



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

SENATE SELECT COMMITTEE ON COVID-19

Australian Government's response to the COVID-19 pandemic

(Public)

THURSDAY, 20 AUGUST 2020

CANBERRA

CONDITIONS OF DISTRIBUTION

This is an uncorrected proof of evidence taken before the committee.
It is made available under the condition that it is recognised as such.

BY AUTHORITY OF THE SENATE

[PROOF COPY]

INTERNET

Hansard transcripts of public hearings are made available on the internet when authorised by the committee.

To search the parliamentary database, go to:

<http://parlinfo.aph.gov.au>

SENATE

SENATE SELECT COMMITTEE ON COVID-19

Thursday, 20 August 2020

Members in attendance: Senators Davey, Gallagher, Hanson-Young, Paterson, Patrick, Watt.

Terms of Reference for the Inquiry:

To inquire into and report on:

- a. the Australian Government's response to the COVID-19 pandemic; and
- b. any related matters.

The resolution establishing the committee is available in the Journals of the Senate No. 48 - Wednesday, 8 April 2020.

WITNESSES

ADAMSON, Ms Frances, Secretary, Department of Foreign Affairs and Trade	43
ANNINK, Ms Josephine, Industrial Member, Casinos, United Workers Union	28
BALL, Mr Chris, Industrial Member, Casinos, United Workers Union.....	28
BALZARY, Ms Mary, First Assistant Secretary, Soft Power, Communications and Scholarships Division, Department of Foreign Affairs and Trade	43
BAXTER, Mr James, First Assistant Secretary, Office of Trade Negotiations, Department of Foreign Affairs and Trade	43
BELL, Ms Coralie, Chair, Australian Regional Tourism	17
BERESFORD, Mr Tim, Acting Chief Executive Officer, Australian Trade and Investment Commission (Austrade).....	43
BRISKEY, Ms Jo, National Political Coordinator, Parliamentary Affairs, United Workers Union	28
CHITTICK, Mr Craig, First Assistant Secretary, United States and Indo-Pacific Strategy Division, Department of Foreign Affairs and Trade	43
CONNOR, Mr Tom, Acting First Assistant Secretary, Southeast Asia Division, Department of Foreign Affairs and Trade	43
FERGUSON, Mr Martin, Chair, Tourism Accommodation Australia	1
FINDLAY, Dr Vanessa, Chair, Business Events Council of Australia	35
GOODWIN, Mr James, Chief Executive, Australian Airports Association.....	17
GORDON, Dr Jenny, Chief Economist, Department of Foreign Affairs and Trade.....	43
HARRISON, Ms Phillipa, Managing Director, Tourism Australia	43
HART, Mr John, Executive Chair, Australian Chamber Tourism Committee, Australian Chamber of Commerce and Industry.....	9
HEINECKE, Ms Danielle, First Assistant Secretary, Pacific Operations and Development, Department of Foreign Affairs and Trade	43
HIEBLE, Mr Andrew, Chief Executive Officer, Association of Australian Convention Bureaux.....	35
ISBISTER, Mr Jamie, Ambassador for the Environment; and First Assistant Secretary, Economic Growth and Sustainability Division, Department of Foreign Affairs and Trade	43
JOHNSON, Mr Michael, Chief Executive Officer, Tourism Accommodation Australia.....	1
LAMBERT, Ms Jenny, Director, Skills and Education, Australian Chamber of Commerce and Industry.....	9
LAWSON, Ms Elly, First Assistant Secretary, North Asia Division, Department of Foreign Affairs and Trade	43
LOGAN, Ms Kate, Chief of Protocol, Department of Foreign Affairs and Trade.....	43
MANWARING, Mr Tom, Chairman, Australian Federation of Travel Agents.....	35
McCOURT, Ms Suzanne, Assistant Secretary, Sanctions Crime and Sea Law Branch, Department of Foreign Affairs and Trade	43
MILTON, Mr Ben, Assistant Secretary, Corporate Law Branch, Department of Foreign Affairs and Trade	43
NEWNHAM, Mr Simon, Chief Legal Officer, Department of Foreign Affairs and Trade	43
OSMOND, Ms Margy, Chief Executive Officer, Tourism & Transport Forum Australia.....	17
PEAK, Mrs Elizabeth, First Assistant Secretary, Human Development and Governance Division, Department of Foreign Affairs and Trade	43
QUILL, Mr Adam, Industrial Member, Pubs & Clubs, United Workers Union.....	28

WITNESSES—continuing

RAPER, Ms Cathy, First Assistant Secretary, COVID-19 Coordination Unit, Department of Foreign Affairs and Trade.....	43
RUDD, Mr Darren, Chief Executive Officer, Australian Federation of Travel Agents	35
SLOPER, Mr Daniel, Chief People Officer, Department of Foreign Affairs and Trade.....	43
STRONG, Mr Peter, Chief Executive Officer, Council of Small Business Organisations Australia.....	9
THOMSON, Mr Gerald, First Assistant Secretary, Pacific Bilateral, Department of Foreign Affairs and Trade.....	43
VENUGOPAL, Mr Murali, Chief Finance Officer, Department of Foreign Affairs and Trade	43
WARD, Ms Elizabeth, First Assistant Secretary, Trade, Investment and Business Engagement Division, Department of Foreign Affairs and Trade.....	43
WEBSTER, Dr Fiona, Acting First Assistant Secretary, Consular and Crisis Management Division, Department of Foreign Affairs and Trade.....	43
WESTAWAY, Mr Simon, Executive Director, Australian Tourism Industry Council.....	1
WILLIAMS, Dr Stephanie, Ambassador for Regional Health Security, Department of Foreign Affairs and Trade.....	43

FERGUSON, Mr Martin, Chair, Tourism Accommodation Australia

JOHNSON, Mr Michael, Chief Executive Officer, Tourism Accommodation Australia

WESTAWAY, Mr Simon, Executive Director, Australian Tourism Industry Council

Evidence was taken via teleconference—

Committee met at 09:35

CHAIR (Senator Gallagher): I declare open this hearing of the Senate Select Committee on COVID-19. Today's hearing will focus on the impacts of COVID-19 on the Australian tourism sector but may cover other matters under the terms of reference. As set out in the program, before the lunch break the committee will hear evidence from the Australian Tourism Industry Council, Tourism Accommodation Australia, the Australian Chamber of Commerce and Industry tourism committee, the Council of Small Business Organisations Australia, the Australian Airports Association, Tourism & Transport Forum, Australian Regional Tourism and the United Workers Union. After the lunch break the committee will hear evidence from the Australian Federation of Travel Agents, the Business Events Council of Australia, the Department of Foreign Affairs and Trade, Austrade and Tourism Australia. Information on the procedural rules governing public hearings has been provided to witnesses and is available from the secretariat. I now welcome representatives from Tourism Accommodation Australia and the Australian Tourism Industry Council. I understand both organisations would like to make a short opening statement. We will start with Mr Westaway from the Australian Tourism Industry Council.

Mr Westaway: I would like to thank you and the committee for dedicating today to hearing the insights from the breadth of our great industry. Let's get down to it. We were once a \$152 billion tourism and visitor economy. Now, on annualised terms, we believe, based on advice we're receiving from Austrade, that it could be down as low as \$80 billion. In essence, the visitor economy has halved over the course of this year. It's obviously very concerning.

The Australian Tourism Industry Council represents over 10,000 predominantly SME tourism enterprises from right across our country. We're an industry closely mirroring that of the overwhelming number of tourism enterprises in our visitor economy which are SMEs or indeed microbusinesses by definition. ATIC provided a detailed nine-point submission to the committee earlier this year. We submitted that in late May, based on the timetable. A lot has obviously changed since then with respect to where we are at with COVID. However, I believe our core points stand up pretty well given the tests of those last few months.

What's worryingly ironic this week is that we have the highest rolling seven-day reduction in COVID-19 cases nationally, 32 per cent, compared to the initial wave back in April. Regrettably, our domestic and international borders, and the language around them by public officials, are actually hardening. So, while we're actually making progress on COVID, and the suppression strategy in essence is working, we're having a hardening situation around our borders. It's said that we just need to ride out this week's Northern Territory election, and then there's the Queensland poll in late October, and New Zealand have deferred their national election until 17 October. People are saying we then can get back to the business of discussing our borders, from domestic borders to trans-Tasman bubbles. We believe that's a mistaken view, and it's a far cry from where national cabinet had reached a declaration of a road map out for the visitor economy back in mid-May. Our industry is showing leadership. We need greater collective political leadership right across the country at this time. We hold faith in the generally collaborative efforts of our major political parties at federal and state level to support our industry, and we thank them for the support that has been provided already. We share a belief in the national cabinet process, driven by the federal government, to find solutions that can stick and outcomes that can be achieved.

Let me briefly highlight some key points from ATIC. On borders: we commissioned research by Lucid Economics back in June. In essence, it reflects the current situation of our domestic borders and the impact it's having. It's an \$84-million-a-day impact on state domestic product and a 700-jobs-a-day impact. We released those figures in June, and those figures continue to hold. Ironically, the biggest net loser out of this whole debate is the state of Queensland. It's very troubling; it's at least a \$21-million-a-day, 173-jobs-a-day decision to close its borders.

We've now decided to speak the language of government more, because we think that, perhaps, we will be better understood. Let's immediately develop for the national cabinet a framework, and a clear set of guiding principles in that framework, to guide our way out of this situation on domestic borders—that includes both in lockdown and in the reopening process—and for a best practice approach to communications and commercial considerations for the jobs at hand when borders are reopened.

I would just put two ideas out there for consideration. Firstly, upon 14 days of nondescript reported community transmission in a region or a state the framework kicks in towards commencing a process for a border reopening, and upon 28 days—in essence, two cycles of the virus—and upon no or nondescript figures an opening should occur within that working week. Secondly, as outlined by the Prime Minister in his recent four points of principles to the premiers and chief ministers, which I understand occurred last week, the process should be done in consultation with the Commonwealth—that administrative arrangements be nationally consistent in terms of borders closing, and then on the way out, and that the reasons have transparency, clarity and regular assessment. That assessment shouldn't be done on a monthly basis.

Let me turn to the issue of confidence. This is the critical elixir. It's the major conundrum and, I believe, a significant symptom that has come out of the virus. Without confidence, we have no sustainable travel or tourism industry to speak of moving forward. Hot off the press: the latest business activity and sentiment index of our South Australian branch—Tourism Industry Council South Australia—is now as low as it was back in April, at the height of the first wave of the virus. That's a historic low for that index. Compare that to the very credible Westpac index of consumer sentiment, and it completely mirrors the fact that they have had their worst results in July, as they did back in April this year, which was the worst level since 1991—the height of the recession at that time.

The latest consumer insights that Tourism Australia recently released to industry are really sobering. Half of Australians are in no mood to travel for between six months and two years. Importantly, it means the other half want to or just may consider that. But the greatest insight is around health concerns, which, alongside borders, are the largest blockers for travel or stimulators to do so. You are probably well aware of this figure: in 2019 Australia's domestic user economy—that is carving out the international piece—was a \$107 billion domestic overnight spending economy. So the problem is really stark.

Let me just quickly focus on three more areas. On COVID-clean tourism: in this crisis, industry immediately took the lead on COVID-clean tourism. Why? Because it is part of a sustainable future. ATIC rapidly developed two COVID-clean and COVID business resilience and sustainability programs for its quality tourism framework. We were not alone; other industry bodies have done a similar thing, particularly at the national level. One of these is our heralded COVID Clean Practicing Business module. It's already been adopted and taken up by many thousands of tourism businesses. It develops specific business systems which enable the management to combat the spread of COVID-19 and, importantly, adhere to respective state and territory health regulations, depending on the location of the business. The program has an associated brand mark which is available to businesses upon successful completion, to be able to engage in a B2B or B2C environment.

On the maintenance and extension of JobKeeper: ATIC has been a consistent advocate for JobKeeper and JobKeeper 2.0, because it is a policy prescription that is working. Yes, it is expensive public policy, but it has been a stabilising force for the sector over recent months. There are too many homilies to highlight how JobKeeper has kept once very sustainable business doors open for now. We thank the federal government, Treasury, Austrade officials and, importantly, the federal opposition—federal Labor—for listening to our messages as well as others across the industry, and understanding the core arguments around the maintenance and extension of JobKeeper. 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 Australia and, in particular, across Victoria and other parts of the country. Next week's legislation, when introduced, we anticipate, will also capture many traditional seasonal tourism businesses that are operating across northern Australia that weren't previously eligible for JobKeeper, and they will be far better placed to qualify for the program under the 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 commenced, in terms of activity, post 1 March for the dry season and employ a regular seasonal workforce.

I have two more quick points. In ATIC's core policy platform and in our genuine commitment to see greater regional visitor dispersal for our industry over time and to grow the tourism pie, it's important that we do consider further regional tourism infrastructure spending. ATIC believes a tourism icons program should be considered, advancing a pipeline of qualified projects, which could be from the ground up in terms of ideas, at a local government, state government or, indeed, industry level for due consideration against set criteria that include areas, regions and entities that are too big to fail. Australia needs continuing, sustainable tourism for visitors to return.

Finally, it is a bit of a bailiwick of ours: ATIC believes that delivery of the next long-term national strategic tourism industry plan for this country, Tourism 2030, cannot stagnate. We actually do need to get on and have the

Tourism 2030 plan delivered. We accept that, whilst the federal government at this time says there are many competing and 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 any short-term considerations around where the numbers may actually fall over the coming period. As somebody who played a direct role in the Tourism 2020 process—and I do acknowledge Martin Ferguson and the great role he played during his time as minister—to me, the benefits and outcomes of this strategy are clear. They align governments, industry, investors and regulators around the future benefits of our great industry. There is no more pressing need than for such coordination and alignment in approaches at this time. Thank you for the opportunity.

CHAIR: Thank you very much, Mr Westaway. I'll go now to Mr Johnson.

Mr Johnson: I will be brief. On behalf of Tourism Accommodation Australia and its chairman, Martin Ferguson AM, I would like to thank you for the opportunity to speak here this morning. Before we begin, I would like to give you a quick overview of what this pandemic has done to the accommodation sector over the last six months and where we stand today.

The initial shutdown of inbound markets and borders followed by the implementation of the federal restrictions have left our tourism sector and, in particular, our accommodation sector decimated. There were some small green shoots of hope in the regions during the recent school holidays, but, with the Victorian second wave, these green shoots have dried up very quickly. We now find that the majority of our hotels in CBDs right around the country are operating 50 per cent to 60 per cent down on the same time last year, with Sydney and Melbourne hardest hit with room revenues down in excess of 75 per cent. The federal government's support—in particular, JobKeeper—has been our saving grace. It has, effectively, been able to keep our businesses afloat and our staff engaged whilst revenues have disappeared. We are also thankful for the government's extension of JobKeeper, as Simon mentioned previously, and for the government's listening to our concerns, particularly about eligibility.

With the state border closures extended, no sign of international borders reopening and even our New Zealand bubble no longer an option, our industry will need ongoing support if we are to survive. The year 2020 is a write-off and the first half of 2021 is not looking much brighter. In fact, forecasters say it will be up to four years before our industry returns to anything like pre-COVID-19 occupancies and profitability. A vaccine could certainly see these forecasts lessen, and we are forever hopeful of its development and distribution. But, without a vaccine, the industry needs help. We need federal and state governments to be more in sync when it comes to border closures and openings. The industry needs to promote itself domestically and to the world, and we cannot do that until the uncertainty ends. We also need to understand whether we have the appetite or capabilities to operate in a COVID-19 world. Are we as a country looking for eradication or suppression? If it is suppression, then we need to have strategic plans and set guidelines across states to allow businesses to operate. There is a need to implement more strategy on stimulating revenue for the industry.

TAA, in conjunction with AHA, have submitted a proposal to government for exemption from FBT for three years. For small to medium enterprises this would stimulate both accommodation and food and beverage sales right across the country. We are also working closely with the Australian Chamber of Commerce and Industry and in particular with Martin Ferguson, representing us on the Tourism Restart Taskforce, which has been reporting directly into the NCCC, now the NCC. This task force continues to present principles and recommendations to government on the key issues our industry is facing.

We would like to publicly thank the Morrison government for their support to date, and we look forward to that support continuing as we work towards this long road to recovery. Both Martin and I look forward to answering any of your questions this morning.

CHAIR: Thank you very much, Mr Johnson and Mr Ferguson, for joining us today. Senator Watt, can I go to you first. There is only 25 minutes left, so we will have to share the time pretty carefully.

Senator WATT: Thanks to our witnesses for coming along today. Could you please just point me to the examples of support the federal government has provided to the tourism industry to date. I've certainly heard the minister talk about the importance of JobKeeper, and you've acknowledged the importance of JobKeeper to the sector. There's also the \$1 billion tourism fund that's been announced. I'm just interested, from your perspective, in what exactly has come from the federal government. That's a question to either of the witnesses.

Mr Westaway: That's a really good question. I think the best way to describe the support packages that are there is that they have been holistic in their approach. If we roll back to the bushfire situation, there was a package announced, and the rollout of that occurred pretty quickly in terms of direct support to tourism businesses. If we move forward into COVID, yes, a fund was announced back in the middle of March. As we understand it, the

bulk of those moneys have been provided, and they have gone to a range of initiatives—to the aviation sector; to freight facilitation, which is important for air traffic movement and the like; and there was a package for zoos.

