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26 August 2020 (Updated 31 August 2020)

Pre-Federal Budget Submission – 2020/21
Australian Tourism Industry Council

ABOUT ATIC

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 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 product and experiences are 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 had become an 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 CEOs of each state and territory Tourism Industry Council or an accredited body. The six Australian states and two territories are represented. ATIC's members are:

- Victorian Tourism Industry Council (VTIC)
- NSW Tourism Industry Council (NSW Business Chamber)
- Queensland Tourism Industry Council (QTIC)
- Tourism Industry Council South Australia (TicSA)

- Tourism Industry Council Western Australia (TIC WA)
- Tourism Industry Council Tasmania (TICT)
- Tourism Top End (Northern Territory)
- Canberra Regional Tourism Industry Council (ACT)

The Chair of ATIC is Evan Hall (CEO - Tourism Council WA). Our Executive Director is the former senior tourism and aviation executive, Simon Westaway.

OVERVIEW BY ATIC

A particular focus of our Pre-Budget submission is centred around the critical issue of genuine restoration of confidence into Australian tourism (both at the operator as well as at the consumer level) to enable those sustainable tourism enterprises to remain in our sector and visitation to re-flow to them over time. This is in addition to Australian consumers tackling the existing constraints and cost inhibitors that prohibit many genuinely returning to domestic travel.

Australia's once \$152 billion tourism and visitor economy at the end of 2019 is now understood to have shrunk on an annualised basis to around \$80 billion, based on estimates by Austrade, as a result of the direct impact and public health led response by Australian governments to COVID-19.

This is an unbelievable level of contraction for one of Australia's largest industries and employers (previously 1 in 13 jobs) in just eight months of 2020. The contraction and impact on Australian tourism's 300,000 businesses is the combination of the summer bushfires followed quickly by the cessation of all international tourism, commencing out of China from February and in place to all markets by mid-March, the aligned closure of domestic borders and the subsequent public health led response to COVID-19 by Federal and State Governments.

ATIC implores initiatives from this upcoming Federal Budget (and the May 2021 Budget statement) to appropriately recognise and support sustainable small and medium enterprises which overwhelmingly make up Australian tourism and which deliver our global leading product.

The maintenance and extension of JobKeeper 2.0 from the end of September to end March 2021 is an acknowledged primary support for so many Australian tourism businesses to which we have publicly endorsed and welcomed. This submission also covers the need for the future consideration of a JobKeeper 3.0 style program if Australia's international border closure was to remain in place by the end of March 2021, but will likely need to be specifically targeted and have a 'bespoke' approach.

We appreciate that this submission cannot directly address the issue of the continued heavy constraints and/or closures placed across our domestic borders (State and Territory) as well as our international border. ATIC has been vocal in this area and continued border restrictions go to the heart of poor consumer and business confidence levels in our sector which are now back at the lows of April 2020 and equate to the same as levels of 1990 in the last recession.

ATIC commissioned research in June 2020 identified that the existing domestic border restrictions have cost the Australian economy over 700 lost jobs and \$84 million each day. This situation remains and is a serious handbrake on attempts to reignite our domestic visitor economy which remains in significant decline.

Our analysis by Lucid Economics identified that existing internal border closures (such as by Queensland, Western Australia, South Australia, Tasmania and Northern Territory) with the

largest 'economic' states of New South Wales and Victoria, has grounded interstate travel. Latest Federal BITRE domestic aviation data underscores this with the release of June 2020 reporting showing a continued 90% plus drop in domestic air passenger volumes through this crisis. In June 2020 it fell (91%) and an (87%) drop at regional airports. Just 380,000 domestic air passenger movements occurred in the month of June, down from a previous 4.7m for June 2019. Pre-COVID Australia had the 7th largest domestic aviation industry in the world.

ATIC's commissioned economic research on Gross State Product (GSP) and job numbers reveals:

GSP & Employment loss (per day basis)

	AUS	NSW	Vic	Qld	SA	WA	Tas	NT	ACT
GDP / Gross State Product (\$m)	84	21	19	21	6	6	4	3	4
Employment (No. Direct/Indirect)	702	165	168	173	53	48	51	20	27

Source: Lucid Economics

Through the figures strong tourism reliant states (such as Queensland and Tasmania) face stark, accumulative employment and economic contraction at a local level and the lack of a fully open domestic visitor economy continues to have major national implications.

ATIC found Queensland was experiencing a \$147 million fall each week in gross state product (GSP), but more critically also losing 173 jobs each day by not receiving interstate visitors, in particular from its primary NSW and Victorian source markets.

Australia's most reliant tourism state in relative terms, Tasmania, was losing an estimated 51 daily jobs with a \$28 million weekly hit to its own GSP given full restrictions against interstate travel. The expanding pre-COVID Western Australia tourism industry loses 48 daily jobs with a \$42 million weekly State GSP hit by refusing interstate visitors without a 14-day quarantine period.

ATIC believes the lower job and reduced state economic outputs have serious implications for our national tourism economy because interstate visitors are much more financially valuable than intrastate ones (on average up to 14 times).

The issue of re-opening our hard-closed domestic borders must be constructively addressed to facilitate future sustained confidence and seek to recover back and partially substitute some of the major loss of international tourism receipts through any re-growth in domestic tourism.

This approach we believe includes strategic delivery of COVID safe domestic tourism experiences that can underpin and support sustained recovery and consumers returning.

ATIC 2020 / 2021 PRE-FEDERAL BUDGET SUBMISSION

This Pre-Budget submission is a follow up to our organisation's previous submission dated 30 January 2020. Information has been updated and refreshed in response to the COVID-19 pandemic and the new COVID economy.

For the 2020 / 2021 Federal Budget, ATIC seeks the Australian Government's consideration and support for growth and job enhancing initiatives for a more sustainable Australian tourism industry as we seek to move from survival and into early stages of recovery.

