consistent with international standards, and in any future program transparency should be a key element. As was found in the Final Report of the *Independent Evaluation of the JobKeeper Payment*:<sup>9</sup>

*The IMF, World Bank and OECD recognise that transparency helps economies to function better, encourages governments to act more effectively and efficiently and enables citizens to fully participate in public life. Providing access to information held by government also builds legitimacy in government. It allows the public to understand decision-making process and hold governments to account. Transparency also improves internal accountability.*

In November 2021, ATIA was advised that no additional support would be delivered as the economic recovery was well underway. Subsequently, in December 2021 the Government announced an additional \$109.6 million allocated to the Aviation Recovery Framework without any support for the travel distribution system, which produces over 70% of commercial value for aviation.

Given that our industries faced the same challenges and our success is intrinsically linked, it was disappointing that one industry received the required support at this time and the other did not. This risked undermining the intention of supporting Australian businesses and jobs. Until international travel returned the reality was that, without ongoing support, these businesses located across regional and rural Australia as well as in our cities and suburbs could not survive. The continuing State lockdowns and forced business closures exacerbated an already over stretched travel industry

<sup>9</sup> See [Independent Evaluation of the JobKeeper Payment Final Report](#), 27 October 2023.

in crisis. It was not until 26 March 2022 that the guidelines for Round 3 of the CTSP were announced. ATIA and our members remain extremely grateful for this additional round of funding to allow them to continue to support consumers to rebook their travel using existing COVID-related travel credits. Moving forward, there should be a greater understanding of impacted industries in future pandemics and crises and government support should be fairly distributed.

**Recommendation 8:**

In any such future program, ensure a greater level of understanding of affected industries and consistency in terms of support. Ensure industry is afforded transparency in relation to funding levels.