In terms of a number of initiatives that have been put forward by the industry, we are still waiting to see if direct funding comes from that. It would be fair to say that JobKeeper has been the key plank. It's not at all being critical of what the government has been trying to do, because this has been a rolling ball. And it is expensive public policy; I understand it's about a \$12 billion-a-month undertaking by the Commonwealth. That has been a game changer for industry. To give you a quick example, an average hotel with around 15 personnel pre JobKeeper were putting half of their workforce off and looking at getting rid of the rest. In essence, since JobKeeper they have been able to maintain more than half of their workforce and to at least start to plan for the future. To answer your question, that's been one of the key initiatives.

CHAIR: Thanks, Mr Westaway. Mr Ferguson?

Mr Ferguson: I just want to reinforce Simon's comments. First and foremost, our priority was to try and keep our staff employed, and hence the government's decision to put the JobKeeper in place was our absolute priority. The very thoughtful decision by the government to actually extend it through to March, plus the recent decision change access in terms of new employees, and also the flexibility on entitlement, has met our biggest priority in terms of getting through this challenge. At the moment, our biggest issue is not in the hands of the federal government; it's in the hands of state and territory governments, principally those of the Northern Territory, Queensland and Western Australia. Get through your elections and try and work out how you will reopen the state and territory boundaries. We understand that you think it's electorally popular, but start thinking about the tourism sector and the huge unemployment that the closure of the boundaries is actually contributing to.

Senator WATT: Can I just dig into the \$1 billion fund that the government announced back in March. That was badged as being a \$1 billion tourism fund. What's actually transpired, though, it seems, is that that fund has been used for a broad range of activities, some of which are linked to tourism and some of which are not. What have we actually seen on the ground, from that fund, for the tourism industry and the people working in it?

Mr Westaway: I'll have another go. You were right that the announcements that have come out have been—holistic maybe isn't the right way to describe them, but there has been significant underpinning of air services. They relate to tourism on the basis of [inaudible] announcements, but they relate to tourism in terms of keeping an aviation industry going. Let's cut to the chase here. I was a former senior executive in two airlines. Without a sustainable aviation sector, we do not have a tourism industry. You may have seen Qantas's announcements this morning [inaudible] a \$2.7 billion statutory loss for the year to 30 June. So, on that alone, trying to keep our skies alive, keep them open, is a commitment in the right direction.

You're right, Senator Watt. I think what we do need to see, and it's probably why we've flagged again that it be considered, is an infrastructure fund. The nature of that \$1 billion support package was very well intended and it gives you a direction of how we can move things forward, and to have it even more targeted as we move forward. I think it's had to address the crises that were there. The problems with the zoos and aquariums was a serious one; there was an animal welfare component as well as having to keep these assets sustained. Six months on from the virus, it's what Mark was saying before: it's about confidence and it's about borders. We've got to get confidence back and we need borders open, doing it in a healthy way. We're a COVID-clean sector; we're committed to it. That's the way that we start to get things going, and then—I agree with you—let's look at ways of then best supporting the industry over the recovery phase.

Senator WATT: Do Mr Johnson or Mr Ferguson want to add to that?

Mr Ferguson: I will reinforce it, but can I also say it's not just about what the Australian government can do. It's also about what Australians can do. It's about Australians spending your discretionary dollar and backing one in 13 jobs which are actually in the tourism sector in Australia. We're asking you to also think about booking an experience. You mightn't be able to travel interstate at the moment, but it could be a day trip or weekend trip et cetera. Rather than sitting at home and engaging in retail therapy and purchasing products made overseas, actually spend your dollars here in Australia, back the initiatives of the Australian government and, in doing so, back Australians and keep them in work. So it's also about community support for the industry, not just what the Australian government can do. There is a limit to how much government can go into debt to back our industry. The community can do a lot to actually help the industry.

Senator WATT: I couldn't agree more, Mr Ferguson. I was in the Whitsundays yesterday—for work purposes; I should make that clear! I got about a 20-minute walk along Airlie Beach. I've been getting around to a lot of the tourist regions in Queensland just to see for myself what's happening, and, certainly, we do need people out there.

Just sticking with this point about the \$1 billion fund, because I probably don't have too much longer for questions, I'm looking through the money that's been spent from it so far. Again, when the announcement was made, it was badged as a \$1 billion tourism fund. I hear what you're saying, Mr Westaway. Keeping our airlines alive is obviously critical to the future of the tourism sector, and, so far, I can see there's been \$100 million used from that fund for the regional airlines funding and nearly \$200 million for the regional airline network assistance, and then there are a whole range of things that don't seem particularly related to tourism. There's \$110 million for airfreight. There's financial counselling for regional businesses. There's an 'eat seafood' campaign. There's \$10 million for forestry resources. So, again, I'm just interested in what direct support has gone to the tourism industry from this \$1 billion tourism fund.

Mr Ferguson: I think to a large extent we haven't focused on that fund, other than for the aviation sector. We have been focusing on survival, not medium- to long-term investment. For our industry, the biggest and most important issue has been JobKeeper. Another priority where the government has helped us has been, for example, engagement with the banking sector and the issue of our mortgages and drawdown of loans and questions of engagement with our landlords to give us some rent relief and issues of insurance premiums. It has been a day-to-day focus on how we survive, not how the money from that fund is spent, because, frankly, our industry is in survival mode, not focused on getting our hands on infrastructure funding that we might be able to spend over the next couple of years. When we can get back on our feet, for example, the government has offered to enable us to purchase equipment for immediate write-off when we are actually in a position to make those purchases. They are the things that will make or break our industry at the moment. It is about doing something now and then, at the appropriate time, when there is some certainty, working with the government through Tourism Australia to promote regional tourism events and getting the live music industry back in the pubs and restaurants et cetera. That's how we'll survive, not because of some infrastructure fund off into the future, other than for some important sectors, such as the aviation sector.

CHAIR: Mr Westaway, did you have something to add there?

Senator WATT: Yes, Mr Westaway; what's your response on the direct support that your industry needs?

Mr Westaway: The direct support needs to come. We've had the discussion on the criticality of northern Australia. It's being recognised now. We have to work with regions. We have to work with businesses that are critical to the redevelopment of the sector. The fund is the fund. We're not the defender of the fund. We would like to see more money coming in for specific targeted tourism initiatives as we move forward. This is the situation that we're in. We've got some really good ideas, as do a number of our industry peers, on how that can be done. Let's get JobKeeper 2.0 through the two houses in the next fortnight and then potentially work on 3.0 at some point. We have to keep this industry standing on its two feet. I do appreciate the line of questioning, but I'm obviously with the government.

Mr Johnson: I concur with Martin: the focus at the moment is still on survival mode before we can even think about recovery mode. With the second wave hitting Victoria, hotels are all around the country are particularly decimated. The airlines are critical for us to get back on our feet. If you can't support them, certainly there will be no visitor economy in those locations. In some regards, the JobKeeper is keeping us going. Until we can get borders open and we are freely moving about, we will not be making any revenue. That's the big thing. So, as much as we've got a fund there that we could be drawing on or sourcing funds for promotional activities, it's really pointless until we can get movement freely happening around the country.

Senator HANSON-YOUNG: First of all, I just want to ascertain whether Nev Power, as the chairperson of the government's COVID recovery, has met with your organisations?

Mr Ferguson: The tourism restart committee—and we had a meeting yesterday afternoon—have met with Mr Power on two occasions. And it's not just him. It has included members of the executive of the NCC and members of the NCC board. I think half a dozen were on the telephone hook-up yesterday for the conference we had with them. The representatives of ACCI can go through that with you more fully later today.

Mr Westaway: From ATIC's perspective, we haven't met face to face with Mr Power. We have had phone discussions and I have regular discussion with some of his senior people. I think I've had up to half a dozen engagements, so I think it's been effective engagement.

Senator HANSON-YOUNG: I would just like to get either of the organisations to expand on the intersection of the tourism industry and the massive hit that's happened to your industry with the massive hit on the arts and entertainment industry. They go hand in glove in many ways. So I would just like to know your response to that. Also, have you had any discussions with the peak bodies in that industry about how you struggle through and how we start to rebuild?

Mr Ferguson: Tourism Accommodation Australia is in some ways part of the Australian Hotels Association. The Australian Hotels Association has a very close working relationship with the live music sector. In many ways, the pubs around Australia are the avenue through which the live music industry survives. I can't speak in detail about the nature of the discussions, but we have been supportive of the endeavours of the live music sector to work with government to get some assistance. But the truth of the matter is that, when you have lockdowns in Victoria, there is no solution until you actually get people back into the pubs. That's why we say the live music sector will thrive again once the pubs, clubs and restaurants can also thrive again and get back to normal operational capacity.

Mr Westaway: I think we could work and engage better with the live music sector in terms of a more holistic approach. Industry organisations are under the pump. As I outlined, the visitor economy has halved in value in the last six or seven months—it's pretty unimpressive, isn't it? So I think we have to keep working closely together. TAA is obviously very close to the AHA's heart. I personally know many publicans myself and I know how hard it is. Live music is obviously just one component of the arts sector. So we've probably got to more effectively engage and just keep the message going. I think the message is out there now, and we've perhaps just got to crystallise that over the next period.

Mr Johnson: The arts sector is one of the critical drivers for accommodation. The arts sector creates those drivers that bring people into hotels. They stay in hotels to attend the theatre, a show or a concert. And people stay in their city so they can see a local act happening. In actual fact, it has been critical. We have worked closely with the state governments right across the country to get those restrictions lifted so we can see people coming back to these venues and there is some opportunity for live entertainment to recommence. Of course, the situation in Victoria has slowed it for a lot of them right around the country. But we are very close to that and, as Martin said, we are working through our AHA body.

Senator HANSON-YOUNG: You talked about JobKeeper being an absolute lifeline for the industry. I'd like to understand which components in your sector are made up of casual and seasonal workers. Of course, they've missed out on access to JobKeeper. What is the percentage? Any statistics on that would be helpful. And how are your member bodies managing that? I know that some organisations have shared other staff's leave to help those who have missed out. Other people have run down their reserves. They are now getting to the point of not having much left in the tank. I'd like to understand a bit more about that group—the casual and seasonal workers who have missed out.

Mr Westaway: It's a great question. The recent announcement made by the Treasurer has captured the loopholes—that is probably the wrong word, but JobKeeper came together pretty quickly. It is a significant public policy. I'm not here to defend the government on its rollout, but it didn't capture everyone. Importantly, in terms of JobKeeper 2.0, it has gone back on two areas that I think are really important. It has gone back on northern Australia. I have had a discussion with Senator Watt, as have a number of my peers, around how we better capture that northern Australia seasonality market. Many of the businesses, particularly through the Kimberley and obviously up around Far North Queensland and the Top End, are seasonal. When JobKeeper was introduced, with the way the numbers work, they couldn't really show the pain that was coming. So that has now been captured. Importantly, the Victorian situation, the second wave, has been more effectively captured.

I don't think that anyone is saying that JobKeeper is perfect, but by geez, I don't think we've seen too many better public policy initiatives in recent times that have, in essence, pretty much hit their target. It's keeping small enterprise and business enterprise moving. The services economy represents about 70 per cent of the Australian economy and we're increasingly an economy of small- and medium-sized enterprises. Other people will say this better than me over the course of today, but without the JobKeeper program in its current format, and what we believe is the future format, we would see enterprise collapse and unemployment probably with a two in front of it—in the twenties. I'll leave my comments there.

CHAIR: Thank you. Senator Davey.

Senator DAVEY: Thank you, Chair, and thank you to the witnesses for attending today. Can you hear me okay?

CHAIR: Not really, no.

Senator DAVEY: Not really. I'll try something else—

CHAIR: Yes, that's better.

Senator DAVEY: Great—sorry. New technology is always fun! I thank Senator Watt for focusing a lot on our whole-of-economy \$1 billion package, which is, as he quite rightly pointed out, not specific to tourism but has benefits to tourism. But tourism is not just dependent on a single sector of our economy. A lot of our other

initiatives outside that \$1 billion package may help, like the COVID-19 Creative Economy Support Package—going to Senator Hanson-Young's concerns about arts and our investment in national parks. Do you see that those extended investments will also help drive recovery of the tourism sector?

Mr Ferguson: I think they will over time, but the key to it is actually getting the movement of people now. That in turn will drive demand in the tourism sector, from the hotels, to the restaurants, to the pubs, to the clubs and to the regional tourism venues. We saw some pickup through May and June, but the closure of Victoria has really set us back on our backsides. The truth of the matter is that having those things available is important, but until we get free movement of people—and we have to be conscious of health considerations—no government handouts are going to solve our problems. We are in survival mode. It's all about people spending dollars in our sector; it's the discretionary dollar.

For example, it's not just getting the state borders open but, eventually, getting a New Zealand bubble. And, looking forward, part of the tourism sector is higher education. If we could get overseas students back into Australia for the academic year 2021, with a proper health model, that would be the start of reopening international borders and proving that we could do it successfully in Australia. That would send a message to international tourists at a point in the future that Australia continues to have its natural beauty. One of our most important issues has been not just good food and wine but the quality of life and safety. Progressively doing things like that will bring confidence back into the industry and bring back consumer confidence as to the importance of our sector.

Mr Westaway: Yes. I have four things: it's about confidence—we have to get confidence moving. It's about COVID clean; tourism is committed to a COVID-clean visitor economy. We have put a lot of building blocks in place, and that's in line with the confidence. The third one is borders: we have to get super serious about how we're going to address this broader conundrum that we're now facing. We have the NT poll this weekend and if we have to wait until the Queensland poll, so be it. I don't think we should be dictated to by public polls in the lead-up to these election segues—whether or not we can determine we have an open border arrangement. We have to have a framework, we have to have some principles and we have to utilise that national cabinet process.

We had a really good road map back in mid-May, when the PM put up the chart. I think most people walked out with their chests puffed out and thought, 'This is the way forward.' We're about four months down the track and look where we are now: the double-downs are recurring on borders, even though we've had the best rolling seven-day period in reduction of instances of COVID in our community. I think it's really quite a galling point. And the fourth area is strategy. We've had a fantastic long-term tourism strategy and the building blocks were there to complete it and get the new strategy up there. I know the numbers are poor, but I think that may really help start to harness governments together in terms of what the next five- to 10-year outlook looks like.

Senator DAVEY: One more question.

CHAIR: Okay, really quickly, with quick answers.

Senator DAVEY: It may be that you need to take this on notice. With the state border closures—I live in a border region—it's really causing havoc across businesses along the border. Have you got any data about the reliance on interstate visitation versus intrastate visitation and the impact on your businesses across states and territories? I've seen some data by Regional Development Australia Murray for my local area, and it shows the impact on businesses is quite significant. I'd be really interested to see what data you guys may have. You may need to take it on notice—I'd appreciate that.

Mr Ferguson: Senator, could I suggest you take Tourism Australia through that this afternoon. They, through Tourism Research Australia, should have good available data to assist you in your considerations.

Mr Westaway: Yes. TRA have got fantastic data. They are well utilised, but they could be utilised even better. There's some fantastic data. Their recent report, this week, I think outlines exactly the predicament that we're in.

Mr Johnson: It does highlight that there's been a lot of discussion about whether, without our international borders open, we can survive as a tourism industry. There are a lot of shortcomings there, but we do have huge input into each other's states. Victoria represents about 17 per cent of Queensland's tourism. New South Wales represents about 19 per cent. If you take those out of Queensland you can work out that there's very little going into Queensland at the moment. There's some really good data on it, and it really does highlight that if we can get our borders open and start moving freely around the country that would certainly be a first step forward to our recovery.

CHAIR: Thank you, Mr Johnson. On behalf of the committee, I thank you, Mr Westaway, Mr Ferguson and Mr Johnson, for providing us with your time and your evidence today. We really appreciate it and we look

forward to our ongoing engagement with you as this inquiry continues right throughout the COVID-19 pandemic and the recovery phase.

Mr Ferguson: Thank you for the opportunity.

Mr Westaway: Thank you for the opportunity, Chair.

Mr Johnson: Thank you, senators.

HART, Mr John, Executive Chair, Australian Chamber Tourism Committee, Australian Chamber of Commerce and Industry

LAMBERT, Ms Jenny, Director, Skills and Education, Australian Chamber of Commerce and Industry

STRONG, Mr Peter, Chief Executive Officer, Council of Small Business Organisations Australia

Evidence from Mr Hart and Ms Lambert was taken via teleconference—

[10:17]

CHAIR: Welcome. Does either of your organisations want to make an opening statement to the committee?

Mr Hart: Yes, if I could, please, Chair.

CHAIR: Thank you, Mr Hart. I'll just check with Mr Strong.

Mr Strong: I'd like to make one, as well, after Mr Hart.

CHAIR: We are trying to restrict them to two minutes. We've got a number of senators with questions. There's a little bit of flexibility, but as swiftly as you can would be great.

Mr Hart: No problem. Thanks, Chair. Australian Chamber-Tourism is the largest and most representative national body in tourism. We represent more than 30 national tourism industry organisations, state tourism industry organisations and the major enterprises in tourism, representing tens of thousands of businesses and hundreds of thousands of employees. The chamber formed the Tourism Restart Taskforce back in March, which was mentioned earlier, as a group of the most-influential players in travel, tourism and hospitality to map out a restart plan for tourism. The restart plan and a list of the Australian Chamber of Commerce and Industry members was forwarded to the secretariat yesterday.

