Australian Travel Industry Association (ATIA)

Pre-Budget Submission 2024-25

January 2024

Summary and recommendations

The Australian Travel Industry Association (ATIA) welcomes the opportunity to provide a submission for the 2024-25 Budget. ATIA is the peak body for Australia's travel businesses and represents the $69 billion travel industry. 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. 92% of ATIA members are small businesses.

ATIA also administers the *Australian Travel Accreditation Scheme* (ATAS), which is the largest and most representative accreditation scheme for travel businesses in Australia. ATIA has almost 2,000 ATAS-accredited member locations throughout Australia.

ATIA makes the following recommendations for the 2024-25 Budget:

Business support

Cybersecurity risks are increasing, with cyber-attacks growing in number, speed and sophistication, and the cost of cybercrime for Australian businesses rising by 14% in the last year. Noting Government intends to develop a reform agenda to strengthen Australia's aviation security settings, appropriate support must be given to Australia's travel intermediary businesses to ensure they are well equipped to manage cyber-related risks given the personal details required to complete bookings. Further investment in cybersecurity training and support for small business would be beneficial.

Recommendation 1:

Invest further in cybersecurity training for small business.

Investment in software, information technology and digital literacy act as enablers of innovation and productivity. In a rapidly changing digital world, increasing the digital competencies of users will mean more businesses are able to successfully adopt and integrate new technologies and artificial intelligence, and take advantage of the opportunities digitalisation providers. This applies both to business owners who can leverage opportunities to innovate in the products and services they provide to customers, as well as to individuals.

Recommendation 2:

Create a whole-of-government National Digital Inclusion Plan as previously recommended by the Australian Digital Inclusion Alliance to identify and seek to embed a nationally-agreed framework for digital capabilities.

Reintroduce and make permanent the Technology Investment Boost and Skills Training Boost to enable small businesses to improve their digital capability and upskill their workforce.

As Government considers its implementation of the recommendations in the Privacy Act Review Report, including the removal of the exemption for small businesses, it is imperative that the right balance is struck between enhancing privacy protection and the increase in regulatory burden. It is critical that the appropriate resources and supports are in place to assist small businesses in understanding and complying with the new regulatory requirements. Industry associations are a trusted source of information and guidance to their members, and would be well placed to disseminate resources and provide support.

Recommendation 3:

Provide resources and support to assist small businesses adjust to the additional regulatory requirements of the Privacy Act following the removal of the small business exemption. As part of this, funding should be provided to industry associations to conduct training and assist SMEs to meet the new requirements.

The Reviving International Tourism Grant Program (RITG) has been effective at supporting international ready Australian tourism businesses, including travel wholesalers, outbound tour operators, inbound tour operators, and other eligible tourism businesses to undertake demand-driving activities such as expos, business development and marketing. ATIA supports the Australian Tourism Export Council (ATEC)'s call for a continuation of this important grant program and that accredited ATAS businesses be eligible to participate.

Recommendation 4:

ATIA supports ATEC's recommendation that the Reviving International Tourism Grant Program (RITG) should be continued across the forward estimates for 2024/25 and 2025/26 and recommends that accredited ATAS businesses be eligible to participate.

Traveller Experience

Australia now has the second highest fee in the world to apply for a passport, and it is essential that the Australian Passport Office (APO) is provided sufficient appropriation to innovate the existing system to make it world-leading. This includes furthering the digitisation of the application process as well as the close to 2,000 ATAS travel businesses located in Australia to conduct interviews for new passports and allow travellers to collect their passports from these businesses.

Recommendation 5:

Provide the necessary appropriation to the APO to further enhance the digital pathway for the passport application and renewal process.

Expand the application and renewal process to allow for Australians to be supported by a travel professional who will be able to provide higher levels of customer service than that of the existing provider with no increase in expenditure to the Government.

ATIA is united with other key industry associations in calling for seamless border facilitation. As passenger numbers continue to grow, implementation of automation, digitalisation and efficient processes will be vital to handle this growth. ATIA supports investment into technology solutions to improve the border experience by travellers and to ensure that any impediments do not stifle growth in the travel and tourism industry. It would also be beneficial to explore where increased cooperation and collaboration with other countries as well as new technologies could improve passenger facilitation.

Recommendation 6:

Ensure adequate funding is allocated to Home Affairs and Australian Border Force to continue to explore where increased cooperation and collaboration with other countries as well as new technologies could improve passenger facilitation.