ATIC's submission covers the following key areas:

COVID Safe Tourism - COVID Safe Plan Coordination for Australian Tourism Enterprises – A Service Agreement to support tourism business re-start

Infrastructure investment – The next Generation of Australian Icon Attractions in our regions

Support for JobKeeper 3.0 – Targeted and bespoke for international facing tourism enterprises

Greater sustainable funding for Tourism Australia (TA)

Greater support for Tourism Research Australia (TRA)

Other Concepts – Federal Tax Deductibility for Domestic Tourism

ITEM 1: COVID Safe Tourism - COVID Safe Plan Coordination for Australian Tourism Enterprises

A Service Agreement to support COVID recovery and job creation and retention in tourism

EXECUTIVE SUMMARY – COVID Safe Plan Coordination

The Australian Tourism Industry Council, the nation's largest tourism representative member body, is proposing a **Service Agreement** with the Commonwealth (through Austrade or Tourism Australia) supporting COVID safe business restart activities specific to the tourism industry, directly aligning to economic COVID recovery and retention and re-growth of tourism jobs.

ATIC is proposing a partnership with the Commonwealth via a 2-year, \$4M Service Agreement and Marketing Partnership, which will see up to 15,000 Australian small and medium enterprises recognised as a COVID Clean Practising Business through access, participation and completion of the COVID Clean Practising Business module.

We believe ATIC provides strong industry capability (with a successful existing working model) to effectively deliver on **COVID Safe Plan Coordination**, which if adopted, both supports Australia's economic COVID recovery effort and retention and re-growth of jobs, specifically amongst direct tourism businesses engaged in interstate and international tourism, visitor and customer attraction (such as accommodation, experiences, attractions, tours and tourism transport).

Whilst Tourism Research Australia recognise over 300,000 businesses that benefit from tourism in Australia, those that inspire experiential travel are the accommodation, recreation and travel/tour/transport operators. There are approximately 40,000 of these firms in number. ATIC's already installed COVID Clean program to the many thousands of signatories, specifically supports such businesses to be **'COVID safe'** and **drive future demand for destination visitation**. The

COVID Clean Practising Business module is the only known program that is tourism specific, individualised, free of charge to any business, easily accessible and focusses on the business.

It is strongly argued these programs will also help to drive sustainable demand for future interstate travel once domestic borders properly reopen, through the assurance that such interstate tourism businesses (and their offering) have good protocols in place to take customers and guests less familiar than an intrastate (or day trip) scenario offering. To this point with Australian tourism in only the earliest stages of economic recovery (and overwhelmingly still intrastate travel) that has dramatically shrunk our visitor economy to around \$80 billion.

ATIC's **COVID Clean Practising Business** module develops business systems specific to the management of combating the spread of COVID-19 and adhering to respective State/Territory health regulations depending on the business location. This Program has an associated landmark available to businesses upon successful module completion, enabling the travelling public and prospective future customers to easily identify those undertaking COVID safe business practices.

ATIC's Program will specifically appeal to consumers and travellers alike, **in particular future interstate visitors (as well as future returning international travellers)** to confidently access tourism businesses and their product offering (such as accommodation, experiences, attractions, tours and tourism transport), which are at the heart of our domestic and international tourism deliveries that will greatly hinge on being a COVID safe and assured offering.

EXECUTIVE SUMMARY – ADDITIONAL BACKGROUND

As part of the **2-year Service Agreement**, we propose a **\$1.5M Marketing allocation** to effectively market the benefits to Australian businesses, creation of business collateral as well as some digital promotion, point-of-sale, venue branding and a call to action for travel wholesalers and consumers. This makes the total allocation of **\$4M** for the Service Agreement over the Partnership's 2-year implementation (**\$2.5M** in Program Delivery and **\$1.5M** in Marketing) in addition to ATIC's significant co-investment in the COVID-Safe plan coordination delivery.

Furthermore, the Service Agreement will see up to 1000 businesses access direct mentoring by ATIC for the development of their recovery plan over the life of the Agreement.

ATIC and COVID Safe Plan & Program Coordination

ATIC has developed **two programs** to support businesses in developing their response to restarting in the wake of the devastating business and market interruptions, internationally and domestically, caused by COVID-19. These two programs are delivered as 'modules' with the **Quality Tourism Framework (QTF)**, ATIC's long-standing national accreditation and online-delivered program, which today has over 10,000 tourism businesses engaged with one of its suite of module offerings or that have achieved and maintain full accreditation.

ATIC's **COVID Tourism Recovery Plan** takes the tourism business owner on a pathway of critical thinking to establish plans to open and develop their product offering throughout the various stages of business restrictions and post COVID economy.

ATIC's **COVID Clean Practising Business module** develops business systems specific to the management of combating the spread of COVID-19 and adhering to respective State/Territory health regulations depending on the business location. This Program has an associated landmark available to businesses upon successful completion of the module, enabling the general public, government departments, regulators and agencies to **easily** identify those that are undertaking COVID safe business practices.

ATIC is proposing a **partnership** with the Commonwealth via a \$2.5M Service Agreement (over two years) which will see up to 15,000 businesses recognised as a COVID Clean Practising Business through access, participation and completion of the COVID Clean Practising Business module. Up to 1000 firms will be able to access direct mentoring.

Role of Austrade and Tourism Australia

Through partnering and working with **Austrade or Tourism Australia**, this would enable ATIC to effectively leverage the marketing and promotion of the Program to Australian tourism businesses, travel wholesalers and the travelling public.

Due to the critical drivers of **safety** and **security** in underpinning both Australia's international (as well as interstate domestic) tourism offering, we particularly envisage working with these Federal organisations during the Partnership to most effectively target and engage international market facing tourism enterprises to access the Program (by example this could include Aussie Specialist sellers of Australian travel and tourism through Tourism Australia's network).