The tourism industry is eternally grateful for the health protections that all Australian governments have provided during the COVID-19 pandemic. Although, sadly, lives have been lost, we can all be very grateful for those that have been saved by the collective actions of governments. We're also grateful for the support that our businesses and the jobs of almost a million of our employees in tourism have been supported. JobKeeper has saved thousands of jobs, and other measures have kept businesses going. Despite these, however, the ABS reported in June that 57 per cent of our businesses did not have the cash flow to last for three months. That was 2½ months ago. If the ABS response is replicated across the entire tourism sector 172,000 businesses have two weeks of cashflow left. Due to no fault of their own these businesses are in crisis. Travel tourism hospitality businesses are legitimate, established under the laws of the land in the Australian Constitution to operate in trade and commerce across Australia and internationally. What we are seeking from all governments is the right to operate in trade and commerce when it's safe to do so.

The No. 1 priority of the Tourism Restart Taskforce, from the very first meeting, was the opening of state and territory borders. Clearly the task force has no power to do that, however, businesses in tourism should have clarity as to when they are able to trade across the country. That clarity should extend to transparent and consistent criteria and protocols for movements between states and territories and between Australia and other countries. There is an ill-advised misconception in some states and territories that their intrastate travel will somehow make up for interstate and international tourism. The fact is that overnight spend in May was down 82 per cent, even as movement restrictions started to ease. Australians will not spend like interstate or even international visitors in their own backyard. Opening of the state borders is a critical step. But irrespective of opening up of state and territory borders there will still be businesses who are predominantly serving international visitors that will need financial support until a vaccine is widely available. These businesses cannot restart in a month, a quarter or even a year. We need to keep these businesses alive so that tourism can once again become the super sector that it was.

CHAIR: Thank you, Mr Hart. Mr Strong?

Mr Strong: Thank you very much. Thank you, John Hart, because John summed up a lot of issues that are there. I'll move straight to the issue of where we look at coming out of the problems we have, which is local economic development, place based responses to the problems we have, involving those businesses that John and others in this inquiry have talked about to give them the capacity to respond as they see best. People at the local level will always know what's best. If they don't it's because these haven't had the right information given to them. We're very much pushing for that. Tourism is one area where, obviously, so many businesses are impacted and so many businesses will want to get involved in what they need to do. As they come up with their solutions they will discover other communities are coming up with similar solutions, and that's okay, that's good. We can get them to work together to do what is necessary and inform government policy from that local level.

We are looking beyond the tourism area, I suppose, into how we get money to these people. We're looking at the idea of revenue contingent loans, which is an idea put up some time ago by Professor Chapman. He put together the HECS scheme. Something I know that we need to look at is how do we get money to businesses that have been viable for a long time—that are not bad businesses; that are very good businesses—but will struggle? They cannot get money from the banks, because it's hard to walk into a bank and say, 'I'm struggling. Can I have some money?' So we are looking at ways and means of helping local communities and local businesses get through this, so they can continue to survive when the economy gets better.

CHAIR: Thank you very much, Mr Strong, and thank you for reappearing before the committee. Senator Watt?

Senator WATT: Thank you, Chair. Thanks to our witnesses for your evidence today. Could you please point me to what support the federal government, given this is a Senate inquiry, has provided to the tourism sector so far? Obviously JobKeeper has played an important role for tourism businesses and their employees, but beyond JobKeeper what direct support has been provided to the tourism industry to date by the federal government?

Mr Hart: Yes, of course, JobKeeper is central to that. Particularly for tourism, just to note the labour intensity of the industry, and that means that programs like JobKeeper are incredibly important because in a lot of parts of tourism some 50 per cent of revenues go out in labour costs, so that's an important point about the nature of the industry.

Then there's the Recovery and Relief Fund. There are a range of different programs under the Recovery and Relief Fund. They include the aviation support package, a support package for zoos and a range of other tourism assets that've been supported through that program. There is then also the cash flow support and the like that was in the early packages that supported our businesses as well.

Senator WATT: Mr Strong?

Mr Strong: As I say, John would know a lot more, just by the nature of what he does, about particular support, but then, as he mentioned, there's the general support, which we must acknowledge—the instant asset write-off and the loan guarantee, which, for reasons that we understand, hasn't been taken up and is something that the governed is reviewing as well. There are tourism-specific responses and then there are the general responses which affect whole communities, and I mentioned before the importance of those things.

Senator WATT: Mr Strong, obviously many tourism operators, especially in regional areas, are small to medium enterprises. In your experience, have many smaller tourism businesses in regional areas taken advantage of some of that support that you mentioned—the instant asset write-off, for example? I would have thought that many of them wouldn't be of a size that would really benefit from that kind of support.

Mr Strong: What you're saying is quite true. With the way the government put this latest instant asset write-off, where they increased the threshold quite a lot and the amount of purchase you could make, it impacts upon a whole community. In the end, that means that those tourism businesses, or those that need tourists, are able to take advantage or, as we say, pivot to provide other services and take advantage of the fact that there is cash flowing through those communities. It's nowhere near what we need, but it is an opportunity for those communities to reinvent themselves around new products, new services and new ways of doing business. If I can come back, it's easy to say but it's hard to do, and that's why we do really push that local economic development—getting out there as soon as we can and bringing those small and medium businesses, as you mentioned, together. We need to get the people who put their hands in their pockets, the ones who put their money up, together to say: 'What do you want done? What do you think needs to happen in the way of training, infrastructure development and specialised support for the unemployed and for business sectors?'

Ms Lambert: Also the apprenticeship subsidy, the 50 per cent wage subsidy, has been very important, particularly in trades such as chefs, across hospitality and tourism. And the mandatory code, the rental code, has been critically important for tourism as well. We're very keen to see that continue beyond September. That'll be critically important for tourism businesses. Some of the other things, like the investment subsidies—most of these businesses are not in investment mode. They just haven't got the capability. They're very much in survival mode, so cash support is critically important. It's very important for us to look at future opportunities as we move beyond September at ways that some of these tourism businesses can survive.

Mr Strong: Something that's very important is the changes that happened to awards and workplace relations so that there was flexibility there. One of the greatest stresses that we've heard coming from businesses is their fear of getting it wrong because of the complications that we have in that area. Those changes have given them some certainty that, when they move staff, when they change the times that staff are working and they make decisions, they can do that without fear of repercussions, although there is some concern there. I don't think that

can ever be understated. As we know, small and medium businesses are individuals, they're people, and the pressure that's on them is the thing that makes them make a good decision or a bad decision. The workplace relations and their care for their employees are something that we hear about more often than anything else at the moment. That's a really important issue.

Senator WATT: The reason I ask about some of the tax benefits is that we've certainly received feedback from businesses that initiatives like the increase in the instant asset write-off and the government-backed loans are great ideas but actually are not particularly useful in the current environment, when people are so cash-strapped and they're not in investment mode, as I think one of you just said. So are they actually making much of a difference to small and medium enterprises, particularly in the tourism sector?

Ms Lambert: They're certainly making a lot of difference to the business community generally. But the issue with tourism by and large relates particularly to those businesses that are reliant predominantly on tourism custom. It would be making much less difference for businesses that are serving both local custom and tourism custom. So it just depends on the individual business, but they have been critically important for businesses generally.

Senator WATT: Again just turning to this \$1 billion fund the government announced, it was badged as a \$1 billion tourism fund, but we've seen it used for a whole range of purposes, including airfreight, seafood campaigns and forestry resources. I accept that some of the funds have been used for airline support and there's a benefit to the tourism industry from that, but, setting aside the airline support, what has your average tourism business in Airlie Beach, Broome or Darwin seen from the \$1 billion tourism fund?

Mr Hart: I wouldn't underestimate some of the programs such as the zoos program to keep some of those tourism assets going. We were very strongly advocating for that part of the recovery and relief fund at the outset. There are a number of those assets that have been supported through the fund. We certainly would have liked to see more, but, for the ones that have been supported, that was a necessary program. There is nothing more important than aviation to get people around this country. The challenge is, of course, that, whilst the fund is there to support some of those routes, the airlines are not flying the aircraft because the borders are shut. Certainly those two components of the fund are important. There was also an element of the fund that was expended on the Export Market Development Grants Scheme. Clearly, with the international borders shut, that component of the fund is also not being used at the moment. So I think it's a case of where we're at in the pandemic right now as to the utility of some of those initiatives under the fund. Some of them aren't able to be used to their full capacity as yet.

Senator WATT: Yes. I suppose I'm just reflecting on some of the businesses I met yesterday in the Whitsundays and some of the businesses I've met in Cairns, Townsville, Rockhampton and other places over the last few weeks. If I'm a reef tour operator or some sort of adventure tourism operator—whitewater rafting, ropes or whatever it might be—what benefit am I getting from that \$1 billion fund at the moment?

Ms Lambert: I think it would be fair to say it would be fairly indirect. In terms of airline support, there might be some there, but the border closures are certainly negating some of that benefit. We did put to the government a range of suggestions for the \$1 billion fund, and we would like to see more funds in support of tourism. One of the big areas that we're very concerned about is that there are some tourism attractions that are what we call 'too important to fail'. You've heard of 'too big to fail' in the GFC. 'Too important to fail' in tourism is about saying there are some attractions that are iconic and are part of the tourism product, and certainly some support for those may be very necessary because many of those attractions rely heavily on interstate and international tourism to survive, and some of them are operating at only eight to 10 per cent of their normal revenue. For some of the attractions, school excursions used to visit them, and there were a whole range of things. So they've lost pretty well all of their custom because of the crisis. They're a very important part of the tourism picture. So we've certainly been suggesting that supporting those areas would be one area that the government could look at.

CHAIR: Mr Strong, you wanted to add something there?

Mr Strong: Yes, I would like to highlight that another incredibly important part of what we're going through, because we haven't been through this before—and this committee is certainly part of that process—is gathering information to help inform what we've done and what we're going to do. I congratulate the committee on the work here in getting that information. I can say that the New South Wales government, as I know from other industry groups, are doing a very good job. The Treasury are coming out, gathering information that they need, finding out what's working and what's not working and challenging us when we say things—not in a bad way; we challenge them back. They're doing a very good job of that consultation. Something I've heard from my members over the last few weeks is, 'We need to be consulted.' We saw in Victoria the consultation was very poor when it came to making those decisions. So we need what is being gathered now. And we need the Victorian government to

document what they did and what they will do better next time—we always want to do things better next time—to inform the future of what we're doing, particularly in tourism, where we don't have a lot of the answers. We don't even know all the questions yet. So the consultation—and this committee is part of that—is so important to getting through this quickly and knowing what is working and what isn't working.

Senator HANSON-YOUNG: Mr Strong, I'm interested to hear from you as a spokesperson. Your organisation is really focusing on small businesses, and of course we know that the bulk of those tourism industry businesses across the country are small to medium. How have those businesses struggled with the fact that a big part of the workforce hasn't been captured by JobKeeper because they're casual or seasonal? How have businesses responded to that? Have some people just had to say to members of their workforce, 'Look, we are going to have to let you go; there's nothing we can do'? I can't imagine people have many reserves left. In fact, we've already heard that some people only have two weeks left.

Mr Westaway: Yes. I've heard you talk about hairdressers. They are deeply concerned because some of their very skilled staff are from overseas and they, of course, weren't picked up in JobKeeper. Some of them have kept them employed because they know that there's no other income for them. I have heard from the restaurant and catering area that there are some restaurants that have kept on paying people who are not eligible because they're either casuals or on a visa. So, yes, there's deep concern, because people care for people and small business. We're next to those people, so the concern is quite deep, yes. If you've worked with a person for a long time, you care about them. They're doing the best they can to keep them in food and in money, but it is a real issue.

Senator HANSON-YOUNG: I've been hearing very clearly from the various different bodies already this morning that the border closures and the restrictions are making it difficult to work out a pathway. But, if we accept that the pandemic is here at least until we've got some type of successful vaccine, which may or may not actually come, there are going to have to be rolling responses, depending on where outbreaks are. When an outbreak happens, how do we support those who perhaps are in a position where they have to shut down? I'm thinking of things like making sure people have access to paid pandemic leave. If small businesses have casuals and seasonal workers, most won't have the money to pay their sick leave. Is that something that the governments across the board should be helping to fund? I'm also interested in insurance and how the insurance companies are dealing with businesses in the midst of this.

Mr Strong: We've said there should be pandemic leave. We need to sort out, when we get through this, the whole thing about casuals et cetera. That is a debate that we need to have. People need pandemic leave. People shouldn't be going to work if they think they have the virus. I don't believe there is a good excuse for that. But they need the money, so let's get pandemic leave for them. We're saying the states should pay for it, which gives a lot more motivation to the states and territories to make sure that they don't have an outbreak. Otherwise Queensland and Western Australia would be saying, 'Why are we paying for pandemic leave for Victoria?' Whose fault it is is irrelevant, but I think that's a motivator for the states. So, yes, we agree with it and think it should be paid for by the states. The whole thing is, 'Let's not have it.'

A deep concern we have with pandemic leave is when—and we've seen this in South Australia, where I don't think it got through, and in a couple of other states—if someone picks up COVID it's deemed to have been caught at work. In New South Wales, if someone has worked one day in three weeks and they've got COVID, it's deemed to be caught at work. We've looked very closely at that. It seems the employer won't suffer for that; that means they won't be held to account for manslaughter charges or whatever it might be. But, while we agree with pandemic leave, one concern we've got is making sure that the employer doesn't end up being blamed for something that they have no control over, really, because it's a pandemic. That's the first issue. We agree with it, but let's make sure that people aren't punished for it. What was the second half of the question? I wrote it down, but now I've forgotten.

Senator HANSON-YOUNG: It was in relation to insurance, if there's an outbreak and an event has to be cancelled and people have to cancel their hotel booking and get ticket refunds. How has the insurance industry been responding and working with small businesses?

Mr Strong: That, again, is a really important question. The answers will inform how we go forward and how we deal with new pandemics. I know that the Australian Small Business and Family Enterprise Ombudsman's office has done a review of that. They've started looking into it because, like with a lot of things, we're hearing different stories from different areas. There is a deep concern about (1) what the cost of insurance will look like in the future, and (2) what that will mean for the people who have taken out insurance in good faith thinking they were covered and, all of a sudden, they're not. We're looking to see what extra work the ombudsman does in that area because it's quite concerning.

Senator HANSON-YOUNG: Thank you. It might be good, Chair, to perhaps get a response from the ombudsman at some point. I'll come back to you on that. Touching on the pandemic leave issue, it's been announced today that, in South Australia, the state Treasury is looking at making a decision. For the record, Mr Strong, clearly you would support South Australia providing pandemic leave to South Australian workers?

Mr Strong: Yes—for the record.

Senator HANSON-YOUNG: Thank you. Mr Hart, do you have anything to add, particularly on the insurance question or the pandemic question?

Mr Hart: On the insurance question, the Tourism Restart Taskforce addressed this, to some extent, yesterday. Clearly, there are a range of insurances that are particular to tourism, such as travel insurance, insurance around events and so on. We certainly believe that the insurance products are an important part of restoring confidence in tourism and getting people to travel again. There are issues in terms of the extent of liability and the extent of premiums that are being charged, and certainly there needs to be some serious work done in that area. Some of the solutions that we spoke about yesterday—and we haven't landed on what we think is the best approach—were some limiting of liability, perhaps, and some additional flexibility in terms of how insurance is covering bookings, rebookings and the like. Those would be a really important part of a package of things that the insurance industry would need to consider. But, central to all of that is what is being done currently in terms of flexibility of bookings and rebookings. It's that booking process that really needs to be addressed so that customers feel confident to book and travel. The other part of the tourism dynamic that is often left out is that whole process of having to book and rebook and the amount of time it takes to do that. So, in a recovery scenario and when we do have some of the borders reopening, we are going to need to think about what that lag time looks like and, if we do have this 'sawtooth recovery', what that booking and rebooking process looks like and how that risk is covered by insurance.

CHAIR: Senator Hanson-Young, I'm going to have to share the call with two other senators, so make this your final question, please.

Senator HANSON-YOUNG: You made a point at the beginning, Mr Hart, about the 172,000 businesses who have only two weeks left of reserves. That's not much time left. I can't see the Victorian border opening before then, and I also don't see other states opening their borders before then. In addition to, or alongside, the questions around people movement, what do you need from the federal government in order to help bridge that gap? Two weeks is not much.

Mr Hart: Two weeks is not much. We're getting pretty close to that line where those businesses are going to have to make some hard decisions. We're certainly looking to get cash support for those businesses. We believe that essential operating costs are going to need to be looked at in terms of a support package, particularly for those businesses that are internationally exposed and simply cannot bridge that gap by domestic visitation. I've got to say—and you framed the question nicely in terms of help additional to the lifting of border restrictions—if we do not have the borders open now, those businesses are going to go through the hoop. We need to make sure that the future of those businesses is considered in terms of what the states are doing with their borders. So, yes, we're going to need to look at a package that covers some of the overhead costs for those businesses, and, to be clear, those businesses are at least 50 if not 90 per cent down in their revenue. It's a very large bar to getting that sort of level of support. They are businesses that are internationally exposed. A lot of businesses in the tourism sector only dealt with international tourism. We really need to have some way of supporting those businesses until we get to a point where a vaccine allows them to operate again.