The process for travellers to Australia (whether returning citizens or otherwise) includes some outdated and duplicated processes which can cause confusion and inefficiencies, resulting in delays at airports. There is scope for refinement and modernisation of these processes to combine these processes and avoid the need for a physical incoming passenger card.

Recommendation 7:

Establish and fund a pilot program to modernise the incoming passenger process and integrate the physical IPC to a digital model.

To reflect the increasing prominence of cruising around, to and from Australia, it is imperative that appropriate services are in place to facilitate passengers without undue delays, so as to maintain a positive passenger experience. Additional resourcing should be allocated to allow travellers to enter Australia via seaports more expediently.

Recommendation 8:

Increase resourcing for border agencies at Australian seaports.

Reforming the Tourist Refund System would improve the existing of user experience of Australia's and minimise the incidents of delays the departure of international flights. Other countries have forged ahead with simple and quick end-to-end digital online processing.

Overall, it is not the best use of highly trained ABF staff to be conducting a largely administrative process which globally is best delivered through private providers. Outsourcing this process would reduce the administrative burden on ABF officers and allow resources to be re-allocated to areas of priority. A reformed TRS system, in line with many others around the world, would also significantly improve the traveller experience.

Recommendation 9:

Ensure appropriate funding is provided to ABF to further the digitisation of the process and reduce manual processing and contact points.

The Tourist Refund Scheme (TRS) system must be transitioned from government-run to a world-class outsourced digital system containing the required fraud and security controls.

Evaluate the option to transition to a user-pay system where a commission is deducted from the traveller refund amount to self-fund the digital enhancements, in line with the global standard for other countries that operate similar schemes.

Appropriate funding for DFAT and border services

The Passenger Movement Charge (PMC) is a poorly designed tax that has moved far from its original intention to recover the necessary costs associated with border processing. Prior to the COVID-pandemic, the PMC was generating close to $1.2 billion in tax revenue each year, which considerably was greater than the $436 million of expenditure on border management by the Department of Home Affairs and the Department of Agriculture and Water.

The reintroduction of the principle of hypothecation by Government in relation to the last increase of the PMC was welcomed and demonstrates the need for the PMC to be spent on service improvements at the border. This is the principle that should be applied given that the PMC is a charge, not a tax.

Recommendation 10:

There should be no further increase to the PMC, as it is already in over collection. What is currently collected should be allocated directly to the security of the Australian border as per its original intention.

Increase transparency about the cost associated with passenger movement that are notionally covered by the PMC and the use of funds.

The travel industry and the Department of Foreign Affairs and Trade (DFAT) have been working together to ensure that when Australians take an overseas trip they take out travel insurance, ensure their vaccinations are up to date, and make sure the destinations they are wanting to travel to are safe. ATIA's members know that the services provided by DFAT are pivotal in ensuring Australians travel safely with the appropriate safety net. The continuation of support for Consular services is critical to traveller support. ATIA wishes to continue to work with DFAT to educate Australian travellers on the importance of travel insurance, and their responsibilities associated with travelling to high risk destinations with the aim of lowering traveller's need to access these services.

Recommendation 11:

ATIA calls on the Government to maintain the appropriation to the programs associated with Smarttraveller and Consular Services.

The most recent Australian Government funded study on child sex exploitation in the tourism and travel industry in ASEAN recommended travellers (including Australians) be provided with more information about how children are vulnerable to child abuse and exploitation and how to be a child safe traveller.[1] ATIA supports the recommendation in Destiny Rescue's Pre-Budget Submission that a *Safe Children, Safe Traveller* campaign directed at departing Australians travelling to Thailand and other ASEAN countries should be developed. Industry collaboration will be essential to ensure the messaging and implementation is effective.

Recommendation 12:

ATIA supports Destiny Rescue's recommendation that funding should be allocated to DFAT, or elsewhere, to develop a *Safe Children, Safe Traveller* campaign directed at departing Australian travellers to Thailand and other ASEAN countries, in consultation with industry.

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[1] The Child Safe Traveller, (World Vision, 2013).

Aviation White Paper

The White Paper is due to be released in the first half of 2024, and it is critical that key recommendations contained in the White Paper are able to be implemented in a timely manner. Reforms proposed in the Aviation White Paper with limited impact of on the current Budget should be implemented as a matter of urgency. Other reforms should be costed and included in the Mid-Year Economic and Fiscal Outlook.