These Programs will be offered complimentary to eligible tourism business enterprises with a skew towards small to medium sized organisations and of particular relevance to accommodation and experiential and transport tourism providers such as physical tourism experiences and activities (land and on-water), live attractions and staged tourism events, tours and tourism transport operations that include land, off-road and on-water.

Under the Service Agreement, ATIC would be responsible for the Programs' operation and governance and would undertake consistent and regular reporting to a nominated Federal Department or Commonwealth Agency.

A detailed attachment is provided outlining the COVID Safe Plan Coordination initiative. (See Attachment to this document). A high-level summary of the Partnership is provided below.

ATIC / Federal Government Partnership Proposal

At the small tourism enterprise level, the fundamental aspect of ATICs Quality Tourism Framework is for sustainable businesses to structurally build into their operations resistance and supporting activities that enable them to be best placed to meet the demands of the future market. National accreditation in these programs is subsequently achieved upon completion.

In the area of COVID safe activity, ATIC, at the onset of the COVID-19 crisis, quickly identified a critical 'gap' filling area around sustainable recovery and which is important in driving future confidence and returning consumer activity to initially the domestic market. That being making tourism and travel 'COVID clean and safe'.

Our approach includes the ability of tourism SMEs to be effectively informed, become equipped, navigate regulations and increasing red tape and be able to efficiently deliver consistent and fully

compliant COVID Clean tourism and travel experiences which are not to the detriment of their commercial operations and which appeal and attract future customers.

This correlates to much improved confidence for wider Australians to recommence and/or initiate future travel.

This critical elixir – **one of confidence** – remains a major conundrum and symptom coming out of coronavirus and is presently severely impacting Australian tourism's ability to more effectively recover and begin to claw back some of the estimated 50% loss of economic value in our tourism and visitor economy during 2020 alone (from over \$150 billion to an estimated approx. \$80 billion).

Our 'State' Tourism Industry Councils are consistently measuring business confidence levels and have compared recent August 2020 figures as equalling April 2020 figures as the lowest we have recorded. Our state by state tourism business confidence results correlate with the reputed Westpac national Business Confidence Index which has comparatively indicated overall Australian business confidence is at its lowest since the 1990 recession levels.

Without sustained consumer and business confidence, Australia has no sustainable or re-growing travel or tourism industry to genuinely speak of for the medium and possibly longer term.

The Problem of confidence for returning interstate travel and tourism

Whilst a number of intrastate markets across Australia (notably self-drive, day trip destinations out of low COVID-19 community transition population centres and/or few travel restrictions such as Perth, Adelaide and parts of Queensland and NSW), have shown a level of confidence in returning to travel), there is significant work that needs to be done to entice most Australians presently not travelling (including within Victoria) and the major issue of non-existent interstate travel and tourism. Latest Federal Government department and agency data reaffirms this point.

Tourism Australia (August 2020)

Latest consumer insights from Tourism Australia, as recently outlined to industry, only reinforce this view. Tourism Australia has indicated in research:

- ½ of Australians remain in no mood to travel for between 6 months to 2 years!
- Remaining Australians, including those with the highest household finances, are generally more willing to travel, including interstate, but remain heavily impacted by the factors of health concerns (COVID), borders and rising costs
- The overriding measured concern for all Australians around travel and tourism (be it for an intrastate, interstate or anticipated future international trip) remains public health concerns around the exposure and incidence to COVID-19. This is followed by household budget and financial means as well as an ability to travel (i.e. borders).

BITRE (Bureau of Infrastructure, Transport and Regional Economics)

A further clear example that travellers and consumers want is to be reassured about safe and accessible travel, Australia's once 7th largest domestic aviation market by global measure (as measured by seats), and largest on a per capita basis, has been majorly impacted.

June 2020 BITRE Domestic Aviation figures (Source: *Domestic Aviation Activity – June 2020*) show Australian domestic air passenger travel has fallen by 92 per cent in June 2020 vs June 2019 and numerically the overall annualised numbers vs. prior year will continue to worsen by double digits. Many Australians love to fly - and fly often. But as a nation once of travellers we are genuinely

apprehensive about returning to at least interstate travel. It is of course acknowledged there is the major impact of many closed domestic borders, but this is driven by public health concerns.

Addressing a COVID recovery 'gap'

Australian tourism simply cannot rely solely on the retail and hospitality sectors which are the main activities undertaken by intrastate travellers (and by further example drive tourism wine regions).

The attractions, tour and transport and accommodation sectors are fundamental to the longevity of a destination, particularly one supported by interstate (and future international visitors). But without visitation from those markets that are external to those within close proximity, these sectors will surely fade or not allow Australia's tourism and visitor economy to experience post COVID recovery and underpin employment in our sector, which TRA states delivers 1 in 13 jobs.

Presenting a business, and destination, as COVID safe, will bring visitation from broader markets by providing an 'assurance' that appropriate protocols are in place and help address confidence. As confidence in destinations grow, we will also see confidence in opening borders by states and territories, providing further opportunities for domestic travel. But consumer confidence needs to be underwritten.

In the area of COVID safe activity ATIC quickly identified a **critical 'gap' filling area** around future recovery, and this was the ability for tourism SMEs to be effectively informed, become equipped, navigate regulations and increasing red tape and be able to efficiently deliver consistent and fully compliant COVID Clean tourism and travel experiences which are not to the detriment of their commercial operations.

THE QUALITY TOURISM FRAMEWORK AND A COVID SAFE INDUSTRY IN RECOVERY

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

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

The objective of the Quality Tourism Framework is to enhance the image, competitiveness, marketability, profitability and sustainability of tourism in Australia by improving the quality of tourism products and experiences and thereby improving the industry's ability to maintain its market position on a global level.

Through this pandemic 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 increasingly outside tourism businesses.