Ms Lambert: Can I add a really important point about what we can do immediately. What we can do immediately is try to instil confidence in business that there is a way forward. At the moment, that confidence has been so rocked by the lack of certainty due to the Victorian situation, which has prompted governments to make decisions to close borders on the basis of one case in one area or to declare hotspots in the ACT, which has no cases, or whatever it happens to be. The frustration of the business community is boiling over because of the lack of certainty and the lack of understanding between governments about what the protocols are for reopening, what arrangements can be put in place to reopen safe corridors internationally and how we can get a road map that the states and territories will stick to—all of those things. What we need, so importantly now, is much greater certainty from all governments that there is a future. Businesses will hang on. They'll keep remortgaging their house. They'll keep doing whatever it takes to hang on if they see a future. But if they don't see an immediate future then it's very hard for them to hang on, and that will mean many, many thousands of jobs lost in tourism within the next month or two.

CHAIR: I'll go now to Senator Paterson. Senator Patrick also has a couple of questions, so could we be collegiate and share time.

Senator PATERSON: Both Mr Hart and Ms Lambert partly addressed the questions I was going to ask, in response to Senator Hanson-Young, on the cost of state border closures. I was going to ask how much you shared the opinion of the previous witnesses on the cost of that; it sounds, largely, like you do. Perhaps to you, Mr Strong, on that question of border closures at the state level—how important is that to the people you represent?

Mr Strong: It's incredibly important, and it's been managed quite poorly. I think I said to this committee at a previous hearing that we had border closures in Queensland and New South Wales way back at the beginning of all this, and we had hoped that lessons would have been learnt about how to do it. Our members said that it was messy at the beginning but, in the end, it ended up okay. When the current border closure happened, there were not a lot of learnings that were applied that we could see. For example, we saw it with the ACT residents who couldn't get through at all, even though there were lots of solutions. So we're seeing it's very messy and it's not conducive, as Ms Lambert was saying, to the confidence of businesses on either side of the border or a lot further from the border. We're seeing supply chain issues in New South Wales at the moment. I was talking to someone from the hairdressing sector who said their supplies, which normally come out of Victoria, aren't turning up. That's just one sector, but we're hearing that across a range of other sectors. So the impact is way beyond the border. The impact is on the supply chain and, as we talked about before, we need coherent information; we need people to learn from what we've done in the past and to apply those lessons; and, if they make a decision, we need to know why. This is one of the frustrations that I hear constantly: 'We don't know why they made that decision. It makes no sense. If they could explain why it might give us some ability to deal with it, but at the moment we're not getting the information we need to justify those decisions.'

Senator PATERSON: Back to Mr Hart or Ms Lambert, whoever feels best qualified to answer: I guess that some businesses would probably understand why, for example, borders are temporarily closed to Victoria, given the significant community transmission there, but they would probably find it much harder to understand why two states which have very little or no community transmission, and the territories, which have no transmission, have also closed their borders to each other and are not allowing any travel between them.

Mr Hart: I think that the decisive factor there is that the health advice is saying, 'Yes, Victoria should be closed,' whereas the national health advice clearly is not saying that the other borders should be closed. The other part, which I mentioned in my opening statement, is that some of these closures are being driven by this false thought that intrastate tourism is going to make up for what interstate and international tourism might have brought to those states. It's an absolute fallacy. They will get to 15 or 16 per cent of demand maximum. There is just no way that their tourism sectors are going to survive on intrastate activity alone. We have to get to the point where interstate tourism is able to make up, at least in part, for what international tourism has taken out of the market.

And, even having said that, we'll be lucky if we get to 20 per cent of that demand being made up, given the average spend of domestic tourists as opposed to internationals. It is such a huge impact, not only for the businesses in those states that are closed, I might say, but also for the travel agents that would book those holidays in the states that are open and the workers in the airports who are also not working at the moment because the flights aren't leaving. The impact of not having the borders open is all encompassing across the length and breadth of tourism, and, to Jenny's comments earlier, the uncertainty of not knowing when and under what conditions they will open is probably the most damaging thing for the businesses.

Senator PATERSON: The previous witnesses expressed some hope that after the Northern Territory election and the Queensland state election perhaps this will return to a more sensible policy. I would hope that election timing is not a consideration for these state and territory governments on what should be driven strictly by health advice. But, putting that aside, do you share that optimism, that this will be restored to more like normal after the elections have passed?

Ms Lambert: We certainly share your view; we hope they're not related. At this stage we've even seen opinion polls driving those decisions, so whether it's an election or whether it's opinion polls, premiers and first ministers are making decisions which are immensely frustrating for the tourism businesses, because they don't understand the health reasons. They absolutely get the need to keep Australians safe, they absolutely get the importance of COVID-safe practices and they absolutely get that risk management is exceptionally important. But, that said, they cannot understand at all why some of these borders are closed in a one-size-fits-all sledgehammer approach.

Whether it be the elections making a difference or whether it be opinion polls, it's clear that there are decisions being made on the basis of what they perceive the community wants. Our plea to all governments is to manage the community's expectations by a proper assessment of health risk versus how we best manage it. If we can help to manage the community's expectations then they may be less fearful that one case will a pandemic crisis make.

Senator PATERSON: That seems like a very reasonable expectation to me. Thank you, Chair.

CHAIR: Senator Patrick.

Senator PATRICK: I want to ask a question of the chamber of commerce. Has any analysis been done on the shift from interstate and international travel to intrastate travel? I've been out in the regions and found that a lot of the hotels are actually quite busy.

Mr Hart: Certainly Tourism Research Australia has done a lot of analysis. As to your previous witness's comments, I would certainly urge you to look at some of that analysis. What it's showing is that there is some substitution but very little. That substitution has all been from the leisure market and, therefore, is predominantly around holidays and weekends. We've all been to those locations that are two hours drive from one of our capitals. On a Saturday night there are people there. But, for the rest of the week, there are no conferences and there are no meetings; there is no corporate travel. To be honest, during the week, some of those locations are absolute ghost towns—and that's the ones that can actually get drive visitation. If you go to places like Cairns and Port Douglas, places which do not have the drive market two or three hours drive from them, they are empty all day every day. So there's a bit of a misconception that that business on weekends translates to that sort of occupancy during the week. That is certainly not the case. The substitution has been at reasonably low levels, and certainly at very low levels of spend. And that's the critical thing—the amount of money that each of those markets brings. There is a huge difference between the amount an international or interstate visitor spends and what an intrastate visitor spends. That sort of information is critical to the analysis of what the return to tourism is going to look like. Again, Tourism Research Australia is probably the best source of that data.

Senator PATRICK: I apologise; I had some IT issues and couldn't log on to hear all of what they said. I have a question that goes to both entities. Have you looked at JobKeeper 2.0? Mr Strong, how will that affect your members, small businesses, and how will it affect the tourism sector for the chamber?

Mr Strong: The effect is profound for those in Victoria, and I understand that JobKeeper 2.0 is being changed to assist the situation there. And the situation is that it is different for different businesses. Believe it or not, some businesses are doing quite well. Suburban butchers are doing well. Suburban bookshops haven't suffered as much as they thought they would. But, of course, there are other businesses that have suffered. It has been up and down. The rule for JobKeeper is that your turnover has got to be down by a certain percentage over two quarters. As Mr Hart highlighted, it is up and down: you might look good on a Saturday but it doesn't look good the rest of the week. We don't know whether that will continue into the future. We don't know when people will stop travelling to one area and start travelling to another area; that's the nature of the way people take their holidays or go sightseeing. So we need to make sure JobKeeper remains flexible and responds to the needs of the businesses in the particular areas they are in.

I am like a broken record, but we've got to get to the local level. We've got to talk to the local business communities and say: 'What do you want? What do you think will work for you to make sure you can get through?' And some of them won't get through that. I probably should have mentioned this before. When we come to these businesses going through their own hell, we're talking about getting support to those individuals—and individuals they are. Some will deal with it and close their businesses—and they will do it well and save their house and furniture. For others, the stress of putting stuff off is always an awful thing—and just the stress becomes difficult. We're talking to the government and others at the moment about getting support from specialist accountants, bookkeepers and specialist people—particularly the ones these businesspeople know, the accountants they already know—so that they can help them develop a new business plan or close the business in a way that means they can reopen in a year's time. As Mr Hart says, if there are no international tourists coming in, some businesses will close. As much as it seems negative and bad, they're going to close anyway. The OECD, I think, said 200,000 businesses in Australia will close. We need to help those people close coherently so that they can reopen. So the voucher system is something we've been talking about for a while. Certainly with JobKeeper et cetera, it needs to be flexible and remain flexible.

CHAIR: Thank you, Mr Strong. Mr Hart, do you have anything you'd like to add to that?

Mr Hart: Probably best if Ms Lambert does that.

Ms Lambert: JobKeeper's extension was critically important and very warmly welcomed, particularly the two changes that were made subsequent to the initial announcement of JobKeeper 2.0. The first change addressed bringing forward the date of eligibility for an employee to 1 July. That was so important for hospitality and tourism businesses—particularly in Victoria, where they had started to open up in the June quarter and may have still been down in the June quarter but may not have met the eligibility threshold. So, with employees eligible from 1 July, they started putting people on again; that allowed both the existing JobKeeper as well as JobKeeper

2.0 to extend to those employees who commenced before 1 July and between March and July. The second change was changing the quarter eligibility to only the September quarter. That, again, was critically important for businesses that might have started to trade out being down 25 per cent and would still be eligible if they were now down 50 per cent. So both of those changes were really important for tourism and hospitality businesses.

I think there will be some issues around the reduction in the JobKeeper amount, particularly down to \$1,000, as we head into 2021. Tourism businesses may lose some of their talented individuals if they manage to find jobs elsewhere. We think that the response now is not about changing JobKeeper but much more about targeted support for tourism and hospitality businesses who are in this 50 per cent to 90 per cent down bracket. So it's not so much about changing JobKeeper further now; it's about changing what else we can do to help businesses.

Senator PATRICK: Thank you.

CHAIR: On behalf of the committee, I sincerely thank both organisations for appearing today. Mr Strong, Mr Hart and Ms Lambert, we really appreciate your attendance and the evidence you've provided to the committee, and we look forward to continuing to engage with you. This is a long inquiry—it will go through the COVID recovery—and we look forward to having you back before us again on another date.

Proceedings suspended from 11:03 to 11:11

BELL, Ms Coralie, Chair, Australian Regional Tourism

GOODWIN, Mr James, Chief Executive, Australian Airports Association

OSMOND, Ms Margy, Chief Executive Officer, Tourism & Transport Forum Australia

Evidence from Ms Bell and Ms Osmond was taken via teleconference—

CHAIR: I welcome representatives from the Australian Airports Association, the Tourism & Transport Forum and Australian Regional Tourism. I'll just check with all three of you: do you have opening comments you would like to make?

Mr Goodwin: I do.

Ms Bell: Yes.

CHAIR: And Ms Osmond? We've just lost you, maybe. Well, we might come back on that one. I will start with the Australian Airports Association, and then I'll go to you, Ms Bell, for Australian Regional Tourism, and hopefully by then Ms Osmond will have rejoined the hearing.

Mr Goodwin: Thanks for the opportunity to appear today. The Australian Airports Association is the peak body representing the interests of more than 350 airports and aerodromes. Airports are an essential service to the community. Aviation supports more than 200,000 Australian jobs, including those in tourism. Before COVID, it contributed \$35 billion to the economy. Australia's aviation sector was one of the first impacted, and it will be one of the last to recover from COVID-19. Our industry has hit some of the deepest lows of any sector.

During this pandemic, airports have been good corporate citizens. As an essential and critical piece of infrastructure, they have been assisting governments through the pandemic. They've been keeping runways and terminals open to allow repatriation flights, to maintain freight movements and to get medical professionals and essential workers, including the military, where they're needed. But all this comes at a significant cost, with Australian airports collectively losing around \$300 million a month during the pandemic. In April, domestic passenger numbers were down 97 per cent and international numbers were down 98 per cent.

Australia needs a sustainable aviation network, but there is a growing risk that airports will cut services to save costs, that they will lose skills or, in some cases, that airports will close facilities for periods of time. It doesn't matter if there is one flight a day or 100; the fixed costs of operating an airport remain largely the same. These costs include domestic and international security screening, airfield security, and increased COVID-safe terminal cleaning and operations to separate passengers. These are all government mandated requirements.

While the Australian government has provided assistance to the aviation industry, airports have largely been relying on a trickle-down of indirect assistance, despite the essential nature of airports. It would surprise many in the community that airports have not received any direct COVID pandemic assistance during this period. Funding has been aimed at airlines and supporting government agencies. JobKeeper was very welcome. However, this was not targeted at aviation. Indeed, the majority of staff at regional airports are not eligible for JobKeeper because these airports are run by local government.

Australia's major airports were already amongst the world's most lean and efficient before the pandemic. However, they are reaching the limits of how much they can absorb. Data suggests about six per cent of direct airport staff have lost their jobs, with many more having been placed on reduced hours and therefore reduced pay or having been asked to use leave entitlements. Governments are relying on airports to manage this COVID pandemic—to manage borders and quarantine, to move essential health workers and to maintain freight supply chains—but they have not provided any direct support to help airports continue to operate.

But we do want to look to the future. We are calling on the government to develop an aviation plan to reopen the economy and restart aviation and tourism. The immediate focus needs to be on financial support for those government mandated aviation services whilst we also look to recovery efforts. We certainly need to recognise the critical nature of air travel to the Australian economy.

Ms Bell: Thank you very much for allowing us the opportunity to speak. Australian Regional Tourism is unique in a lot of ways because we not only work with industry but have membership in every state. So we work across local government, state government and federal government. We have done so for 20 years and continue to do so through COVID.

For us, a big consideration that's hardly talked about for regional Australia is that COVID is at the end of a long list of things that have been impacting on regional Australia for a long period of time. We have a lot of the country in drought. We have had a lot of the country in floods. We had a significant proportion of the country in fires. And now we have COVID. Whilst the government has a tendency and a requirement, I guess, to look at the

COVID response, we would urge anyone listening to consider the broader economic impact of current crises on regional Australia rather than COVID as a unique situation.

Mental health continues, as it was through drought and fires and now is through COVID, to be significant in regional Australia. Sydney uni have just brought out a paper suggesting suicide rates could be increased by anywhere between 20 per cent and 50 per cent in regional Australia as a result of the financial downturn and isolation. So this is real and it is ongoing. It's not something new for us.

I have been sitting and listening today, so I won't retouch on the big end of town. I think there is a tendency in times of crisis for tourism to be defined as cruise ships, airlines, airports, accommodation and hospitality. They are absolutely critical to regional Australia, but I think you've heard a lot about that, so I'm going to leave that largely where it is. The federal government's response to zoos and aquariums was amazing, but that needs to be extended to iconic tourism experiences. One example of that would be Sovereign Hill in Victoria, where a huge amount—\$200 million—of economic activity occurs, which supports a whole regional visitor economy. That is something that needs to be considered going forward. Cruise ships and challenges with ships over 99 continue to be a problem in regional Australia, but I imagine Margy might touch on that and so I won't go to that.

JobKeeper has been spoken about a lot. I have heard a lot of the conversation. It has been a lifeline and a saviour for a lot of Australian regional businesses, but seasonality needs to be considered. We are now looking at quarter-on-quarter losses for businesses that had significant downturn this time last year because of bushfires. How we consider that year-on-year downturn when it's not just COVID needs to be an ongoing conversation.

In regional areas there are a lot of low-income jobs in coffee shops and smaller enterprises where the workforce actually get paid whether they work or not. That's far from a criticism. JobKeeper has been essential, but if you were going to do it over there would need to be consideration of how we keep the workforce at the low-income level working and not just staying at home. That's because we've got a lot of small businesses reporting that people are choosing not to come to work when they're going to get some money anyway. It's an ongoing challenge for us.

Can I take a small moment to talk about the visitor economy more broadly than tourism. That touches back to my opening statement around how we define tourism. When you look at a workforce in a regional fruit-picking area, for example, the international travelling workforce impacts not only on farming and the picking of fruit and manufacturing but on regional towns and spending in towns and their vibrancy. Even the mental health of regional areas plays a significant role. So, if international travel and education cannot continue into regional Australia, we would love to see an ongoing look at how we fill some of those workforce gaps and a national response to that.

There is also Indigenous tourism. The federal government some time ago made announcements of over \$40 million over four years for Indigenous tourism funding programs. We're still not sure what that looks like, but there's never been a more critical time to look at that product development. What does the future look like for regional Australia and how do we start setting up these businesses so that they can pivot in times of crisis? If there's anything we've learnt in the last three or four years, it's that things aren't going to stop coming; so what can we do next?

That leads me back to training and development for industry in regional Australia, and there's a lot going on in that space. But we need to talk to our mums and dads and stop talking at a high level, because I've been in a lot of meetings lately where people have said, 'Of course, people have got online sales,' but our mums and dads don't, and they don't know how and they're overwhelmed. So some of that basic business planning, and how to have an adaptive small business that can pivot, for want of a better word, in times of change, is going to be critical to resilience in the long term.