In addition, there are some areas where action needs to be taken as an immediate priority, and should be accounted for in the current Budget. This includes measures to establish effective policy and regulatory settings to support the development of domestic Sustainable Aviation Fuel (SAF) production capability and industry take-up of SAF.

Recommendation 13:

Ensure reforms proposed in the Aviation White Paper with limited impact on the current Budget are implemented as a matter of urgency. Other reforms should be costed and included in the Mid-Year Economic and Fiscal Outlook.

Initiatives to support the development of a domestic SAF industry should be implemented as a priority, and not delayed by the timing of the Aviation White Paper.

Skilled workforce to support travelling Australians

To support the needs of travelling Australians, it is vital the travel industry has an appropriately skilled workforce. The travel industry was one of the first to feel the impacts of the pandemic restrictions, which resulted in the industry losing more than a third of its skilled workforce. This shortage remains, with the Government's Skills Priority List recording Travel Consultants as in shortage nationally. If the shortages are not addressed now, it will have a snowball effect impacting the workforce into the future.

Recommendation 14:

To ensure Australia has the travel industry workforce it needs to support the needs of the travelling public:

- Provide Government support for traineeships of no less than 30 per cent in wage subsidies across two years, reinstate the fixed monetary completion incentive of $2,500 to employers and $5,000 to trainees to assist in the completion of their training.

- Federal and state governments need to align funding and priorities

- Ensure that there is appropriate funding for the Australian Apprenticeship Support Networks to deliver mentor services to assist trainees

- Implement measures to elevate the attractiveness of VET pathways, including by a coordinated approach with state and territory governments for the key cohorts of youth, women, First Nations and jobseekers on the benefits of undertaking VET.

1. Business Support

Cybersecurity resilience

Cybersecurity risks are increasing, with cyber-attacks growing in number, speed and sophistication. From mid-2022 to mid-2023, the cost of cybercrime for Australian businesses rose by 14% per cent.[2] The average cost of cybercrime for small businesses is now $46,000; $97,200 for medium businesses; and $71,600 for large businesses.[3] We appreciate the Government's increased focus on assisting small businesses in bolstering their cyber security resilience in its 2023-2030 Australian Cyber Security Strategy and the funding that has already been allocated for a number of initiatives. Noting Government intends to develop a reform agenda to strengthen Australia's aviation security settings, appropriate support must be given to Australia's travel intermediary businesses to ensure they are well equipped to manage cyber-related risks given the personal details required to complete bookings. Further investment in cybersecurity training and support for small business would be beneficial.

Recommendation 1:

Invest further in cybersecurity training for small business.

Digital upskilling

Investment in software, information technology and digital literacy act as enablers of innovation and productivity. In a rapidly changing digital world, increasing the digital competencies of users will mean more businesses are able to successfully adopt and integrate new technologies and artificial intelligence, and take advantage of the opportunities digitalisation providers. This applies both to business owners who can leverage opportunities to innovate in the products and services they provide to customers, as well as to individuals. While there are a range of initiatives across federal and state and territory governments, it is difficult to see a coherent approach for how digital literacy will be increased across the board, and how businesses can seek to increase particular digital skills relevant to their industry.

The Government's commitment to the Technology Investment Boost and Skills Training Boost was welcomed, with the programs set to be a significant opportunity to encourage small businesses to invest in new technology and upskill their workforce. However, the programs were unfortunately not delivered as intended. The Technology Investment Boost program was very short-lived, as the legislation to activate it was not passed before it was scheduled to close on 30 June 2023. The Skills Training Boost will be available for nine months before it is scheduled to close on 30 June 2024. To ensure small businesses can realise the benefits of these programs, ATIA recommends the Technology Investment Boost be reintroduced, and both programs should be made permanent.

Recommendation 2:

Create a whole-of-government National Digital Inclusion Plan as previously recommended by the Australian Digital Inclusion Alliance to identify and seek to embed a nationally-agreed framework for digital capabilities.

Reintroduce and make permanent the Technology Investment Boost and Skills Training Boost to enable small businesses to improve their digital capability and upskill their workforce.

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[2] ASD (2023). ASD Cyber Threat Report 2022–2023.
[3] ASD (2023). ASD Cyber Threat Report 2022–2023.