ATIC has developed **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 sustainable tourism enterprises try to move from survival to a genuine recovery phase. These are a **COVID Tourism Recovery Plan module** and **COVID Clean Practising Business module**.

1. COVID TOURISM RECOVERY PLAN MODULE OVERVIEW

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.

This module has been designed to enable the business to update and review on an as needs basis. As this is a tool to support operational planning, not to set a standard for business to meet, there is no associated landmark provided to businesses who complete the program.

2. COVID CLEAN PRACTICING BUSINESS MODULE OVERVIEW

The **COVID-19 Clean Practicing Business program** is a complimentary module offered via the **Quality Tourism Framework and is available to any Australian business engaged in tourism**. This includes non-members as well as existing members of State and Territory Tourism Industry Councils. The Program was introduced during May 2020 and has been immediately successful with many thousands of initial business enterprise engagements already leading to over 1000 full completions of the Program by beginning of August.

The **COVID-19 Clean Practicing Business Program** focusses on 5-key areas:

- **Staff management**
- **Resource ready**
- **Business and customer operations**
- **COVID-19 clean checklist (for both everyday cleaning and in the event of contamination)**
- **Risk assessment**

Businesses who successfully complete the module are able to demonstrate to visitors and customers that they are practising safe hygiene measures by displaying the COVID Clean mark.

The **COVID Clean Practicing Business program** supports tourism businesses to develop and adopt systems to support their efforts to stop the spread of COVID-19. This gives customers, industry and Government an assurance that every effort is being made to operate to the highest health and well-being standards.

BREAKDOWN OF COVID CLEAN PROGRAM

The COVID Clean Practicing Business program is based on five focus areas which support the tourism business (or enterprise operating within the 'visitor' economy) in getting the necessary systems in place to support a COVID clean workplace.

Staff Management

The business commits to having staff management systems in place, specific to COVID-19, which include:

- Staff training covering cleaning and hygiene methods and screening of customers

- Workplace protocols for unwell staff
- Workplace signage (with links to Local, State and Federal Government resources as well as samples provided in a final report)
- Staff hygiene measures are enforced
- Resources are available to enable the staff management systems adopted for COVID-19.

Resource Ready

The business commits to having the necessary resources available to administer their COVID-19 cleaning processes as well as advise on how to thoroughly clean with respect to the virus.

Business and Customer Operations

The business commits to having appropriate systems in place including; specific compliance with separate State/Territory health regulations based on jurisdiction, overarching compliance and alignment with Safe Work Australia outlines, steps to provide appropriate advice to customers on their health and hygiene expectations upon engagement with the business, appropriate cancellation policies, appropriate records are kept, supply chain compliance and that customer screening is undertaken.

Cleaning Checklist

This area of the program creates that customised cleaning checklists for a business to adopt to provide a COVID Clean workplace.

A business will nominate from a pre-determined list the areas that are within their business e.g. office space, accommodation rooms, company or customer transport vehicles and shared equipment. They are then asked to nominate if a specific item within each area is frequently or infrequently touched or if not applicable.

Example: Noting that most SMEs will only have 2-3 areas of focus e.g. a Visitor Information Centre may have a Retail/Visitor space, public bathroom and entry/exit area.

This information is then populated into an individualised COVID-19 cleaning procedures document which will outline the daily, weekly and monthly/annual cleaning that must take place. In addition, it lists the actions that must be taken in the event of a suspected COVID-19 contamination to the workplace.

Risk Register

To ensure the ongoing health and safety of staff and customers, the business completes a risk register in which they identify hazards associated with COVID-19 and assess the likelihood, level of risk and controls associated.

ASSESSMENT

Upon completion of the COVID Clean module the business will submit their responses. Their State/Territory Quality Tourism Advisor (overseen by ATIC managerial oversight) is alerted through the online program and will review the responses made and determine if the business has introduced appropriate systems to potentially address or minimise spread of COVID-19.

Once approved, the business will be able to access their customised COVID-19 Business Policy and Procedures document.

The business will also be able to access the COVID Clean brandmark (supplied to them electronically) to start their promotion of meeting COVID Clean Practising requirements.

Assessment of its 'marketability' is an individual decision of each business and also based on strategic advice.

STATE/TERRITORY HEALTH REQUIREMENTS AND ADAPTABILITY

The Program has been developed to include, where required, any State/Territory specific requirements for a business to adhere to.

These specific questions only appear for those businesses that are registered within the respective State/Territory.

As Federal and State/Territory Governments respond and develop further business requirements the COVID Clean module can and is easily updated centrally within a short time frame, enabling the Program to be responsive to change. The formal changes would be registered with the appropriate State / Territory Health Department and/or Authority.

ATIC presently regular assesses the Module from a Federal as well as individual State and Territory basis and is responsive as new directives are announced. This is undertaken at least monthly. Participants in the Program are communicated on the basis of a new directive or change.

BRANDMARK

Once submitted and approved by the Quality Tourism Advisor, the COVID Clean Practising Business logo can then be used by the business to demonstrate to visitors that they are taking extra measure to be COVID Clean.



This provides an opportunity to gain confidence by the public when making travel decisions, thus increasing the likelihood of visitation.

ATIC and AUSTRALIAN GOVERNMENT PARTNERSHIP PROPOSAL

A two-year Service Agreement to support a critical business restart initiative within the tourism industry through a 'free' COVID Tourism Recovery Plan module and COVID Clean Practising Business module delivered via the Quality Tourism Framework. The existing success of both Program elements provides the elements for successful COVID Safe Plan Coordination for Australian tourism enterprises.

ATIC is proposing a partnership with the Commonwealth via a \$2.5M service agreement (over two years) which see will up to 15,000 businesses recognised as a COVID Clean Practising Business through access, participation and completion of the COVID Clean Practising Business module.