I think we need to stop looking at a response just to COVID today and look at how we can set up our industry, in a regional economic development sense, to be able to pivot in the future. And this is not anything new. There's the Beyond Tourism 2020 Strategy. We have been looking at that strategy for what feels like a long time now, and it's all been put on hold with COVID. But I think there's never been a more critical time to pull it off the shelves and have robust conversations with industry. For us, the reliability of data is important as well. I heard the last few witnesses talk about TRA, and they have got some amazing statistics but nothing that particularly outlines regional—outside of Sydney. That continues to be critically important, because, if we can't define what the impact on regional is or what the travellers are doing in regional, then we can't plan for a better future. So that ongoing planning and access to data is important.

CHAIR: Thank you very much, Ms Bell. We will come back to you with questions. Ms Osmond, would you like to make a brief opening comment?

Ms Osmond: Thanks very much. For those who don't necessarily know where TTF sits in the scheme of things, we're a bit unusual in that we cover the whole breadth of the visitor economy, if you like, and the major transport and infrastructure industries as well. There's no doubt, though, that the tourism industry specifically is having—to put it politely—a very challenging year, and the double whammy, as many others have mentioned, of the bushfires and this exercise means we're effectively on our knees. And there's no way of dressing that up; it's a fact.

The aviation industry and the cruise industry have been brought to a standstill. The accommodation sector has been experiencing, across the board, occupancy levels of less than 10 per cent. Hospitality, arts, major events, business events and the entertainment sector—all of them are struggling to keep themselves afloat.

Let's talk about some numbers that are scary at every level. The tourism industry is probably losing about \$10 billion a month at the moment, and \$4 billion of that is international visitation. Be left in no doubt that, while we hope and, I suppose, expect to see a surge in Australian tourism, that will not fill the gap. The tourism industry cannot recover without international borders being open. If I can just go to my colleague's point earlier in relation to airports, these are major pieces of infrastructure and they have been doing a great job of trying to maintain their own staff, at a significant cost to themselves. But their revenues are decimated. It's a really enormous problem for Australia, in a way that it may not be for the tourism industries in many other countries. We're a long-haul destination, and just about everywhere you want to go in Australia really needs you to fly there if you're going to be spreading the love across different parts of the country. So the recovery will be built on a couple of things: one will be a workable aviation industry and the other will be the opening of international borders.

In terms of jobs within our sector, at any given time there are probably about 700,000 direct jobs. According to our projections at the moment, we're sitting at only about 230,000 employed. So the jobs are 65 per cent down. Even at our best moment, which would conceivably be next January, after the Christmas holidays, and with a bit of a domestic boost if some of those borders open up, we're still looking at being 40 per cent down on the normal job load. It's a devastating impact.

In terms of what the recovery would look like with domestic travel, I think it's really important to understand that the switch doesn't just go on and off. There is a major confidence issue at play here. Once again we had Newgate do some research for us, looking at people's attitudes to travel, and in the first week of the last school holidays, when things turned bad, tragic, in Victoria, something like seven out of 10 Australians across the country, regardless of whether they were travelling in and out of Victoria, said they had cancelled or would cancel their holidays. That's the leisure market.

In terms of my very good friend from the regional community, we've been doing some phone tracking. Over the period of the school holidays, we tracked phone activity to see where people were going and what they were actually doing. Nobody seems prepared to drive more than four hours out of a capital city, and in the main it's only two to four hours out of a capital city. So to blithely believe that everybody regionally is going to see the benefit of this—not so. Somewhere like the South Coast is six hours from Melbourne and 6½ hours from Sydney. They're just not going to see the value of this in the longer term. And I think there's another problem there that people need to be conscious of. Many of those places in the two-to-four-hour zone don't normally see this volume of tourists. They haven't got anywhere near the kind of infrastructure to support it. Some of these places have got one public toilet. It might be nice to have a lot of visitors, but they've got to have a great experience.

I'll just very quickly move on to JobKeeper. I know there are undoubtedly lots of questions. JobKeeper is a godsend. It does make a difference, a serious difference, but I have to support what was said earlier in terms of the implications of JobKeeper for bushfire affected zones. Their revenues for this time last year were almost non-existent, so, if they have to be making 30 per cent less than they were making this time last year, they may be losing JobKeeper simply because they got a little bit of a surge during the school holidays, and they're going to be—the technical term is 'buggered'. They're just really going to be in serious trouble. I think this is something that needs to be looked at.

From an international perspective, I'm co-chair of the safe border group that put together the strategy between Australia and New Zealand for the reopening of the trans-Tasman bubble. I still believe that, once health makes this viable, we have to move very quickly on the trans-Tasman bubble piece, because it's a proof of concept on the larger aviation connections with other places that government might feel it appropriate for us to rejoin a travel relationship with.

I have two final things. One is business travel. We talk a lot about leisure travel, but I think everybody has to understand that the mainstay of the accommodation and aviation industries and the business events industry is obviously business travel. There is a big job to be done to restore corporate confidence in business travel and address the risks and liabilities around people travelling for business and potentially becoming unwell. This is a

really big one. Then, at the other end of the spectrum, there are positives. Can I just say there really are positives, and we need to spend a bit of time focusing on those as well. This is a great moment for all of us to have a better view on sustainability and think differently about what tourism should look like. So there is a job for the industry in that space. This is a potential renaissance moment for the Indigenous tourism sector. Everybody is going to want a unique and wonderful experience in their own country, and so often that is going to be the product of First Peoples and Indigenous cultures. The other one is national parks. We really have to understand the funding implications. If people are going to have places to go, things to do, things to see, our national parks will need a massive new injection of dollars from an infrastructure perspective and a promotion perspective. So there is lots of complexity in the discussion around what's happening from a tourism point of view.

CHAIR: Thank you very much. We'll come back with questions for all groups. I've got a couple of questions for the Airports Association before I hand over to my colleague Senator Watt. My local airport, Canberra Airport, announced it would need to close on Saturdays, and I know, from discussions with Mr Byron, that they have to keep their mind open about additional days in the future. Is this likely to be repeated in other states and territories without government intervention? Can you update the committee on where you think other airports are at and whether we will see more closures?

Mr Goodwin: This is a big call for any airport, to close an airport, but it's one of the only ways that an airport can save costs. We know that a major airport, just to open on any given day, is already looking at expending about \$300,000, without any aircraft landing.

CHAIR: So that's just an average cost?

Mr Goodwin: Just to open.

CHAIR: Small and big airports?

Mr Goodwin: For a large airport. So it costs a lot. We need to be ready for one aircraft to land; we may be used to hundreds of aircrafts. In a normal year those costs are absorbed. With such low numbers of air travel at the moment, it is very difficult to absorb those sorts of costs. We know that some airports may have less than 50 passengers a day. If they are already looking at those sorts of numbers, we can see it is unsustainable. We know that other airports are looking at closing or at reducing their hours. It is a big call to make to close an airport. That will potentially mean that there are no lights on the runway, that the terminal is not open and that aircraft will need to rely on visual flight rules if they need to land—and they may not be able to leave the airfield. So it is a very big call for anyone to do that. I can update the committee: Hobart Airport has also closed on certain days.

CHAIR: I hadn't caught up on that. Are they closing on a particular day a week or—

Mr Goodwin: It's been on an ad hoc basis, based on flight movements. Airports are still working with the airlines. If an airline needs or wants to land, they are negotiating and working with them on that.

CHAIR: What assistance could be provided to airports to help them manage some of these fixed costs?

Mr Goodwin: We are calling for the government to provide direct assistance for those government mandated services. We are talking about essential airfield government mandated services here. Airports operate in a very highly regulated environment, and that's why we've been able to maintain a very safe record—things like international security screening and domestic security screening. It might surprise people to know that people are still travelling, but in very low numbers. Freight movements have been unaffected. Freight aircraft still need to land to bring essential equipment and supplies into the country. Freight aircraft may only have two people on board but they still need to go through security screening, and those costs are quite fixed. We are seeking direct assistance for maintaining airfield security—fence line security—and also those additional costs that we are facing to facilitate repatriation flights and passengers. We are needing an increase in distance, the cleaning of terminals and additional staff to monitor and maintain safe distancing.

CHAIR: You say you are after direct government assistance for government mandated services. Have you put a submission to the government?

Mr Goodwin: We have put a number of submissions to the government and a number of letters to the minister and to the department. We've also provided the latest numbers on this. The government does talk about assistance for the aviation sector. Largely, at the moment, it is targeted at airlines or government agencies such as CASA and Airservices.

CHAIR: For fees.

Mr Goodwin: For fees. So we are relying on a trickle-down effect, and that's not the best policy when airports are the ones having to cover the costs of things like security screening, for instance. We believe it should go directly to the airports.

CHAIR: You say you have been putting submissions to the government. Has that been since March?

Mr Goodwin: Yes, and later than that as well. I don't have the dates in front of me, but we are awaiting—

CHAIR: Do you know when you sought direct government assistance? Was that from the early correspondence?

Mr Goodwin: May and June would be the latest formal correspondence. We are seeking a response on that.

CHAIR: And, so far, you haven't been provided—

Mr Goodwin: No formal response.

CHAIR: We've had the Economic and Fiscal Update and a range of announcements about extensions of payments—but nothing for the airports?

Mr Goodwin: No.

CHAIR: What are your members telling you? We are looking at the next few months. What are they saying is going to happen at airports across Australia?

Mr Goodwin: There is massive disruption and massive uncertainty amongst the sector at the moment. The airports want to recover. We want to assist government to get the economy back on its feet. We know that the country relies on air transport, whether that is visitors or to get freight into the country. We really want to get the borders reopened. We also need a better coordinated approach. I agree with some of the other witnesses that, in terms of domestic border closures at the moment, there are inconsistencies. It is difficult to plan for. We're also seeing that governments are asking airports to help coordinate and facilitate those cross-border quarantine measures in order to keep the states COVID-safe or COVID-free, but there is still no direct support for the airports or no consultation with the airports to help facilitate that. We certainly need both a coordinated plan to manage the immediate issue and financial support to keep those airports open—but then look into the recovery. We would really encourage a consistent approach with the domestic borders. The AHPPC and national cabinet endorsed protocols only in May, but it appears that they are not being implemented as they were endorsed only a month or so ago.

CHAIR: Mr Goodwin, in the absence of government assistance, what response will the airports have to make? You talked about those fixed costs, which are large. Will there be more closures, job losses or the winding down of all those add-on services? What are they saying will be the outcome without extra assistance?

Mr Goodwin: Without any extra assistance—and we are only seeking assistance for those essential airfield—

CHAIR: Do you have a figure for that? Have you put a figure to government?

Mr Goodwin: We're still working on some numbers. We'll put the latest figure in the prebudget process. We're looking at around \$220 million for a 12-month assistance package. That would look at, really, an AvKeeper type program for wage support. We know that we don't want to lose skills from the sector. Many regional airports may only have 10 staff, for instance. There aren't many people, and there aren't many cuts that can be made without affecting essential services or those highly skilled staff that we've got, so we would be looking at a wage-support program covering domestic security screening, international security screening and the enhanced COVID-safe cleaning regimes and essential airfield security.

CHAIR: Is that partly because some of the workers in these regional airports and others aren't eligible for JobKeeper?

Mr Goodwin: That's right. I believe there was a missed opportunity with the extension of, and changes to, the JobKeeper scheme to not extend that to regional airport workers. It would have only amounted to potentially about \$6.8 million. It would have covered more than 300 workers, and we know that that would have had a significant impact on those regional communities where the airport is an essential gateway and a link for medical services, freight and tourism.

CHAIR: So, without JobKeeper and in the absence of a response to your request, what's the future for those workers?

Mr Goodwin: The future is dire. The future is quite grim for airports at the moment, without any plan to recover and without any plan to help with those fixed costs. Cutting services and closing airfields is really the only way that an airport can reduce its costs.

CHAIR: And losing jobs.

Mr Goodwin: And losing jobs.

Senator HANSON-YOUNG: Chair, can we ask the witness to repeat the total figure of that support program?

Mr Goodwin: We would suggest that, for six months, it's \$6.8 million, looking at about 330 staff.

CHAIR: Thank you. Mr Goodwin. Senator Watt, I took up a lot of your time, I'm sorry. I was going to be quick. I will go to you and I'll try to be as fair as I can for the rest of the program.

Senator WATT: I might direct my questions to both TTF and ART; it will probably be the same questions for both of you. Setting aside JobKeeper, which has obviously been a very important program for the tourism sector, what direct support for tourism has been provided by the federal government to date?

Ms Bell: Margy, do you want to answer that first? It might be two different answers.

Ms Osmond: You go first. I don't mind. You go ahead.

Ms Bell: I've heard you ask John Hart this question, and I think your insight is pretty spot on. If you're talking to the everyday businesses down in regional Australia, they don't feel like there's been much at all. There may be a flow-on from some of the bigger programs, but the small end of town is still very much in crisis mode. I would echo what has been stated before: JobKeeper has been very helpful, and necessary, but, as far as direct support is concerned, I think they feel very disconnected from it.

Ms Osmond: There has been a range of different angles on this. There is a \$1 billion fund for tourism. It includes waiving environmental management charges and so forth in national parks, including the Great Barrier Reef Marine Park. There is a support package of about \$94 million for zoos and aquariums. There is big chunk of cash, \$750 million, for aviation support. There has been \$230 million announced quite recently for national parks. We welcome that but we'd like to see a lot more. And there has been a package of \$250 million directed towards the performing arts et cetera. But the jewel in the crown is JobKeeper—

CHAIR: Ms Osmond, we are having some issues with the sound. Try again.

Ms Osmond: It might be easier if I put that in writing and send it through to you so that you've got that whole list of other things that have been committed. Can you still hear me?

CHAIR: Yes, that's much better.

Ms Osmond: The joys of technology! The one thing that is really missing here, which is not part of that current aviation piece, is the real need for an aviation attraction fund. The airlines have obviously been hit very hard as part of this process. But to attract the long-haul flyers, the international airlines, back to Australia, it's not going to be as easy as opening the borders. We are going to have to work pretty aggressively on that. At the very beginning of COVID, the Singaporean government put \$100 million on the table, just as a starter, to attract aviation back into their airport. So every state is going to have to follow the Queensland government's aviation attraction fund and the federal government is going to have to have a significant view on this as well.

Senator WATT: That \$1 billion fund was certainly badged as a \$1 billion tourism fund when it was first announced. Does it surprise you that that fund has ended up being used for airfreight support, campaigns on eating seafood and securing forest resources? I'm not saying they are necessarily bad things to do, but does it surprise you that a \$1 billion tourism fund has been used for a range of things that are not related to tourism?

Ms Osmond: No, it doesn't surprise me. And it is an issue of considerable concern to the industry that the \$1 billion fund became a 'not tourism' \$1 billion fund. I would heartily support it for the freight mechanism because, to be perfectly frank with you, many of our international aviation routes aren't viable without what goes in the guts of the planes flying in and out—high-end agricultural products going out and high-end manufacturing components coming in. So freight, I suppose, makes some sense. But, yes, it is an ongoing bone of contention for the industry that this \$1 billion has somehow not actually been spent very extensively within the industry. I would echo Coralie's point that at a local level much of the money that was promised for up-front support and bushfire recovery still does not seem to have got to the businesses it needed to go to. I don't know that that is a goodwill issue; I think it's a process issue.

Senator WATT: Ms Bell, does it surprise you that this \$1 billion tourism fund has been used for a whole range of purposes not related to tourism? There's another one—oil recycling sector support has been funded from this tourism fund as well.

Ms Bell: I would say it disappointed me, that would be a better word. It's been largely accepted that the visitor economy is larger than just accommodation, jobs and transport—and freight would absolutely be part of that. The fact that the visitor economy is being looked at more broadly is good, but how far away is that line and what does that mean for the small business owner? I think that needs to be considered in an ongoing way. As an advocate here for regional Australia, a large part of why people come to our regions is our small to medium enterprises—mum and dad and a few staff member businesses. Yes, the airlines and the airports are absolutely critical in getting them there, but once they get there we need these small businesses to survive.

Senator WATT: So not much direct support for tourism businesses from the \$1 billion tourism fund?

Ms Bell: No, not from my knowledge.

Senator WATT: Have either of your organisations put in applications to the government with proposals for funding from this \$1 billion fund or for any other measures that could be taken?

Ms Osmond: From the point of view of TTF, no, we have not. But then again we are not a service delivery mechanism in the same way some of our colleague organisations are so it would be unusual for us to do that.

Ms Bell: We have but only in a small capacity. In the same way we are only a small organisation and not particularly a service delivery mechanism. We see, as ART, a critical need to have business experts in regions helping small businesses to business plan and pivot. So on the back of that we have put in a small request. It's a \$1 million request for some training and development into regional Australia and, no, we haven't heard back at this point.

Senator WATT: How long ago did you put that in?

Ms Bell: Months. We were asked to do it months ago.

Senator WATT: You haven't heard anything back?

Ms Bell: No.

Senator HANSON-YOUNG: I might follow on from those points. I was quite interested, Ms Bell, to hear your very articulate concern about the fact that because of how JobKeeper has been structured—off the back of what was a horror summer for many of our regional areas—by no fault of their own businesses are now missing out. Put that in alongside the fact that a lot of the support that was promised from bushfire recovery hasn't reached many of these businesses as well and it must be very difficult to be asking people to keep faith with what's going on. I feel like there has been a kind of set and forget. I'm from South Australia and I know people in Kangaroo Island are really frustrated and feel very much forgotten. How are you managing that? What type of urgent response do you think is needed to try and alleviate that big problem right now?