New Privacy Act requirements

As Government considers its implementation of the recommendations in the Privacy Act Review Report, including the removal of the exemption for small businesses, it is imperative that the right balance is struck between enhancing privacy protection and the increase in regulatory burden. It is critical that the appropriate resources and supports are in place to assist small businesses in understanding and complying with the new regulatory requirements. Industry associations are a trusted source of information and guidance to their members, and would be well placed to disseminate resources and provide support. As part of this, funding should be provided to industry associations to conduct training and assist SMEs to meet the new requirements.

It is also vitally important that the removal of the small business exemption be subject to an appropriate transition period to ensure small businesses are in a position to comply with the new obligations.

Recommendation 3:

Provide resources and support to assist small businesses adjust to the additional regulatory requirements of the Privacy Act following the removal of the small business exemption. As part of this, funding should be provided to industry associations to conduct training and assist SMEs to meet the new requirements.

Supporting international ready Australian tourism businesses

The Reviving International Tourism Grant Program (RITG) has been effective at supporting international ready Australian tourism businesses, including travel wholesalers, outbound tour operators, inbound tour operators, and other eligible tourism businesses to undertake demand-driving activities such as expos, business development and marketing. As rightly pointed out in the Australian Tourism Export Council's submission, it is widely accepted that a single season of 'activity' is not enough to build trusted and sustained trade partnerships, and Tourism Australia has recognised that to build international business, tourism businesses "need identify key partners and establish and maintain relationships with them over a long period of time".

ATIA supports ATEC's call for a continuation of this important grant program and that accredited ATAS businesses be eligible to participate.

Recommendation 4:

ATIA supports ATEC's recommendation that the Reviving International Tourism Grant Program (RITG) should be continued across the forward estimates for 2024/25 and 2025/26 and recommends that accredited ATAS businesses be eligible to participate.

2. Traveller Experience

As passenger numbers continue to increase, there is a need for investment in new and refreshed assets and infrastructure for both air and sea ports. While Australia did have a clear strategy of modernisation, there is now a clear need for a new overarching strategy bringing together government service providers, infrastructure owners, suppliers and travel management companies.

Streamlining the provision of passports

Australia now has the second highest fee in the world to apply for a passport, and it is essential that the Australian Passport Office (APO) is provided sufficient appropriation to innovate the existing system to make it world-leading. ATIA recommends allocating additional investment to further the digitisation of the application process as well as utilising the close to 2,000 ATAS travel businesses located in Australia to conduct interviews for new passports and allow travellers to collect their passports from these businesses.

The current application process has remained largely unchanged since the 2017 procurement process. This has meant most Australians have had to visit a participating post office to lodge and conduct an interview with a person who has no prior knowledge of their circumstances and who they would not typically engage with as part of their traveller journey. By expanding this process to close to 2,000 travel businesses, Australians can be supported by a travel professional who will be able to provide higher levels of customer service than that of the existing provider with no increase in expenditure to the Government.

Greater investment is also required to further enhance the digital pathway for the renewal of a passport. Australia is currently lagging other developed countries on digital renewal processes. It is essential that the APO is provided the necessary appropriation to remove the need for paper applications for renewing passports.

Recommendation 5:

Provide the necessary appropriation to the APO to further enhance the digital pathway for the passport application and renewal process.

Expand the application and renewal process to allow for Australians to be supported by a travel professional who will be able to provide higher levels of customer service than that of the existing provider with no increase in expenditure to the Government.

Seamless border

ATIA is united with other key industry associations in calling for seamless border facilitation. As passenger numbers continue to grow, implementation of automation, digitalisation and efficient processes will be vital to handle this growth. ATIA supports investment into technology solutions to improve the border experience by travellers and to ensure that any impediments do not stifle growth in the travel and tourism industry.

There are a number of key areas that are critical elements of a seamless border experience. This includes visa requirements, where there are opportunities to enhance international cooperation on visa policies and technologies to expedite the process for travellers. Another key area is more efficient entry and screening technologies to process passengers, including examination of standardised digital identity systems and reduction of contact points. It would also be beneficial to explore where increased cooperation and collaboration with other countries as well as new technologies could improve passenger facilitation.

Recommendation 6:

Ensure adequate funding is allocating to Home Affairs and Australian Border Force to continue to explore where increased cooperation and collaboration with other countries as well as new technologies could improve passenger facilitation.

Incoming Passenger Card

The process for travellers to Australia (whether returning citizens or otherwise) includes some outdated and duplicated processes which can cause confusion and inefficiencies, resulting in delays at airports.