An additional \$1.5M Marketing allocation over two-years is outlined to effectively market the benefits to Australian businesses as well as creating digital and point-of-sale and venue branding and call to action for visitors and consumers. Up to 1000 businesses will be directly mentored.

This makes the total allocation of \$4M over 2-years of the Partnership.

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 ATIC's long-established and national **Quality Tourism Framework (QTF)**. Its core feature is ATIC's **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 a critical COVID recovery for Australian tourism enterprises around both interstate tourism (and future international tourism) and genuinely help support the reopening of sustainable businesses, in particular areas such as accommodation, experiences, attractions, tours and tourism transport).

Safety and Security have historically been amongst the strongest drivers for both domestic and international travel within and to Australia. Our nation is viewed as a safe, friendly and a personally secure destination across a range of fundamental areas which influence the decision to travel to and through our country.

These core attributes have only been strengthened with the outbreak of COVID-19 (as evidenced by Tourism Australia's latest released visitor insights to industry), health concerns are now cited as the main barrier for people to not travel, whilst Safety and Security elements remain core to the future visitor proposition. The three elements of **Safety**, **Security** and **Health** now effectively align around potential levels of future tourism destination and visitor demand, as well as a propensity to travel whether as a domestic or international traveller.

COVID Clean Plans, and their existing delivery by ATIC through its QTF platform, are practical, easy to use and understand Programs, which we also believe are a genuine enabler to provide the general public with the sense of comfort to mitigate concerns and to start to participate in travel and again frequent tourism sites and assets. This has relevance for both domestic and international tourism participation.

The proposed **Service Agreement** would see a major uptake of the **ATIC COVID Clean Practising Business module** by tourism enterprises across Australia providing an assurance to Government and the general public that businesses are undertaking appropriate measures and adopting a best-practice approach to combat and mitigate the spread of COVID-19 within tourism operations. This Program will also importantly assist in educating the wider tourism sector on what their responsibilities are, and how to develop safe, sustainable and resilient business systems at no more critical time for the Australian tourism industry.

Furthermore, mentoring support will be offered and built into the Program by ATIC and State TIC officials to facilitate businesses in developing a Tourism Recovery Plan to support business continuity. This can co-exist with the COVID Clean Practising Business module.

Participants to the COVID Clean and Recovery modules would be provided with access to the program/s, assessment and accreditation by ATIC (for COVID Clean), mentoring (for COVID Recovery), the right to access the trademark to use in their own marketing collateral and physical marketing collateral supplied by ATIC.

Access to additional services offered through the Quality Tourism Framework (QTF) such as additional sector modules, awards, *ReviewPro* and digital listings on ATIC sites would be an additional fee paid by the business.

GOVERNANCE AND CAPACITY

The Quality Tourism Framework has a successful history in the management and administration of accreditation for large volumes of tourism businesses across all corners of Australia. It is through its existing structure that ATIC is confident that the delivery of this Service Agreement can not only be successfully achieved, but effectively leveraged and strongly expanded to best support tourism enterprises.

Under ATIC's operating model, via licence agreement, the tourism representative body (or Tourism Industry Council) in each State/Territory manages the accreditation of any business registered to their jurisdiction. This model enables a State/Territory specific response and support to businesses, whilst providing greater accessibility than if we were to operate from a central national office.

Through this structure ATIC has existing access to over 40 staff members across Australia who can support the activation of the proposed Service Agreement, including underpinning its rapid expansion, whilst enabling additional resourcing.

The licence agreements in place for each State/Territory representative body ensures a consistent standard is applied across all accreditation programs and training systems for staff are already in existence, which can comfortably incorporate new additions to the Program.

Whilst the State/Territory direct to business activities ensures that the program can be delivered on the ground, the national office of ATIC is the conduit of the program and therefore allows for a singular source of reporting to the Commonwealth and oversight of the Program's governance and performance.

Under the Service Agreement, ATIC would be responsible for the Programs' direction, operation and governance and would undertake consistent and regular reporting to a nominated Federal Department or Agency. This would include engagement with Tourism Australia in the area of marketing and promotion of the Program. ATIC believes a regular reporting cycle and activity could include:

Activity	Frequency	Documentation
Operational Highlights Business sign-ups and operational milestones of note	Monthly	Template Email to Dept Short Written Update ATIC Executive Director (or nominee – GM)
Quarterly Activity Report By business quarter	By Business Quarter	Short Report including KPIs and Performance Update on Marketing Activity Raise Achievements Online meeting with Federal Govt Agency
Twice yearly Operational Debrief	By Half Year	Formal meeting with Federal Agency assessing performance, governance, Marketing Plan, reporting and forward direction

		Formal Meeting with Federal Minister or Assistant Minister
Annual	Once per year	Formal Annual Report to Federal agency Formal meeting with Federal Minister

MARKETING

ATIC is proposing a partnership with the Commonwealth over a 2-year period which will up to 15,000 businesses be recognised as a COVID Clean Practising Business through access, participation and completion of the COVID Clean Practising Business module.

Furthermore, the Service Agreement will up to minimum 1000 businesses access direct mentoring for the development of their recovery plan over the life of the Agreement.

ATIC foresees an agreed set allocation of funds annually, over the two-years of the Partnership, go towards effective marketing of the Program. We believe a minimum additional allocation of \$1.5 million over two-years is required to effectively market the benefits to Australian businesses in addition to consumers through point-of-sale and at-venue locations.

This funding would enable ATIC to activate three key strategies:

- Marketing of the program to tourism businesses
- Generate collateral for businesses to in their own marketing activities
- Some direct to consumer marketing

It is the expectation of ATIC that a partnership with Tourism Australia would see an investment in consumer marketing by utilising their existing channels. ATIC would endeavour to both seek and work formally with Tourism Australia and/or Austrade to enable effective leveraging of marketing and promotion and to rapidly escalate reach of the Program (in areas of marketing, media buy, digital and traditional promotion).