Ms Bell: How ART are managing that is that we play a large advocacy role. So in doing what I'm doing here I'm reminding anyone who'll listen that the crisis in regional Australia is not just COVID specific. I'll sing that from the tree tops to anyone who will listen. That said, I think the strategy for regional Australia and resilience is not any different today than what it was four years ago. As an industry group which partners with states and territories, and even the federal government to a degree, the same things that we've needed for a long time are what we still need today and that's enabling infrastructure. Some of that's hard infrastructure to get people out of cities and into regional Australia and some of it is digital. We still have lots of regional areas that don't even have internet, let alone the ability to do online sales. Let's keep some perspective when we're sitting [inaudible] of what regional Australia looks like. We need reliable and useful data so we can make decisions based on consumer demand, based on what's actually happening.

Even in the 2030 strategy we are looking at trying to advocate for regional KPIs, actual measurable KPIs that have data that back them up, so we can track whether we are being successful or not, because nationwide, or even state-wide, KPIs on tourism growth can reflect the cities but not necessarily reflect the regional areas, and that remains as much a priority post COVID as it was before COVID. How we get—

Senator HANSON-YOUNG: I want to ask particularly about this issue of JobKeeper and the rebadged version of JobKeeper. We're missing an opportunity to fill that gap. Have you had any conversations with the tourism minister or his office about this directly?

Ms Bell: We have with the regional tourism minister, definitely.

Senator HANSON-YOUNG: What was their response? Do they see this as something they needed to fix or was it in the too-hard basket?

Ms Bell: I will choose my words carefully: I don't think I've ever heard a politician say it's in the too-hard basket; everything is always important. But we need to see what happens in the end. At the moment, my comment is that there has been no change. So whether or not that's what's happening in the background, I would not hazard to judge. I would like to take away some face value from any minister. We talk to a lot of ministers and we advocate in a lot of different places, but what I would like to see is change that recognises things more broadly than just COVID-19—that the impact is broad and long term for some of these regional areas.

Tassie has had fires, Victoria has had fires, a large amount of New South Wales has had fires. There has been drought in the Northern Territory, and it's significant. So just to see the year-on-year drop as because of COVID, that's naive in a lot of ways for regional Australia.

Senator HANSON-YOUNG: Yes. Would you support the calls for JobKeeper to be extended to cover that issue, or is there—and I don't know what your answer is going to be—another option for an industry-specific package? This billion dollars hasn't ended up being industry specific; do we need to reassess and revisit that?

Ms Bell: That's a two-part answer from me. Yes, an extension—absolutely—and I don't think it has to be overcomplicated. A commonsense approach can absolutely be applied by government. It has the tendency to get into bureaucracy box ticking, but if we could just have an honest look at that from a practical point of view then I don't think it would be hard to resolve. And also, yes, I think that the \$1 billion package which promised to support industry failed to support regional business. That's a bit disappointing, so, yes, I would love to see a consideration for which regional areas need in that.

Senator HANSON-YOUNG: Ms Osmond, do you have anything to add to that in terms of calls for an extension of JobKeeper to cover those who are missing out? It's not just that seasonal assessment, it's also the workers who often only work in those seasons. If you're a small business trying to keep the same staff year in, year out, I would imagine it's very difficult if they're not covered by JobKeeper. And could you also reflect on where that we actually need a proper \$1 billion fund for tourism as opposed to what has occurred?

Ms Osmond: In terms of the JobKeeper piece: we made our original submission on that. We needed to see it carried through until March next year and then, potentially, with a tapering between March and June next year. I now genuinely believe that it's going to take a longer level of commitment, at least for the extended visitor economy. So, yes, I do see JobKeeper being extended going forward, and mainly for this reason: you can have a million different grant programs and different sorts of ways to send cash to people, but in the end, quite clearly, sometimes it's just complicated and sometimes it's too hard. For whatever reason, the processes don't seem to [inaudible]. Everybody [inaudible] for now, they understand it and they've factored it into the way they're running their businesses [inaudible].

It's not that I'm suggesting it needs to go on forever, but it is simple and people get it. If I give them another level of complexity and give them another layer of [inaudible]. To be frank with you, if JobKeeper isn't extended past March, I have my doubts about how much of the tourism industry will actually be left at this time next year. [inaudible] I've had some very specific feedback from businesses in places like the Blue Mountains. Small organised [inaudible] who have tried desperately to keep their heads above water, and this is just the final blow.

On the larger sense around if there should be a billion-dollar fund: I think that in some instances there is a bigger issue here. In some instances it's past the issue of funding to the issue of borders and how governments have managed them. We've got to stop managing the emergency and start now managing the risk. The science [inaudible] is affecting the risk framework around [inaudible]—

CHAIR: Ms Osmond, we're still having some sound problems, I'm sorry. Hansard is going to find it almost impossible to put a record of this. I'm not sure—it's quite good and then it deteriorates. My apologies for interrupting you.

Ms Osmond: That's okay. I'm sorry, I'm not quite certain why that's happening. I haven't had the problem before. To recap very quickly, in case you didn't hear it all, the issue for us is that the bushfire and JobKeeper one is an absolute reality. We're getting case studies from all over the country in relation to this. It is one that will need to be addressed, and JobKeeper does need to go for a longer period than originally contemplated. In addition to that, now is the moment for all governments to start talking about managing this risk, not continuing to manage the emergency. So long as we keep managing the emergency we get no certainty for any sector of the industry—for example, airports that get less than 24 hours notice that suddenly all their operating instructions have changed. Now is the time for governments to bring the industry much more closely into the planning process.

Senator HANSON-YOUNG: Thank you. Can I just go back to Ms Bell for a moment. I'm specifically interested in the impact of regional tourism and also in the impact on the arts and entertainment sector. I'm thinking festivals, events—it goes hand in hand. There are some regional towns that rely on that one-off annual event happening. How closely are you working with the arts and entertainment sector, because, of course, they feel pretty much left out in the cold to this point as well?

Ms Bell: ART has a subgroup that's made up of arts and industry respected individuals who are looking at how we can help them advocate long term and what that industry needs. Plus it would be remiss of me not to mention the significant role local government plays in either attracting or hosting lots of those events, and ART work across the country supporting local government as well. For me, it cannot be separated. It is assumed that the visitor economy is intrinsically linked with arts, culture and festivals. They are one and the same; they're not a separate entity.

Senator HANSON-YOUNG: Thank you.

Senator DAVEY: I have questions for each of the organisations. I'm really fascinated to see the press release that calls this a \$1 billion tourism fund, because every press release I've ever seen said it was a relief and recovery fund to support regions, communities and industry sectors across the economy. First of all, to Ms Bell, yes, it is not specifically a tourism fund, but sections of it that were specifically directed at regional areas and regional assistance, such as the regional airlines funding, the regional air network, financial counselling to support small and regional businesses and crisis relief for regional arts all have to benefit the tourism sector in the regions, don't they?

Ms Bell: Absolutely. I'm not suggesting for any moment that every dollar of that fund has gone outside of areas, but the question I was asked, as I understood it, was: does the everyday mum and dad feel like they've had a direct impact? My answer would be no. Maybe they have in a broader sense. I think Jenny commented in an earlier statement, saying, yes, they've definitely had an impact in an indirect way. But if I was to ask the businesses on the street, 'Do you feel like, aside from JobKeeper, the federal government has helped you?', I think they would say no. Whether that's indirectly is a different question..

Senator DAVEY: I am aware of time. I could spend all day questioning all of you. Ms Osmond, in your opening statement you mentioned JobKeeper and the issues with bushfires, and the ongoing issues for small tourism businesses in their recovery and the importance of JobKeeper. You also mentioned that people who got a small uplift in the school holidays were losing their JobKeeper because they're no longer showing the decline in revenue. We have previously had evidence at this committee that that would not occur, that as long as they could show the decline in revenue when they first applied for it they were eligible for JobKeeper until, at that time, September. Have you got a case study that shows that someone has lost access to JobKeeper because of a momentary boost in revenue? I would be fascinated to see that case study so that we can investigate that further because that wasn't not the intention of JobKeeper.

Ms Osmond: I absolutely agree it was never the intention of JobKeeper. I think this is a case best intentions when JobKeeper was put together. I wouldn't for a moment suggest that government expected this to happen. What we are now starting to get is [inaudible] regional communities. The first one actually is the Blue Mountains. So, yes, I can supply some [inaudible] to the inquiry if that was thought to be useful. The other issue is certainty. For many people—[inaudible]

Senator PATERSON: Chair, point of order. Can I interject?

CHAIR: Yes.

Senator PATERSON: There are extraordinary audio problems here which is making this more difficult than it should be. For absolute clarity—because the legislation is very clear—if you qualify for JobKeeper, you cannot be removed from JobKeeper because you subsequently have an increase in revenue. So, Ms Osmond, you're saying there is a business that has initially required for JobKeeper and then was removed from JobKeeper. That would be contrary to the legislation.

Ms Osmond: I did say that. This is a prospective thing going forward. What we're hearing from people is a heightened—

Senator PATERSON: Right, so you are worried this might happen in the future, not that it has already happened? That is your clarification?

CHAIR: Yes. Under the new rules.

Ms Osmond: So it is a prospect which is making them more uncertain and uncomfortable and they're asking us to clarify.

Senator DAVEY: Finally, I just want to turn to the Airports Association. I note that [inaudible] came out quite strongly today to say that we need a national framework for domestic borders. I would imagine, with the current border closures and requirements for quarantining, that Sydney Airport and Melbourne Airport might be doing better than a lot of regional airports around the nation due to the requirements for people to fly directly to the capital cities to quarantine. The federal government has waived certain fees. Where it's a Commonwealth lease, land tax and things like that have been waived. What assistance have state governments given to airports to help them stay afloat in these tough times, particularly when it is state governments that are closing domestic borders?

Mr Goodwin: A lot of the assistance that has come from the federal government at the moment has really been assistance that's been very welcome but not necessarily targeted due to the COVID pandemic situation. In terms of state government assistance, airports and aviation are a federal responsibility and federally regulated. Really, there's been limited opportunity for state governments to be able to assist with those sorts of federal government mandated services airports need to operate under.

Senator DAVEY: Are not a lot of regional airports owned by local government? Certain airports are on state or local government land so have they waived their land taxes or any of their levies, as the federal government has?

Mr Goodwin: I'd have to take that on notice. I am happy to do so. I don't want to mislead the committee on that, we will get back to you.

Senator WATT: To the Airports Association: is there anything that's come from this \$1 billion tourism fund that has assisted airports?

Mr Goodwin: The simple answer would be no. What the airports are needing to highlight at the moment are really the fixed costs of staying open. This crisis is putting the burden and pressure on airports. A lot of those measures—security screening, landing fees and those things—when we have higher and normal numbers, in normal commercial terms, we are able make that work with airlines and passengers. With so few passengers coming through the terminal at the moment, that's really where the pressure point or the pain point is. So we want to stay open and assist government with those services, but it's becoming increasingly difficult to do so.

Senator WATT: Thank you. In your earlier evidence, I think you said to Senator Gallagher that you had certainly put forward some proposals to government for financial support for airports to keep them going and keep their workers on board. I just wasn't sure: were any of those proposals from you seeking funding from the \$1 billion fund?

Mr Goodwin: No, not from that fund.

Senator WATT: Thank you. It could be used, but it could be other sources?

Mr Goodwin: That's right. In those early days, in March-April, we were looking at income support. We then had JobKeeper available, and there were security charges. Then, in May-June-July, there were things like land tax relief and security charges. A number of those letters have not been responded to yet.

Senator WATT: Thank you.

CHAIR: Not even a response to the letter?

Mr Goodwin: Correct.

CHAIR: Who have you written them to? The Deputy Prime Minister?

Mr Goodwin: Yes.

CHAIR: Not even, 'We've got your letter'?

Mr Goodwin: Not as yet.

CHAIR: So crickets. Senator Hanson-Young, you had a follow-up question?

Senator HANSON-YOUNG: Yes, a follow-up question for the Airports Association. Mr Goodwin, I'd be interested to hear about what conversations your member airports have had with state governments about testing at airports upon arrival and where that may be up to.

Mr Goodwin: The current COVID-safe air travel guidelines that were approved by the AHPPC were industry developed, so the airports and airlines developed those and pushed those through the Department of Health and the department of infrastructure. So that was a good example of industry and government working together to be able to get those protocols in place. They were signed off in May. That covers, really, the passenger journey, before they fly, what they need to declare, not to travel if they're unwell, online check-in—all of those sort of things. They cover online checking and so on. At the airport, they cover the physical distancing, hygiene stations and so on—and then on the aircraft as well. So we have a system and a protocol in place right now. If that's to be reviewed, we would be happy to assist government, but we have not really had any discussions recently on changing that protocol.

Senator HANSON-YOUNG: So, as far as you're aware, there are no negotiations on foot around testing at the airport?

Mr Goodwin: No, not at this stage, given that the current protocols were only endorsed on 18 May. As far as we're aware, there is no update to those protocols.

Senator HANSON-YOUNG: Thank you.

CHAIR: Thank you Senator. It being almost 10 past 12, I would like—

Senator PATERSON: Chair, sorry. Could I just interject with one clarifying question.

CHAIR: Sure.

Senator PATERSON: My apologies. It is to the Airports Association. In relation to your correspondence with the government, how often have you been in contact with the department?

Mr Goodwin: Weekly, and in some weeks almost daily, at all levels. We are having good discussions and conversations with the department and with the government. I would certainly say that. What we need is some certainty and clarity around those requests for assistance and any policy outcomes that might come from it.

Senator PATERSON: Thank you.

CHAIR: Thank you, Senator Paterson. How many of those requests have there been? You said you put them in May, June and July. Do you have any idea of how many letters you've sent?

Mr Goodwin: I don't have in front of me the number of letters, but certainly we sent letters in March, April, May, June and July.

CHAIR: Thank you. They were all to the Deputy Prime Minister?

Mr Goodwin: Or the department.

CHAIR: Or the department. So you haven't had a formal response from the department either?

Mr Goodwin: No.

CHAIR: Okay. I thank people for their appearance today. Thank you, Ms Osmond, for putting up with us and with the interruptions from me. I do apologise for that. Ms Bell and Mr Goodwin, thank you very much. We really appreciate your time, and we look forward to continuing to talk with you as we conduct this inquiry over the next 18 months. Thank you very much.

ANNINK, Ms Josephine, Industrial Member, Casinos, United Workers Union

BALL, Mr Chris, Industrial Member, Casinos, United Workers Union

BRISKEY, Ms Jo, National Political Coordinator, Parliamentary Affairs, United Workers Union

QUILL, Mr Adam, Industrial Member, Pubs & Clubs, United Workers Union

Evidence was taken via teleconference—

[12:09]

CHAIR: I'd like to welcome representatives from the United Workers Union. Ms Briskey, are you going to provide an opening statement?

Ms Briskey: I'm very keen to provide an opening statement. I've brought with me today three of our members, who would also like to provide opening statements, but I can kick off with mine.

CHAIR: Ms Briskey, we're trying to keep comments to two minutes, just to allow members to ask questions. If all four of you are going to speak, I would ask that you be quite succinct with your comments.

Ms Briskey: Absolutely. I really appreciate the opportunity from the committee in extending the invitation to appear today. We're keen to provide an important insight into the impact COVID has had on those working across the tourism-facing hospitality sector. We have 11,500 hospitality members across casinos, pubs, clubs, cafes and restaurants, and our members can provide this committee with a really keen understanding and awareness of the experience of those working in this industry. I will leave the direct insights to our members Josephine, Chris and Adam, who are here today, but can provide some broad observations on how COVID has exposed some pretty pervasive failings of a hospitality industry built upon insecure work, over casualisation and worker exploitation.

Hospitality workers across Australia have been the hardest hit by the COVID-19 economic crisis, as a force of long-term high levels of casualisation, wage theft and workplace health and safety risks have collided with the major shutdown. Around one in three paid jobs had been lost to the industry by mid-April, and the downturn has particularly impacted young workers, with those aged 20 to 29 having a decrease in their work by about 40 per cent. A recent UWW survey underscores how precarious work security and day-to-day cash flow are for hospitality workers during this crisis. It found that, when the pandemic struck, about 50 per cent of workers had less than a month's savings in the bank to cover rent, food and bills. According to these survey findings, the main contributor to low pay and consequential low savings was wage theft. Over 82 per cent responded that they had experienced wage theft.

Over the time of the economic crisis, at the household level, workers and their families have needed to have coordinated support to secure their employment as well as assistance with household expenses. Whilst the government's decision to provide income support via the jobseeker payments and JobKeeper wage subsidies have been critical pieces of the economic response, millions of workers have been purposefully excluded—casual workers, migrant workers—who make up a significant proportion of the hospitality workforce. This is putting a strain on our economic recovery. Many workers are being denied the opportunity to fully participate in the economy at a time when we need them to the most. Further, the arbitrary structure of businesses' ability to qualify for the scheme leaves much to be desired. There is significant scope for the government to review the turnover requirements for eligibility and take a more nuanced approach when businesses remain eligible. For example, if a business has recovered only 51 per cent of their pre-COVID position, they shouldn't immediately be cut off from the scheme. For large businesses, this blunt measure would equate to thousands of job losses.