Currently, travellers to Australia, whether returning citizens or otherwise, must fill out an Incoming Passenger Card (IPC) on a physical paper slip with a range of details, and declare any goods that may be prohibited or harmful to Australia's biosecurity. In addition, upon arrival to Australia passengers with ePassports are required to provide similar information again once they come to the SmartGate, doubling up this process. These stations produce a ticket for passengers, which must be scanned and shown to ABF officers during the customs and quarantine process. There is scope for refinement and modernisation of these processes to combine these processes and avoid the need for a physical IPC.

A pilot between some key destinations and Australia should be established to ensure the system works effectively, following which it should be broadened to more countries. Should the pilot be successful, further funding should be considered to support the implementation of the process across Australian airports.

Recommendation 7:

Establish and fund a pilot program to modernise the incoming passenger process and integrate the physical IPC to a digital model.

Improved ability of border agencies to clear cruise passengers

While the majority of international inbound travellers enter Australia through airports, many arrive via Australia's 60-plus seaports. As most travellers departing or arriving are Australian citizens, there is lower immigration risk than that of an airport. It is because of this that seaports rarely receive the service updates that are prioritised for airports.

In the 2022-23 financial year, immediately off the back of restrictive and prolonged COVID-19 restrictions which effectively shut down the Australian cruising industry, cruising delivered a record economic impact worth $5.6 billion to the national economy.[4] It is anticipated that in 2024, total cruise passenger capacity in Australia will build on 2023 by 42 per cent, reflecting the strong interest shared by international tourists and Australians alike in cruising, as well as the range of new ships entering service.[5]

To reflect the increasing prominence of cruising around, to and from Australia, it is imperative that appropriate services are in place to facilitate passengers without undue delays, so as to maintain a positive passenger experience. Additional resourcing should be allocated to allow travellers to enter Australia via seaports more expediently.

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[4] Cruise Lines International Association Australasia (2024), _Cruise lines boost Australian presence in a big year for cruising_, 4 January 2024.
[5] Ibid.

Increase resourcing for border agencies at Australian seaports.

Reforming the Tourist Refund Scheme

With travellers allowed a refund of the taxes on purchases totalling at least $300 from a single business, the Tourist Refund Scheme (TRS) is a major factor in boosting Australian retail sales to international travellers (including Australians) and provides an incentive for people to purchase in Australia.

However, the TRS is currently a largely manual process and is not in line with global best practice. Reforms to the TRS are necessary to improve the existing user experience and minimise the incidents of delays of the departure of international flights.

ATIA commends the ABF on improvements to the processes, including the development of a TRS app which is intended to speed up the process. However there is a still a way to go, with other countries forging ahead with simple and quick end-to-end digital online processing. Appropriate funding should be allocated to ABF to further develop the digitisation of the process and reduce manual processing and contact points.

To improve the experience and elevate Australia to world-standing, Government must transition to an outsourced system where a commission is deducted from the traveller refund amount to self-fund the digital enhancements, including the required fraud and security controls. Overall, it is not the best use of highly trained ABF staff to be conducting a largely administrative process which globally is best delivered through private providers. This reform would improve the existing user experience of Australians and minimise the incidents of delays the departure of international flights.

Any costs incurred through modernising the TRS through new technology, processing, and operation costs would be covered by the commission paid by travellers from their TRS refund, not the government. The commission would not need to be a significant amount and, for many travellers, would likely be considered a worthy contribution towards a more efficient refund scheme. If this were to occur, it should be a flat fee rather than a percentage of purchase price. Outsourcing this process would also reduce the administrative burden on ABF officers and allow resources to be re-allocated to areas of priority.

A reformed TRS system, in line with many others around the world, would also significantly improve the traveller experience. It would enable travellers to purchase items and claim eligible refunds without manually filling in documentation or lining up in person ahead of their flight. It would allow travellers to take control of their shopping experience instead of depending on the resourcing of the ABF on any given day when they may need help to receive their eligible refund.

Recommendation 9:

Ensure appropriate funding is provided to ABF to further develop the digitisation of the process and reduce manual processing and contact points.

The Tourist Refund Scheme (TRS) system must be transitioned from government-run to a world-class outsourced digital system containing the required fraud and security controls.

Evaluate the option to transition to a user-pay system where a commission is deducted from the traveller refund amount to self-fund the digital enhancements, in line with the global standard for other countries that operate similar schemes.