ATIC envisages working with organisations including Tourism Australia and State Tourism Organisations utilising their existing channels to not only target domestic tourism orientated businesses, but also those international market facing tourism enterprises to access the Program in particular as borders look to or eventually open.

We envisage an agreed Marketing Plan which we would develop in unison with Tourism Australia would accompany our operational rollout with close engagement around brand alignment to Federal tourism campaigns and activities where applicable. By example this could include key supply side events such as the Australian Tourism Exchange (ATE), engagement through the Aussie Specialist Supplier Network and TA marketing partnerships and collaborations around programs such as 'Holiday Here This Year' and other activations. We believe this would be best achieved by having a senior Tourism Australia Manager have a line of engagement and reporting mechanism.

ACCESSIBILITY

Both the COVID Tourism Recovery Plan module and COVID Clean Practising Business modules are available to any Australian registered business. There is no prerequisite to be a member of a State/Territory tourism representative body, or any other organisation, making the Program accessible to all. The Programs are specifically targeted and marketed to be accessible towards all Australian tourism enterprises and those businesses which participate in the visitor economy.

It is proposed under a Service Agreement that the COVID Tourism Recovery Plan module and COVID Clean Practising Business module be offered to tourism businesses as a complimentary program for their first year. This will enable the greatest level of participation and reach, more rapidly expanding the benefits of the program and build greater collective resilience for future sustainable tourism enterprises, whilst recognising the significant economic hardship faced by so many of them in recent times.

Future confidence in COVID clean tourism travel is in the 'now' and this Program of activity seeks to best underpin confidence that industry, like consumers, aspire to COVID safe conditions. With the progressive return of international travel, value in COVID Safe travel planning and promotion could become an important adjunct to the program, **an area that would be strategically piloted and supported by Tourism Australia in the international space.**

The Service Agreement and level of funding between ATIC and the Federal Government will enable ATIC to efficiently administer the program, as well accelerate and handle its throughput and provide the required support to business without a cost burden to those already significantly hurting. It will also underpin, and support is effective Management, governance and meet B2B and B2C marketing initiatives for its effective promotion.

Under the Service Agreement, ATIC will offer like to like contribution to that offered by the Commonwealth.

Addendum: Fulfilling the Gaps with Existing Programs

The **COVID Clean Practising Business module** is the only known program that is tourism specific, individualised, free of charge to **any** business, easily accessible and focusses on the **business**.

Existing programs that also support the reopening of business includes the Infection Control Training delivered by registered training organisations. However, this is for individual staff members to gain skills in hygiene practices, surface cleaning, hazard control and reporting and base knowledge in infection and transmission. In contrast, the COVID Clean module focusses on the development of customised business policies and procedures and delivers customised documentation via a user-friendly online system.

Furthermore, the COVID Clean module is aimed towards the SME market, which recent data demonstrates that 88% of Australian tourism businesses had none to less than five employees (<file:///C:/Users/info/Downloads/Tourism-Businesses-full-report.pdf>). They are unlikely to take up certified training as the majority of tourism business are time and resource poor, or do not have the employees to participate.

In contrast, whereas the Infection Control Training is anticipated to take 30 hours, the COVID Clean program can take as little as half an hour to complete and delivers individualised, specific and clear instructions on how the business can be COVID Clean.

Safe Work Australia has developed a series of Safe Work Guidelines to assist business to understand how they can keep their workplace safe. However, these guidelines are simply a series of documents that have no verification process to them, can be difficult for the business to navigate their way through to find what is relevant to them, and can seem overwhelming to a SME.

The COVID Clean module incorporates the guidelines of Safe Work Australia, but delivers them in an easy to follow system which, with minimal input from the business, creates customised COVID Clean policies and procedures for the business to adapt that are specific to their own business.

Testimonial received to date on the program has praised the simple to use process, providing clear instruction for the business to immediately adapt.

PROPOSAL

Year 1 - \$2M – During FY21 and into FY22

	ATIC Contribution	Government Contribution
Up to 2500 businesses complete COVID Clean *	\$500,000 in kind	\$500,000 in financial contribution
An additional 5000 businesses complete COVID Clean^	\$250,000 in kind	\$250,000 in financial contribution
Up to 500 businesses undertake Tourism Recovery mentoring	\$500,000 in kind	\$500,000 in financial contribution
Marketing Allocation	In kind contribution	\$750,000 in financial contribution. Plus partnership with Tourism Australia to utilize their existing channels
Online program development	\$50,000+ already committed and enabled to meet additional demand	
Program Governance	Quarterly Reporting to Federal Government / Agency	Tourism Australia (or nominated agency) strategic support & marketing

Year 2 - \$2M – During FY22 and into FY23

	ATIC Contribution	Government Contribution
Up to 2500 businesses complete COVID Clean *	\$500,000 in kind	\$500,000 in financial contribution
An additional 5000 businesses complete COVID Clean^	\$250,000 in kind	\$250,000 in financial contribution

Up to 500 businesses undertake Tourism Recovery mentoring	<i>\$500,000 in kind</i>	<i>\$500,000 in financial contribution</i>
Online program development/updates	<i>Up to \$50,000 in additional program development</i>	
Marketing Allocation	<i>In kind contribution</i>	<i>\$750,000 in financial contribution. Plus partnership with Tourism Australia to utilize their existing channels</i>
Program Governance	<i>Quarterly Reporting to Federal Government / Agency</i>	<i>Tourism Australia (or nominated agency) strategic support & marketing</i>

*** This is a set cost for up to 5000 businesses, which incorporates fixed costs that will not fluctuate if business numbers grow.**

^This is based on a fee of \$100 per business where initial fixed costs have already been met.

This **new Partnership** for the Quality Tourism Framework can be further scalable over time if proven successful with ATIC delivering the Program through this Services Agreement. Participation numbers will be periodically reviewed and if over-subscribed ATIC would meet with Austrade, or appropriate body to discuss if further funding is available.

