

Senate Select Committee into COVID-19

Thursday 20 August

Executive Director – Simon Westaway - Abbreviated Opening Remarks

Good morning Senators.

Through the Chair I thank you and the Committee for dedicating today to hear the insights from the breadth of our great industry.

A once - \$152 billion tourism and visitor economy – now in annualised terms radically dipping to around \$80 billion - and still falling – this hearing day is timely.

The Australian Tourism Industry Council represents over 10,000 predominantly SME tourism enterprises from all corners of our country. We are of the industry, closely mirroring that the overwhelming number of tourism enterprises in our visitor economy are SMEs or micro businesses.

ATIC provided a detailed 9-point submission of response and action back in late May.

A lot has changed since then, our core points actually hold up pretty well!

It is worryingly ironic that this week – with the highest rolling 7-day reduction in COVID-19 cases – 32% - since the initial first wave in April – our domestic and international borders – and the language around them by public officials – is actually harder than ever before.

Its said we just need to ride out the NT election this weekend, then there's Queensland's late October poll, whilst NZ has now deferred to 17 October.

So then we can get back to the business of the open border bandwagon – from domestic borders to Trans Tasman bubbles.

This is such a mistaken view – and a far cry from the National Cabinet's mid-May declaration of a road map out.

Our industry is showing leadership.

Greater collective political leadership across the country is now similarly needed.

We hold faith in the genuinely collaborative efforts of our major parties at Federal and State level to support our industry.

And we share a belief in the National Cabinet process driven by the Federal Government to find solutions that can stick and outcomes are achieved.

Let me briefly highlight some key points by ATIC:

Borders

Our commissioned research by Lucid Economics has the existing state of our domestic borders slicing off daily \$84 million in collective State product and over 700 jobs.

Released in June it holds continually true.

And the biggest net losers are the States with closed borders led by the State of Queensland – alone to the tune of \$21m and 173 jobs a day – on the basis of the modelling.

Daily GSP & Employment loss

	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

But let's now speak the language of Government which may be better understood.

Let's have immediately developed for National Cabinet a framework and a clear set of guiding principles in that framework to guide our way on domestic borders.

For lockdown and for re-opening.

And for a best practice approach to communications and commercial considerations and for jobs.

Here's 2 ideas:

1. Upon 14 days of non-descript reported community transmission, the framework kicks in towards commencing a process for a border re-opening. Upon the 28 days, upon no or non-descript figures, an opening should occur within that working week.
2. As outlined in the Prime Minister's recent 4-points of principles to the Premiers & Chief Ministers, the process should be done in consultation with the Commonwealth, the administrative arrangements be nationally consistent on the way in and out, the reasons have transparency and clarity and regular reassessment – and that is not be monthly!

Confidence

That critical elixir of Confidence is a major conundrum and symptom coming out of this Virus.

Without confidence we have no sustainable travel or tourism industry to speak of.

Hot off the press our TIC South Australia own business activity and sentiment index is as low now as it was in April, when it was at its historic worst.

The credible Westpac Index of Consumer Sentiment, the latest just before Melbourne Wave 2, similarly fell in July back to near April levels, the worst since 1991

Latest consumer insights from Tourism Australia are sobering:

- ½ Australians in no mood to travel between 6 months to 2 years
- Means the other ½ want to and or just may

- But the greatest insight was health concerns alongside borders were the largest blockers for travel or stimulators to do so
- In 2019 Australia's domestic visitor economy was \$107 billion in domestic, overnight spending – the problem is stark!!

COVID Clean Tourism

In this crisis industry immediately took the lead on COVID Clean Tourism.

Why, because it is about our sustainable future?

ATIC's rapidly developed two COVID two business resilience and sustainability programs through our Quality Tourism Framework.

We are not alone in the insightful response that COVID clean and safe travel was a future pre-requisite.

One of these, our heralded COVID Clean Practicing Business module, already adopted or being taken up by many thousand tourism businesses, 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 – identifying to all that are undertaking COVID safe business practices.

Supply side co-engagement between government and industry on the merits of COVID clean tourism and COVID safe plan coordination is simply paramount in our view to get tourism travel going again – and confidence to come back.

The maintenance and extension of JobKeeper

On JobKeeper and soon 2.0, ATIC has been a consistent advocate because it's a policy prescription that's working!

Yes its expensive public policy – but it has been the stabilising force over recent months.

There are too many homilies to highlight how JobKeeper has kept once very sustainable tourism business doors open for now.

We thank the Federal Government, Treasury and Austrade officials and also Federal Labor on listening to ours – and others shared – of our core arguments around its maintenance and extension.

Under 2.0, the Morrison Government's decision to extend eligibility for JobKeeper from 1 March 2020 to 1 July 2020 is strongly welcomed and we believe will capture and target much-needed support to many more eligible tourism businesses across Victoria as well as other parts of the country.

And in next week's legislation we anticipate many traditional and seasonal tourism businesses operating across northern Australia, not previously eligible for JobKeeper, will be far better placed to qualify for the Program under future new eligibility criteria.

Under the original JobKeeper many of these Northern Australian businesses were not eligible at its establishment, as most of their operations commence post 1 March for the dry season and employ a regular seasonal workforce.

Two final points

Within ATIC's core policy platform – in the genuine commitment to greater regional visitor dispersal, of sustainably growing the tourism pie across wider Australia in the better times, is for further regional tourism infrastructure spending.

ATIC believes a Tourism Icons Program be considered, advancing a pipeline of qualified projects for due consideration against set criteria that includes too big to fail.

Australia needs sustainable tourism continuing for visitors to return.

The now individual investments in Kakadu, the Great Ocean Road and Tasmania's Freycinet, need to be built upon through a broader ongoing funded national program, to build back better in the areas of greatest need, appeal and benefit. A rolling fund of at least \$50m a year.

Tourism 2030

Finally, ATIC believes delivery of the next decade 'national long-term strategic tourism industry plan' – Tourism2030 – cannot stagnate – and must be soon delivered.

We accept that whilst the Government at this time says there are more immediate priorities, given the survival and necessary recovery initiatives required for Australian tourism, the benefits of an overarching long-term plan for our major industry far outweigh it being moved to one side and not completed for an extended period.

As somebody who played direct role in Tourism 2020, the benefits and outcomes of this strategy are clear, aligning governments, industry, investors and regulators, in the future benefits of our visitor economy.

Is there no more pressing need for such coordination and alignment in approaches?