We also argue that the discretionary design of JobKeeper has given employers too much power as to who is entitled to the wages subsidy and under what conditions. This has created a two-tier workforce in an industry facing the added challenge of being exposed to a tourism downturn, one that is likely to increase, adding an extra burden for economic recovery. We have members who are ineligible for JobKeeper facing ongoing stand downs, with all available shifts going only to those on JobKeeper, and members in receipt of JobKeeper report being overworked and overstretched—not for more money but simply because they need to earn their JobKeeper wage. It's important to note the widespread media reports of those employers that are rorting the JobKeeper system. It's understood that the ATO has received significant tip offs, over 6,000, relating to the JobKeeper scheme, with workers affected tending to come from the cafe, restaurant and food sectors. Whilst it's recognised that the government has looked to extend its JobKeeper scheme beyond September, we are very concerned about the proposed scaling back of the full-time and part-time JobKeeper payments.

I also want to make the point to the committee—as I understand has been provided in previous evidence and as our members here today can attest—that the main injection of cash into the economy hasn't come from the

government's stimulus; it has actually come from workers. They are some of the poorest paid who have funded the economic response through withdrawing their super and by draining all the possible leave that's been available to them. You'll hear about this later today, but workers, particularly those under 35, have subsidised their own survival by draining their entire retirement savings. The super crisis is looming.

Further, the issue of leave is a significant one. In the industries exposed to or at risk of further outbreak, it is critical that workers who are feeling any symptoms should not go to work. But, as low-income earners who are potentially very reliant on any work they can get, especially if they've been excluded from federal government income support, the reality is that they will need to go to work. Without government funded paid pandemic leave, our efforts to arrest further outbreaks are basically meaningless.

I don't want to go into too much further commentary. I'm keen to pass over to the members who are here today and who can provide some really clear insight into the impact that COVID has had on the hospitality sector.

CHAIR: Thank you Ms Briskey. I might go to you, Ms Annink—no, we've got no audio. Ms Annink, we might come back to you. We'll go to Mr Quill.

Mr Quill: Thanks for the opportunity to talk today. I'm currently a duty manager at the Panthers Port Macquarie club. Our town, being the same as many tourist towns, relies primarily on hospitality, tourism and aged care. These are all things that, once the shutdown hit, meant there was no income for the town. We had 120 employees before the shutdown. We then had to stand down at least a third of those because they were less than a year in service, so they couldn't get JobKeeper once that kicked in. Up until it did kick in, most of the permanent employees were using their annual leave and long-service leave to keep their income going. I myself used my annual leave and long-service leave to top up JobKeeper, to keep a similar income to what I had before. I borrowed from future me, through my super fund, to pay off the debts that I have now, because I know it is going to get extremely tight shortly. A lot of us have done that; a lot of us totally cleared out our super funds. The town went two months without an income. JobKeeper and jobseeker working together really helped keep the town alive, and I'm assuming lots of other small towns are the same. Because JobKeeper and jobseeker have been working together, people on jobseeker have had an increased income, so there has been a lot more money spent—which I assume was the intent of it, to keep the economy going.

The issue we have is twofold. We are showing incomes similar to what we had prior to COVID, but I'm pretty sure that's purely because of the increase in jobseeker. That's what we're putting it down to; it's certainly not tourism. We are sitting in a situation now where COVID is slowly working its way up the coast. It seems like it may get here just in time for JobKeeper to stop and jobseeker to drop. That's causing a lot of anxiety for a lot of the businesses here. I've talked to a lot of small-cafe owners, and they seem to think that we will lose half of them in this town; they won't be able to stay open. I know we're a fairly big business; we've been doing fairly well since the shutdown stopped. But that's a very transient thing. If COVID comes and shuts us down, and we have to stay shut down for an extended period of time, we will really struggle to open back up again. Opening back up again once has cost so much money. We went three months without income. Things had to be shut down. Things that were going ahead before COVID are no longer going ahead.

Being a duty manager, I see both sides. The normal employees are all worried that they're not going to have a job. Funnily enough, my general manager is worried we're not going to have a job. On JobKeeper: even though on paper it looks as if everything is going fine, if both payments cut out at the same time, too early, it's going to damage a lot of businesses and not enable a lot of businesses to stay open. We've started putting on casuals, but if COVID comes up here we're going to struggle as well, because we will be shut down. So many businesses here rely on people moving through this without some sort of certainty, at least until we can get a vaccine for COVID. It's a looming crisis that's going to hit us. I'm sure you know yourselves; I'm sure you probably have more information than we do about what may be coming up.

It's a really stressful time for everyone working in hospitality and aged care. My sister works in disability. She's also worried. We're in places where, if it gets to us, it will spread so fast. As much as we try to get people to social distance anywhere, like cafes, they're all prone to spreading the virus. We really need some sort of certainty to keep these things going, at least until we can be certain that we're not going to be shut down by someone coming up the coast. At the moment tourism has shut down almost everywhere. We were busy for a while, while everything was open. But now the borders are closed. People from Sydney aren't travelling any more. The grey nomads are afraid to go out. All the towns down the coast and inland are all struggling at the moment. We need that certainty going forward, until we can close this thing down.

CHAIR: Thank you. Is that it from you?

Mr Quill: That's it. It's a limited perspective, but I was the one of the lucky ones who got JobKeeper.

CHAIR: Not at all; it's a very real perspective, and we thank you very much for it, Mr Quill. We will come back to you in questions. Can I go now to Mr Ball, and then we will try Ms Annink again.

Mr Ball: Thank you very much for the opportunity to talk to you today. I work at Crown Melbourne. I'm full time in the table games department. I've been at Crown for almost eight years. I was stood down, with many thousands of my colleagues, at the end of March. My normal gross wage is approximately \$78,000. That's \$3,000 a fortnight. With JobKeeper, I'm on 50 per cent of my pre-COVID wage. My wife works for an accounting firm and I'm thankful that she's still able to work. She's working from home at the moment, in another room. So we were able to keep going okay. But we tightened the belt where we could. We decided that we'd take \$10,000 out of super in April, in the first release.

We had some positive signs coming through in late May and going into June with the number of cases in Victoria. We were looking at maybe being in a position to reopen by late July. But obviously we've had the second wave and it has pushed that back. It now looks like the reopening of Crown Melbourne, in particular, will be several months off. I don't even know whether it will be open by Christmas, to be honest. We've got several thousand active COVID cases in the state.

Once that second wave hit, we decided to pull another \$10,000 out of my super. Obviously that has a significant long-term cost for me and my family; I have a nine-year-old daughter as well. But, comparatively speaking, I'm okay. Many of my colleagues are in a far worse position. We have casuals at Crown who have done less than 12 months in their role. That means they didn't qualify for JobKeeper; they were pushed onto jobseeker. These are food and beverage attendants, cleaners, security guards, gaming machine attendance and many others. I would say the majority of the Crown employees who were stood down are on JobKeeper but several hundred were pushed onto jobseeker.

That affects people from all walks of life—at the lower end of the income spectrum and at the higher end as well. We have managers at Crown—for some, both partners work at Crown. That's their entire household income. They might have been on a gross income of \$180,000 to \$200,000 a year. They have been pushed onto JobKeeper and that has pushed them below \$80,000 in gross income. That affects them and their families, as well. They might have deferred their mortgages. I know that many have. I know many that have pulled money out of super, but I know that many have paused their mortgage repayments.

The JobKeeper and jobseeker payments go on essentials—mortgage, rent, food and utilities. But there may be the odd discretionary item. Rather than eating toast or a ham and cheese sandwich when I'm stuck inside—we're in stage 3 restrictions where I am—I might go to the bakery once a week. I might have a pie and buy a vanilla slice or a donut for my daughter. That is \$20 or \$30 that goes through the local bakery. And every couple of weeks we have ordered a meal from our local pub. Our pub shut down but they have a drive-through bottle shop which is able to stay open, and they've been able to make some meals and you can pick them up through the drive-through. That might be \$80 that goes through that pub. It keeps them open. I know the owner. I played football with him. He is working 70 or 80 hours a week just to keep that place afloat.

What we're looking at here with these proposed reductions in incomes is that it flows through the entire economy. Less income in the household means less income that goes through local businesses, less income tax, less company tax and less GST. For us, looking at a prolonged shutdown, even longer than we have had, this is the worst possible time to look at reducing payments and, effectively, pulling money out of the economy. This would really deepen the recession. I looked at Crown's results yesterday. I'm in no position to speak from a corporate point of view, but, reading through the results, approximately \$68 million of JobKeeper payments were paid to Crown, which directly flowed to stood-down employees, in the three months to 30 June. There were six fortnightly payments there. At \$1,500 each, that's about 7½ thousand employees, for those three months, that had food on the table and were able to stay afloat because of JobKeeper. Crown Perth has reopened. Crown Melbourne is a long way off. There'd be at least five thousand employees that are still stood down.

I can't emphasise enough that now is not the time to be minimising or reducing income support. I would also like to say that we're running at about \$10 billion a month under the initial JobKeeper estimate, from my understanding—you'd have a better idea than me. We have the capacity to spend more. We have the capacity to provide that further income support for longer and at higher levels. I certainly hope that, once this legislation gets into the parliament, it is amended from what's currently proposed. Thanks very much for giving me the opportunity to speak to you today.

CHAIR: Thank you very much, Mr Ball, for that evidence. It's extremely helpful, and I know people will have follow-up questions for you. We appreciate the time you've given us today. Ms Annink, can we try you again.

Ms Annink: I'm here. Good afternoon, everyone. Thank you so much for affording me the opportunity to speak today. I'm employed by Crown casino as well—I work with Chris—and I was also stood down from my position in March due to the outbreak of COVID-19. As a part-time worker and an Australian citizen, I was also fortunate enough to be eligible for JobKeeper, and, as was mentioned, my employer will likely be eligible going forward. I'm joining you today to share my experiences of the COVID-19 pandemic response, as a young hospitality worker, as a young woman and as a representative of the wider hospitality community. In order to do this, I believe it's worth explaining a little bit about my background, quickly, as I believe it demonstrates what it means to be part of a vulnerable demographic, as a young woman, amidst this crisis. The industries that are most overwhelmingly affected—hospitality, tourism and retail—contain higher proportions of those vulnerable demographics and were already being faced with dodgy employers, whose exploitation was ignored and sometimes even facilitated by public policy.

Prior to commencing my employment with Crown in 2017, I was homeless, after having fled family violence. I had very little to my name. I was trying to complete my university studies and pay my way through the world. I worked really hard to get myself back on my feet with my employment and I was able to access community support and housing. Although my role was part-time, I regularly worked close to full-time equivalent hours and I structured a life for myself based on what I could earn and based on my budget. When my workplace closed its doors and I was unable to go to work and earn that money, I knew I would have to make sacrifices. JobKeeper, at its flat rate of \$1,500 per fortnight, is about a \$2,000 reduction per month for me on my normal income. By January, when it's proposed to be reduced to \$1,000, it will be a full \$3,000 reduction to my monthly income. That will sit both below the minimum wage and below the average cost of living for a single person in Australia.

For workers who are stood down and for whom the rate of JobKeeper was significantly less than their regular income, this means one thing: they will have to find a way to make ends meet. People will do whatever they can to survive in these times. If they're unable to find employment, because jobs are so scarce and they're not able to go back to the jobs that they're receiving the subsidy to be retained for, we will have people turning back to violent partners and violent families for financial security. We will have people turning to crime. We will have people dying by suicide if things are not okay. These people, my workers, our community will feel it the most, but that's a cost to every Australian. I have to say such circumstances are far too easy to fall into and far too difficult to recover from and get out of. On recovery from such circumstances, one thing that I can say with definitiveness is that it takes time.

When this pandemic hit, I had achieved some financial security for myself, having had three years to build my life back up, but I was a long way from having wealth to fall back on. I took \$10,000 from my super. I'm 24 years old. I've been in the workforce for 10 years, and for most of that I've been studying, so I did not have very much in my super. In fact, that \$10,000 withdrawal last financial year drained it, so I don't have any more access to support from that end. Meanwhile, the JobKeeper money that I saw to be my income substitution for the time being was being seen by the bodies that it was entrusted to to pass on to me as their subsidy so they could survive—not us, not our community. With people returning to work, JobKeeper-enabling directives and application of the Fair Work Act, employers were given more power to further undermine our entitlements so that they may get the full value of the scheme.

I'd like to make very clear that I personally haven't been lazy through this time and I have been working to the best of my ability from home to contribute to the effective management of the crisis from within my workplace with my union and their cooperation. I do this because I want to go back to my job, I want my employer to survive and I believe in the future of hospitality and tourism in Australia. I understand that, when people are afforded the opportunity, they add extreme value. It's not an easy task to do this. What's abundantly clear throughout the process is the way that staff are seen by large businesses, and that is as costs. I really can't shake off the potency of the parallel between how we are seen by these private enterprises and how we are seen by this current government. But the Australian people are not a cost to you. They are an investment.

I'm not unique or even a minority. We have a diverse community of individuals, each with their own value and contribution to make to this economy when they can. It exists beyond any quantifiable measure that you might be able to put in, and I'm sure the principles of social capital are not lost. By presenting the choice between destitution and fighting each other for scarce jobs, this government has betrayed, at best, incompetence and, at worst, spineless leadership that's capable of being manipulated by corrupt individuals inside businesses at every level. I do believe that it is the role of a government to empower its people, to thank them for their contribution and to spend now not to cover a cost but to invest in the Australian people so that, if they do need to find new work, learn a new skill or change industries, they can but they're certainly not forced to do so because they're not able to go back to their work and the government simply cannot provide a fair and equitable wage subsidy for

them. We all have an individual responsibility, and government's responsibility is to its people. Allowing these responsibilities to be guided by this false rhetoric will see this crisis worsen. Giving corrupt individuals the power to mismanage public funds and dictate our welfare is a gross failure.

My concern isn't over how I will survive. For too many too often, life is already a story of survival even outside this pandemic. My concern is how Australia will move forward when we have a government that so blatantly accepts the interests of private corporations and the few individuals inside them who are seeking to further their own wealth and systematically disempowers the individuals who have the untapped potential for lots in this country. Thank you very much for the time to speak.

CHAIR: Thank you, very much, Ms Annink. I thank all of you. I have chaired this session a bit differently from previous hearings where we've had very short opening statements and moved to questions. I think all of your individual stories are terribly important. For us in our position, they are very important for us to listen to carefully. But what that means, colleagues, is we now only have 10 minutes for questions. So Senator Watt, if I go to you first, I urge short, sharp questions and short, sharp answers, because Senator Hanson-Young certainly has some questions as well and we need to finish up at 12.50.

Senator WATT: I also really appreciate the human stories we've been able to hear today. They make it very real for all of us, so thank you very much for what you've told us. A couple of you have talked about the fact that, due to your financial situation, you've had to use the early access to superannuation scheme as a means of staying afloat. We have seen in the public debate and, frankly, even from some members of this committee the argument that this is a choice that people should be able to make. They're your funds; you should be able to do whatever you want. When you made the decision to access your superannuation, did you feel like it was something you were doing as a choice? Do you feel comfortable with that decision or is it something that you would have preferred not to do?

Mr Quill: I had debts I had to pay. I wasn't certain I'd be able to service those debts if I didn't take the money out, so I got rid of those debts first. I've robbed from my sweet-future self, and I hope to pay him back, but I felt I really had to do it.

Ms Annink: As someone who's drained their super, I did not want to pay from my super—no way. It was a choice only insofar as it was just a necessity.

Mr Ball: Yes, I'm the same. It was either that or pause the mortgage repayments, and I thought, on balance, that it was best to pull the money out of super and to sit that in an offset account—and several thousand dollars still is—to help ride out the current situation, and then maybe salary-sacrifice in the future, if I'm able to, to build that back up. But I understand there's a significant cost to me, long term.

Senator WATT: Thanks for that, and I'm sorry you were put in that position. You've covered a number of questions I was going to ask. Probably the only other one I will ask is: what has this pandemic, the lockdown, the effect on your jobs, taught us all about the insecure nature of work in the tourism and hospitality industry, with the high proportion of casual workers, part-time workers and people moving from job to job? What has it taught us about the structure of work in your industry, and how do you think we should fix that for the future?

Mr Quill: It's very hard for us to cover shifts when we've had to put off all those not eligible for JobKeeper. We're slowly getting some back. But it means that the current people actually have to work much harder. We struggle. People have no certainty. Half our employees have no certainty about what sorts of hours they're going to get. At the moment, they've got a little bit of certainty—the ones on JobKeeper, anyway; they're getting \$750. But, once that ends, there is no certainty for them. They can't plan for the future. You struggle you get a loan. You struggle to do anything that's considered normal. We've gone too far, I think, in the casualisation of work; we really have.

Mr Ball: Yes, I agree. It exposes how quickly people can be in a very precarious financial position. Literally overnight they can lose their income. We had several hundred casuals at Crown put off overnight, at the start of March. That's their income gone. A lot of them, obviously, are so young. A lot of them live in apartments in the city around South Bank. I know a lot of them have moved back in with family now. The landlords of those apartments are struggling to get tenants. That will actually deepen the housing situation. Insecure work is a workplace hazard. We've been fighting it at Crown. Josephine will speak to this, I'm sure, but, even in her position, she's part-time and she has a band of hours across a four-week cycle. There's no stability. I'll let you speak to that, Jo.