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.

Ongoing access, past the initial year covered by the service agreement to the COVID Clean or Recovery module for businesses would be at a cost to the business.

Invest in the Next Generation of Australian Icon Attractions (i.e. Regional Tourism Icons)

To continue to grow and be competitive as a destination, Australia must invest in quality visitor infrastructure and experiences. But some of our most important national destinations, particularly in regional parts of our country, were under prior pressure from growing visitor demand. For the future improved supporting infrastructure is a requirement for better experiences and accommodation and support visitor recovery.

ATIC believes like industry, the Australian Government, has an important role in supporting economic-enabling infrastructure that stimulates regional visitation and Australia's competitiveness. This is because, pre-COVID domestic tourism in Australia represented around 75 per cent of total visitor spend and greater than 90 per cent in many of our regions, despite 2019 record international inbound visitation and similar record highs for domestic travel.

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.

With the subsequent re-election of the Morrison McCormack Government, its Federal Tourism Ministers; Senator the Hon. Simon Birmingham (as senior Minister) and Senator the Hon. Jonathon Duniham (as Assistant Federal Minister for Regional Tourism), have overseen the commenced rollout of a Regional Tourism Icons Package.

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.

In strongly advocating for a Regional Tourism Icons Package, ATIC welcomes the full allocation of monies and timely completion of the announced projects over the remainder of this Government's term.

Moving forward ATIC strongly advocates the benefits of a *continuation* of this funding package but to transition to a Regional Tourism Icons Program over a forward estimates period commencing at this Federal Budget.

The benefits of an ongoing Regional Tourism Icons Program to which industry could advance, through all tiers of government and through state and regional tourism bodies, a pipeline of qualified projects for Federal Government's due consideration against set criteria as a 'regional icon', must be considered to retain momentum and greater net benefit through the investment.

This future Program is designed to support and drive greater regional visitor dispersal and should be in the vicinity of \$15 million on an annual basis. Based on 2020 events surrounding the bushfires and coronavirus, this figure could be expanded one-off for year 2020/21 (upwards of \$20 million) before returning to a normalised Program of \$15 million p.a. over the forward estimate period. Examples for additional 2020/21 funding are outlined below.

- Kangaroo Island (such as \$10 million for a re-imagined Seal Bay including tourism staging point, beach access and Sea Lion Experience as well as fast-track the infrastructure rebuild including private accommodation investment)
- Adelaide Hills (\$5 million for a Koala Centre of Excellence at Cleland)
- Infrastructure renewal concepts in Victoria's Gippsland (such as Buchan Caves) and Alpine Regions and NSW South Coast (up to \$10 million across a range of projects).

Other projects provided by both private and public sector for potential support should be encouraged to be submitted.

Industry firmly believes this will help enable the next long-term national tourism strategy, *Tourism2030* and effectively align to its likely serious focus on expanding our regions and their respective visitor economies.

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 in a growing visitor economy, such as through a well-targeted Regional Tourism Icons Program and through a future long-term *Tourism2030 plan*.

43 cents in every visitor dollar is today spent in Australia's regions and this can 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 which this [Regional Tourism Icons Program](#) can play a primary role.

Support for JobKeeper 3.0 – Targeted and bespoke for international facing tourism enterprises

ATIC had consistently called for an extension of JobKeeper beyond the existing September 2020 deadline and this is now occurring through legislation for JobKeeper 2.0 whereby the program will be maintained and extended to the end of March 2021.

The JobKeeper program however needs to be maintained whilst our international border is closed or highly restricted which may well be the case into 2021.

A next review of JobKeeper before the end of 2020 must consider the status of our international border and impact on tourism demand moving into 2021 and beyond.

ATIC supports a targeted and bespoke JobKeeper 3.0 for international facing tourism enterprises on the basis that our domestic borders are re-opened by this time, but our international border remains firmly closed. We hope the Federal Budget process will take note of this prospect.

Greater sustainable funding for Tourism Australia

ATIC believes a more sustainable funding model for Tourism Australia is required over time.

ATIC acknowledges the commitments made by the Morrison McCormack Government for Tourism Australia within this term of office.

Now is not the time to under invest in the needed future recovery of one of our economic pillars.

Lasting increases in funding for Tourism Australia for marketing, promotion and partnerships (such as with Airlines, Airports and Business Events) needs to be tackled on the basis of the residual impact of the COVID-19 pandemic, the hard closure of our international border since March 2020 and the all-of-government public health response to coronavirus.

ATIC seeks a fresh commitment by the Commonwealth to undertake direct domestic tourism marketing over a period beyond FY21 until the international border effectively re-opens and our industry stabilises and this should be factored into greater funding for Tourism Australia.

This should include a specific, targeted focus on regional tourism, supporting 'national' or cross-state road touring and creating federally recognised and marketed 'trails' and 'journeys'.

Since our previous submission, ATIC strongly and publicly welcomed the 'one off' \$20 million commitment for TA to support domestic tourism marketing campaigns as a result of the major bushfires, including in collaboration with the States and Territories.

It is a core part of ATIC's policy platform and our retained position that Tourism Australia, should within its approved corporate plan and strategic intent, that it provides direct marketing into the Australian domestic visitor market, and that this be effectively coordinated. This should be through additional monies to TA's existing funding.

ATIC believes at least an additional \$20 million p.a. from 2020/21 should be dedicated to Tourism Australia for domestic marketing to provide ongoing, strategic and significant resources to allow Federal tourism policy and its application to be effectively leveraged and applied. This would be through TA driven programs to the right areas of the visitor economy, pending the circumstances, and enable shareability with States, Territories and Industry – similar to the 23 January 2020 announced #HolidayHereThisYear initiative. We can see this continuing well into 2021 and 2022.