3.   Appropriate funding for DFAT and border services

Passenger Movement Charge

The Passenger Movement Charge was introduced in 1995 replacing the departure tax to recover the cost of customs, immigration and quarantine processing of travellers and to fully offset the cost of issuing short-term visitor visas.

The PMC is currently $60, and the 2023-24 Federal Budget signalled an increase to $70 on 1 July 2024. This is an increase of 600 per cent from when a departure tax was first introduced. It is the second highest departure tax in the world after the United Kingdom's Air Passenger Duty.

According to IATA modelling in 2016, the PMC represents more than 9 per cent of the average return fare on Trans-Tasman routes and 5 per cent on routes between Australia and the rest of Asia. Importantly the PMC currently reduces passenger traffic to Australia at 4.2 per cent per annum.[6]

Over time, the link between the PMC and cost recovery of delivering border services has been broken, with PMC funds flowing into Treasury as consolidated revenue. Prior to the COVID pandemic, the PMC was generating close to $1.2 billion in tax revenue each year, which considerably was greater than the $436 million of expenditure on border management by the Department of Home Affairs and the Department of Agriculture and Water. Revenue generated through the lifting of the PMC to $70 on every departure is expected to rise to $1.3 billion in 2026-27, compared with $447 million expenditure on border management.

The travel and tourism industry is united that no further increases to the PMC are required. What is currently collected should be allocated directly to the security of the Australian border as per its original intention. The Government has used hypothecation for the latest increase, and we believe that principle should be included going forward, and adopted in a bipartisan approach. ATIA is of the firm belief that the PMC is a poorly designed tax that has moved far from its original intention to recover the necessary costs associated with border processing. As part of this, there should be greater transparency about the cost associated with passenger movement that are notionally covered by the PMC and the use of funds.

The PMC reduces inbound visitor spending and impacts, particularly on international visitors in emerging tourism source markets who compare the price of visas and taxes when planning a holiday. The PMC only adds to the cost of fares for travellers.

Recommendation 10:

There should be no further increase to the PMC, as it is already in over collection. What is currently collected should be allocated directly to the security of the Australian border as per its original intention.

Increase transparency about the cost associated with passenger movement that are notionally covered by the PMC and the use of funds.

Support for Consular Services

The travel industry and the Department of Foreign Affairs and Trade (DFAT) have been working together to ensure that when Australians take an overseas trip they take out travel insurance, ensure their vaccinations are up to date, and make sure the destinations they are wanting to travel to are safe.

ATIA's members know that the services provided by DFAT are pivotal in ensuring Australians travel safely with the appropriate safety net. ATIA members are the first point of information for travellers seeking to travel internationally and therefore have firsthand information on their requirements. ATIA

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[6] IATA, 2016, the Economic Impact Of Increasing The Passenger Movement Charge In Australia.

engages with the Consular Consultative Committee with the aim of lowering the number of Australian's requiring assistance while abroad.

To achieve this ATIA works in partnership with DFAT to improve how the department engages with travellers who are more likely to undertake high risk activity. ATIA completes this on behalf of the travel sector as part of our industry's obligation to the Australian community. ATIA regularly supports DFAT messaging via our social media channels and member communication. The continuation of support for Consular services is critical to traveller support. ATIA wishes to continue to work with DFAT to educate Australian travellers on the importance of travel insurance, and their responsibilities associated with travelling to high risk destinations with the aim of lowering traveller's need to access these services.

Recommendation 11:

ATIA calls on the Government to maintain the appropriation to the programs associated with Smarttraveller and Consular Services.

Safe Children, Safe Traveller Campaign

ATIA joins Destiny Rescue in commending the Government for its previous efforts to reduce the demand for participation in child sexual exploitation in travel and tourism.

The most recent Australian Government funded study on child sex exploitation in the tourism and travel industry in ASEAN recommended travellers (including Australians) be provided with more information about how children are vulnerable to child abuse and exploitation and how to be a child safe traveller.[7]

ATIA support's the recommendation in Destiny Rescue's Pre-Budget Submission that a *Safe Children, Safe Traveller* campaign directed at departing Australians travelling to Thailand and other ASEAN countries should be developed. Industry collaboration will be essential to ensure the messaging and implementation is effective.

Recommendation 12:

ATIA supports Destiny Rescue's recommendation that funding should be allocated to DFAT, or elsewhere, to develop a Safe Children, Safe Traveller campaign directed at departing Australian travellers to Thailand and other ASEAN countries, in consultation with industry.

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[7] The Child Safe Traveller, (World Vision, 2013).

4. Aviation White Paper

The Aviation White Paper process is an important opportunity to implement measures to ensure an efficient, safe, sustainable and competitive Australian aviation sector. We understand the White Paper is due to be released in the first half of 2024, and it is critical that key recommendations contained in the White Paper are able to be implemented in a timely manner.

Reforms proposed in the Aviation White Paper with limited impact of on the current Budget should be implemented as a matter of urgency. Other reforms should be costed and included in the Mid-Year Economic and Fiscal Outlook.

In addition, there are some areas where action needs to be taken as an immediate priority, and should be accounted for in the current Budget. This includes measures to establish effective policy and regulatory settings to support the development of domestic Sustainable Aviation Fuel (SAF) production capability and industry take-up of SAF.

SAF is the main lever in the immediate and longer term to reduce aviation emissions. This is particularly the case in Australia, given its dispersed population and relative geological isolation from the rest of the world, meaning the dependence on long-haul flights is increased and other options applicable to shorter routes are not appropriate in Australia. Industry appears united in its support for initiatives to support the development of a domestic SAF industry to be implemented as a priority.

Recommendation 13:

Ensure reforms proposed in the Aviation White Paper with limited impact on the current Budget are implemented as a matter of urgency. Other reforms should be costed and included in the Mid-Year Economic and Fiscal Outlook.

Initiatives to support the development of a domestic SAF industry should be implemented as a priority, and not delayed by the timing of the Aviation White Paper.

5. Skilled workforce to support travelling Australians

To support the needs of travelling Australians, it is vital the travel industry has an appropriately skilled workforce. At least 70 per cent of all international air sales and over 90 per cent of corporate sales are through agencies rather than direct with airlines. Approximately 65% of travellers use travel advisors to book cruises.[8]

The travel industry was one of the first to feel the impacts of the pandemic restrictions, which resulted in the industry losing more than a third of its skilled workforce and significantly reduced those in the traineeship pipeline.

As demand for travel continues to increase, many businesses are facing challenges finding sufficient workers to effectively deliver their operations and meet rising demand. This has proven to be particularly difficult in the regions. This sentiment is supported by the data, with the Government's Skills Priority List recording both Travel Consultant and Travel Agency Manager as in shortage nationally both in 2022 and 2023.

The latest data from the NCVER show a 63% decrease in enrolments in Certificate III in Travel compared with pre-COVID levels, as well as decrease in completions which will largely be due to the flow on effect of the decrease in enrolments from 2019. While these numbers are still nowhere near pre-pandemic levels, it is promising to see enrolments for 2023 more than double compared with the same period in 2022.

The travel industry was grateful when Travel Consultant and Tour Guide were added to the Australian Apprenticeship Priority List for 2023, and remain on the recently published list for 2024. The subsidies and incentives have been useful in offsetting the direct as well as the opportunity cost to the employer, particularly for smaller businesses who find it difficult to have the time to undertake the required supervision while continuing to meet client needs.

ATIA understands the Australian Apprenticeships Incentives System is ending its current funding levels on the 30 June 2024, and a review is being undertaken into the incentives system.

Employers and trainees need certainty in relation to financial incentives and wage subsidies. To assist this, the Australian Apprenticeships Incentives System should be extended an additional 12 months until the 30 June 2025. This support should be no less than 30% in wage subsidy across two years, with completion incentives of $2,500 to employers and payments of $5,000 to assist all endorsed apprentices and trainees complete their studies.

It is important to promote and improve the status of traineeships in consultation with industry, and fund mentoring and support programs, to improve completions.

Recommendation 14:

To ensure Australia has the travel industry workforce it needs to support the needs of the travelling public:

- Provide Government support for traineeships of no less than 30 per cent in wage subsidies across two years, reinstate the fixed monetary completion incentive of $2,500 to employers and $5,000 to trainees to assist in the completion of their training.

- Federal and state governments need to align funding and priorities

- Ensuring that there is appropriate funding for the Australian Apprenticeship Support Networks to deliver mentor services to assist trainees

- Implement measure to elevate the attractiveness of VET pathways, including by a coordinated approach with state and territory governments for the key cohorts of youth, women, First Nations and jobseekers on the benefits of undertaking VET.

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[8] 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.