The ability to also expand TA's airline partnership model can help bring forward and achieve sustainable start-up of new international (and strategically delivered domestic air services), in particular targeting key tourism hot spots such as Broome, Darwin, Cairns and other capital city airports with lesser scale than the major Sydney/Melbourne/Brisbane and Perth hubs.

ATIC previously announced its support for up to a \$25 million funding lift in Tourism Australia's annual allocation would make a substantive difference to further lifting international visitor arrivals, embed our market position in the key China, US and UK markets; specifically target domestic (regional) visitor activity and better leverage the role of events.

ROI on direct international marketing spend can be in the range of greater than 20:1 and up to 30 times return for \$1 directly invested. We support the same additional monies for the 2020/21 year and subsequently of the 4-year forward estimate.

As with the \$76 million Rebuilding Australian Tourism Program, ATIC strongly and publicly endorsed this one-off measure. Due to the significant impact already of coronavirus and the lag affect from the bushfires, additional monies over the 4-year forward estimate need to be provided to Tourism Australia to help restore our international image and both retain and then build upon international visitor volumes.

Additional funds of at least \$25 million per annum – or \$100 million over the 4-year forward estimate to international marketing, (that may also include improved support for Airline attraction as well as the Australian Tourism Exchange and International Visiting Media Program) at the discretion of Tourism Australia. This new, sustainable funding would be a significant fillip for our industry and is the right response to ensure that consumer demand drivers underpin the Australian visitor economy as a key economic pillar of our future Australia when the international market re-opens.

In summary, ATIC's position on Tourism Australia funding:

- **An ongoing \$25 million p.a. for 2020/21 and over the 4-year budget forward estimate** for increased international marketing activity by Tourism Australia, focussing on China, top tier and emerging markets. (\$25 million for 2020/21 and \$100 million over the 4-years)
- **An ongoing \$20 million p.a. and over the 4-year budget forward estimate** for dedicated domestic marketing activity and programs (\$20 million for 2020/21 and \$80 million over the 4-years). These total up to \$45 million p.a. in additional monies to Tourism Australia.

Ours is a globally competitive market and Australia is the only true long-haul international visitor market with the global top-10 country destinations pre-COVID.

Beyond the budget process, the return role for the Commonwealth into domestic tourism marketing should be validated through a future *Tourism2030* strategy and the Federal Government's need to play a strategic and coordination role in domestic tourism.

Greater support for Tourism Research Australia

The Australian tourism industry values the research and insights that continue to be delivered by **Tourism Research Australia (TRA)**.

As part of Austrade, TRA continues to deliver high-quality and detailed reports, heralding key insights and are well-researched with the most modern techniques. TRA has continued to lead, arguably on a global scale, in its adaptability to digital and mobile phone data and its accurate comprehension.

The delivery of previous quarterly International Visitor Survey (IVS) and National Visitor Survey (NVS) and their longitudinal status has reverted to monthly surveys and of course focused on the domestic market. These are now highly-valued and important, co-funded research outcomes between the Commonwealth, the States and the tourism industry which vests so much in their findings.

TRA continues to deliver a robust annual State-of-the-Industry report and other key documents. Its existing level of funding however is seeing it increasingly leaving opportunities to better prosecute data and digital findings on the table, no more so than in this time of crisis for the industry.

TRA requires additional federal funds and have its ability to undertake more commercial partnerships, including with industry and other governments. This crisis necessitates this response.

A minimum \$2 million in additional annual federal funding for 2020/21 (and maintain the 2020/21 level over the 4-year forward estimate) would assist towards the best delivery and efficient delivery of NVS, in time again IVS and other research activities. This would be strongly welcomed by the Australian tourism industry and better support and inform a future *Tourism 2030* process.

A minimum \$2 million in additional annual federal funding for TRA in 2020/21 (and maintain the 2020/21 level over the 4-year forward estimate) would allow TRA to better support industry in recovery.

At the same time Austrade and TRA should be encouraged to proactively pursue strong B2B and B2G commercial and operational partnerships to benefit a stronger TRA and a better informed and research Australian tourism industry.

Other Concepts – Federal Tax Deductibility for Domestic Tourism

ATIC is still to work up a full economic model but as a concept we believe federal tax deductibility and incentivisation for domestic tourism needs to be more closely considered in the future recovery of our tourism and visitor economy.

This is a concept offered in the US.

Circumstances are pointing to the need to generate renewed stimulus in domestic tourism across the board for the FY21 and possibly FY22 year.

Industry data and leading analysis points to international aviation not effectively returning to pre-COVID levels until 2023, Qantas will not return to international operations until at least mid-2021 and the border situation is significantly impacting all but a few areas of green shoots of domestic tourism and visitor activity to this time.

The value of Australia's tourism and visitor economy has effectively halved in the year 2020 alone.

A fixed annual tax deduction for demonstrated domestic tourism (holiday) activities (such as holiday accommodation, an interstate tour, adventure tourism experience and transport to/from a leisure destination including airfares, rail, bus, hire car and fuel receipts) should be considered.

The rebate could be claimed on an individual or household tax return as part of the annual return with Australian domestic travel taken in FY21 being able to be claimed in the FY21 tax return.

Tax deductible domestic tourism would be a very popular initiative and could be effectively marketed and promoted to drive and restimulate holiday travel and experiences by potentially all Australians.

ATIC is prepared to work with Federal Treasury as well as industry to develop and evolve the concept as a one-off or rolling two-year stimulus measure to help get Australia's tourism industry back on its feet and support those remaining, sustainable operators.

Should you require further information, please do not hesitate to contact the Executive Director of ATIC, Simon Westaway, on either swestaway@qualitytourismaustralia.com or 0401 994 627.

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ADDENDUM:

ATIC COVID SAFE PLAN COORDINATION FOR AUSTRALIAN TOURISM ENTERPRISES