Ms Annink: The casualisation and the insecure work in our industry—what the pandemic has really exposed is that these workers might be called 'casual' and they might be called 'part-time', but that's not what they are. They're just not being contractually given credit for the actual input that they give to these companies. That's an

industrial relations issue that extends far beyond JobKeeper and beyond this pandemic. Generally, 'full-time' workers are seen to be more costly, obviously, to a business, so there's a disincentive for them to give people full-time positions. I was employed as a part-time dealer at Crown because they don't offer full-time positions, all part-time positions, and then you have to move to try to become full time—be competitive with that. That's really problematic, because it's not as if those people aren't actually working those hours, and it's not as if they're not there to give. It's simply that they're just not getting credit for it.

Senator HANSON-YOUNG: Something you said struck me quite significantly. The comment that 'insecure work is a workplace hazard' sums up a lot of what you've been talking about. One of the things that I've been frustrated about how JobKeeper has been rolled out—of course, not being afforded to casuals or people who work gig to gig, and that's particularly in the hospitality, tourism, arts, entertainment, so the broader tourism sector. The thing that is the most hazardous about this in the middle of a pandemic is having no access to sick leave. That's a hazard not just to yourself but to your colleagues and even the customers that you're dealing with. How would you manage if you had COVID-19 or you had to have a test or you were told to self-quarantine? How would you manage without paid sick leave?

Mr Ball: I'm full-time—I'm lucky; I've got entitlements—but what's been shown here in Victoria is that people have had to make that choice: 'I've got a bit of a sniffle. Do I go to work, and maybe get a couple of hundred dollars a day to put some food on the table, or do I go and get tested, and do I isolate?' There's no doubt that that magnified this second wave. I worked casually in a local supermarket when I was younger, when I was studying. I was lucky that I lived with my parents. I didn't have to provide for the roof over my head; I just paid some board. If you have to pay a few hundred dollars in rent a week and you're looking at losing a couple of hundred dollars for a shift, or whatever it is, that's no way to live.

Mr Quill: We have an issue where if you have a sniffle, if you wake up in the morning and you've got hayfever, that's an instant three days off, because you have to go and get the COVID test. We have a list of eight or nine symptoms. If you have any one of them you have to have a COVID test, which means three days off so you can get your results. It's fortunate we've got JobKeeper going, because that pays for that, but there are some people who have had five COVID tests since we've opened. That's 15 days when they couldn't work. If they didn't have JobKeeper there to support them I hate to think if they were a casual. Without JobKeeper, they just wouldn't get paid.

Ms Annink: I think it's worth noting, as well, with casual work there is the issue that if they do decide to take that time off work they may be putting themselves in a position where their employer is not going to want to give them hours going into the future. That's also worth noting for casual workers, that not having access to sick leave payments or not working guaranteed hours is extremely problematic, particularly in terms of a pandemic. I know we're all hoping for a vaccine, but the reality is that at some point society is going to have to face a pandemic again. So we really need to think about this as a response and what this means for people.

Senator HANSON-YOUNG: Surely what we've seen now is the effect of what happens when people do get sick. Whether it is COVID or something else, spreading your germs around in the workplace is not good for anyone, not to mention that, surely if you're sick you should have the right to be able to recover without being penalised.

CHAIR: Senator Hanson-Young, do you have a question? We are just—

Senator HANSON-YOUNG: I guess I'm just backing up that this is beyond the pandemic, that sick leave and insecure work have exposed—what I'm hearing from you is that it's been exposed. Thank you.

CHAIR: Thank you, Senator Hanson-Young. With the indulgence of the committee, Senator Watt has one final question—please be quick.

Senator WATT: Probably to Ms Briskey: I know there are some concerns that when the JobKeeper rate is reduced it is going to hurt particularly people who are contracted to work less than 20 hours a week but regularly work more than 20 hours a week. I think the cut off for the new JobKeeper rate is going to be 20 hours a week. Is that a concern to members and workers in this industry? And can you confirm whether that concern is correct or not and what response you've had from the government to the concern.

Ms Briskey: It's a real concern, and I think Josephine has spoken to it a little bit. We are very much concerned that in an industry where people have to constantly try to find additional hours to get by—the contract rate you've got a minimum number of hours as a part-time contractor—they will be forced or fall back to that lower payment, that part-time payment for JobKeeper. There is no indication, we are unaware yet but are seeking clarification, as to whether or not the eligibility requirement to enable workers who were regularly and can show that they were regularly working well above the 20 hours will make them eligible still for the full-time rate of JobKeeper or

whether, because of their contract, they'll be forced to step back onto the part-time rate, which is a significant reduction. I know that Josephine can talk to her personal anguish that she is facing, as an example.

CHAIR: Thank you very much, Ms Briskey. I know we could all sit here all afternoon and continue this, but we must end. I thank you very much for appearing today. To all of your members who have shared their own individual story publicly today: it's not an easy thing to do, but it is really important and great for us to hear firsthand of your own experiences. So on behalf of the committee, I thank you very much for your appearance here today and the time you've given us.

Proceedings suspended from 12:53 to 13:40

FINDLAY, Dr Vanessa, Chair, Business Events Council of Australia

HIEBLE, Mr Andrew, Chief Executive Officer, Association of Australian Convention Bureaux

MANWARING, Mr Tom, Chairman, Australian Federation of Travel Agents

RUDD, Mr Darren, Chief Executive Officer, Australian Federation of Travel Agents

Evidence from Mr Manwaring and Mr Rudd was taken via teleconference—

CHAIR: The committee will now resume its hearing into the Australian government's response to the COVID-19 pandemic. I welcome representatives from the Australian Federation of Travel Agents and the Business Events Council of Australia. I will start with the Australian Federation of Travel Agents and then move to the Business Events Council of Australia for opening statements.

Mr Manwaring: Good afternoon, senators. Thank you for your time. We represent the travel sector and the 40,000 travel agents in Australia who work in it, 71 per cent of whom are women and many of whom have been in the sector since high school. This sector is nuanced in a couple of dimensions. One is that it was the first sector into COVID, having to repatriate and then refund revenue. Second, because of its revenue recognition cycle, it will be the first one of the first sectors to leave the COVID period in terms of cash flow. It is unique. It is a very passionate sector, and I am looking forward to taking your questions today.

CHAIR: Thank you very much, Mr Rudd.

Dr Findlay: BECA is an alliance of Australia's business events industry. We have five main members: the Association of Australian Convention Bureaux, the Australian Convention Centres group, the Exhibition and Event Association of Australasia, Meetings and Events Australia and the Professional Conference Organisers Association. We came together as a group and have been working together now for over a decade. Our focus is on providing a united voice for the business events industry, particularly in its engagement with government. Our industry is worth over \$35.7 billion in expenditure and has a direct value-add of \$17.2 billion. We employ over 229,000 people, and last year the industry held over 480,000 events with a size of 100 people or more. Over 43 million attendees came to those 480,000 events.

Off the back of bushfires and in the lead-in to COVID, there had already been indications in January and February that we were starting to see the effects on our revenue. On 13 March, when the announcement was made that the maximum number of people at gatherings was to come down from 500 to two, we realised that we were in significant trouble, and our industry revenue basically went to zero overnight.

We have conducted a number of surveys over the last couple of months to keep track of how businesses within the industry are tracking. Our first survey, which we did in April, showed that 96 per cent of events planned for 2020 had already been cancelled, and by the time we got to July we were showing that revenue was down to zero for the majority of the business events businesses in our sector.

We also looked at the importance of keeping employees attached to businesses. In April, prior to the announcement of JobKeeper, we predicted that job losses could be more than 90,000. But as JobKeeper was announced and the need across our sector for that measure became obvious we were able to at least sustain some proportion of our employees and keep them attached to their businesses. In our second survey in July, we looked at future confidence and, again, we're able to show that 67 per cent of businesses have no business for 2020 and 48 per cent have nothing on the books for 2021. Again, it reinforced the importance of JobKeeper in sustaining our industry.

At the moment, like many of the other sectors within the visitor economy, we feel we're at somewhat of a stalemate or a hiatus when it comes to thinking about what's next. We've been able to put in place measures that can sustain our industry, but we really need to now look towards what recovery looks like. With border restrictions and restrictions on gathering size being maintained we're keen to see what can happen and how we can recover and rebound from this point forward.

Senator WATT: Thanks, everyone, for your evidence today. I think you can be assured that we all understand how much pressure your respective industries are under at the moment. Hopefully we'll be able to get some good ideas today about what we can do about it. I'll start with the travel agents. Obviously international travel is some time off. Can you tell us anything about what the federal government has been doing in working with the sector to help pivot more towards domestic travel? In particular, are travel agents being factored into the Holiday Here This Year marketing campaign by Tourism Australia?

Mr Rudd: First of all, we're very grateful for the Morrison government's JobKeeper 2.0. We have been working with Tourism Australia. There won't be a complete retooling of travel agents substituting domestic

product 100 per cent, but we are working very closely with every state and territory to make sure our travel agents are aware of domestic product. We are actively trying to help them market and think of innovative packaging of product for the domestic market. But, as you alluded to, Senator, the problem for our particular membership base is that 70 per cent of the trips booked are international, so they need to be on the aeroplanes outbound.

Mr Manwaring: Yes, it's a unique situation with travel agents around Australia. There are more travel agents than post offices, they say. The programs for domestic products for many years have been geared more to airline, hotel-motel and theme park direct, sidestepping the travel agent. Travel agents do get involved quite heavily in the corporate market, with issuance of tickets et cetera and account management, and that is predicated on the issue of borders opening. While, yes, general tourism is an earning avenue for travel agents, what we would like to see is a little bit more of, 'See your travel agent,' amongst some of those Tourism Australia ads. In regional, country and metropolitan areas where the travel agents are sitting, for the past 20-odd years 70 per cent or 80 per cent of bookings have mainly surrounded outbound travel, which does give a direct benefit to the Australian economy as well, of course.

Senator WATT: To both the travel agents and the business events groups: I absolutely hear what you're saying about the importance of JobKeeper to your industries. I have spoken to both travel agents and business events organisers who have told me about how important that has been. Leaving JobKeeper aside, can you point me to what direct support the federal government has provided either to travel agents or to business events organisers?

Mr Manwaring: For travel agents, other support mechanisms have come through some payroll relief and some small loans for businesses. Those have all emanated from the state governments. There have been business support packages at large. One of the submissions we have currently before the federal government is for a business support package overall that Mr Rudd and the AFTA team are working on as we speak and discussing with Treasury. That's about alleviating the pressures that travel agents are under now. The travel agency system, which is the start of the journey of travel, both domestic and international, has been thrown into reverse. Last year's bookings are now being refunded—some \$3 billion so far this year—with no income coming in the door; the income is outflowing. The system wasn't built for reverse. Whilst JobKeeper has been good, as mentioned, the things aligned to JobKeeper, such as superannuation and holiday accruals, are creating pressure. Redundancies and cash costs create pressure. The order is to keep jobs here and businesses alive. For that they need basic business support, which is cash. They are not generating any cash; they are in a negative cash flow position.

Most of the other tourism businesses which we're aligned to will be up and away once the borders open. Coffee shops will be firing, as will everything else—pubs, clubs, caravan parks et cetera. Travel agents, though, will wait a further six months before earnings can be created. There's a lag in the earnings of an agency. Most agencies are remunerated when the holidays are completed, the cruising is completed and the air travel is completed. So there's this lag, which is a major concern within the industry at the moment, in negative cash flow, waiting for flights to resume and borders to open so that travel can resume in some safe form. When that happens, there will still be a six-month lag. Those requirements, as the submissions will indicate, are going to be severely tested over the next six months. A lot of agencies will fail without that business support.

Senator WATT: And the business events groups?

Dr Findlay: It's very similar to what Tom has just conveyed to you. The long lag times between when a business event is booked and when it is actually held create very significant challenges for us. When the lifting of restrictions comes through, we're going to face similar lag times. Four to six months is the average time between when a business event is planned and when it is held. For some of our big international events, it can be a four-year lag time. With respect to the other support mechanisms that government has provided, many of our businesses have been able to access the small-business cash boost amount and the loans program. We're working very closely with government at the moment on an industry specific support package that will pick up on the nuances and the unique aspects of business events that mean we're not going to see a rebound in our revenue when restrictions are lifted. We have got a significant lag time.

Mr Hieble: To add to that: in terms of federal government support for the business events sector more broadly, Tourism Australia is typically the vehicle where campaigns are and activity is delivered. The existing support there, beyond the division within Tourism Australia directly, is the bid support program, which is internationally focused but, given the circumstances, has had to pivot some of those directions more to a domestic market. Recently, \$1.5 million has been announced for businesses to support their marketing programs and attraction of business events. Also, from a destination marketing perspective, the additional funds towards the Export Market Development Grants scheme have been specifically welcomed, because of the oversubscription to the scheme. Adding that extra money to, I think, FY19 has meant that the full refunds have been allocated back to

destination marketing organisations—which was a trend going in the opposite direction prior to that additional funding.

Senator WATT: I understand that the government has announced the Business Events Boost Program. I don't know whether that was the one you were just referring to, Dr Findlay.

Dr Findlay: It is, yes.

Senator WATT: Was your organisation consulted about that before it was announced?

Dr Findlay: No, we weren't.

Senator WATT: So you didn't have any input into the design of that program for business events?

Dr Findlay: No.

Senator WATT: Members have applied for that funding and been successful, have they?

Dr Findlay: Yes. We understand that the fund has been well received. A number of our business-events businesses have applied for that. But we see the \$1.5 million running out pretty quickly.

Senator WATT: Yes. Have either the travel agents organisations or the business events groups made any applications to the government for funding under what has been badged its \$1 billion tourism fund?

Dr Findlay: We've definitely been working very closely with government, right from April, actually. We got our recovery and rebound framework done very quickly. That has a number of key components in it that we think are going to regain the confidence of our clients and customers but also build and drive momentum to get business events back on track. Whether the industry-specific support package comes from that \$1 billion or additional money, that's a decision for government. But we're increasingly confident that we're going to gain the support we need from the government to see that rebuilding of confidence and the rebound of the industry when the time is right.

Mr Rudd: We haven't. We've been focusing on the next budget submission process.

Senator WATT: We've talked a bit today about this \$1 billion tourism fund. Starting with the travel agents, is there anything that has come from that fund that has directly assisted travel agents?

Mr Rudd: The answer to that is no.

Senator WATT: What about business events?

Dr Findlay: No.

Mr Hieble: The Export Market Development Grant boost may have come out of that \$1 billion. Is that correct? I might be wrong there.

Dr Findlay: Perhaps.

Senator WATT: I thought we heard earlier that those funds haven't been used because of the circumstances we're in at the moment. Is that right, or have I misheard that?

Mr Hieble: From the Export Market Development Grant?

Senator WATT: Yes.

Mr Hieble: I think that's right, moving forward, but I think the initial investment supported—because the grant year is retrospective—the FY 2019 grant year.

Senator WATT: Right. If, then, we're thinking about business events since COVID hit, there has been no direct support for business events from this \$1 billion tourism fund.

Dr Findlay: No.

Senator WATT: In terms of business events, you've obviously got issues facing you for some time in terms of the social-distancing requirements, which are likely to stay in place for some period of time. In that kind of environment, what would be the top two or three things that you think the federal government could be doing to assist you and the jobs in your industry?

Dr Findlay: We've been working on COVID-safe guidelines. Right from March-April, we were really clear about the fact that business events are very different from mass gatherings, and we're comfortable with the recognition that that has received—that a business event can, in fact, be held in a COVID-safe environment and is different to a mass gathering or a general public gathering. Having those guidelines recognised and then translated into the state and territory measures—of course, the states and territories are ultimately responsible for defining the size of a gathering that they will allow—is going to be the single biggest contributor to our sector being able to start again, as well as the lifting of border restrictions. Once we're through those two, then it's the components

of the recovery and rebound framework that we're working on with the federal government that are going to rebuild the confidence of our clients and customers and build the momentum to get people to come back to business events.

CHAIR: Senator Watt, I might just hand the call to Senator Hanson-Young and come back to you if there's more time at the end and once I check with others.

Senator HANSON-YOUNG: Senator Watt, I'm only going to be quick, so I am happy to cede back to you in a little bit. Firstly, in relation to insurance and access to insurance going forward, and particularly for events when they get cancelled, or if there's a flare-up or an outbreak somewhere else, have you, as an industry body, had to negotiate with the insurance companies on behalf of members? How is that going? I ask that question first both from an events perspective but also from a travel agent perspective. I know they're going to be very different cancellations. I'm sure you're having to deal with that.

Dr Findlay: Sure. Insurance is actually one of the issues that is challenging us at the moment and is one of the big stressors for business event organisers. We haven't been able to gain clarity from the insurance industry that an event that is cancelled as a result of a pandemic is actually covered. And, of course, that severely undermines the confidence of people to book an event and know that, if it's cancelled as a result of government restrictions, they can actually cover the costs. So that's part of what we're working on with government and one of the things that we have to break the back of to make sure that we can restart the industry. So we haven't completed our work on getting to the bottom of how we will address the insurance issue, but you've absolutely highlighted one of the real and significant challenges that we've been looking at in the last month.

Senator HANSON-YOUNG: Before we go to the Federation of Travel Agents, can I ask: who in government have you been talking to about that?

Dr Findlay: The Coronavirus Business Liaison Unit has been coordinating and collecting information across industry sectors, and they've been engaging with us and gathering the intelligence and information we can pass back to them on that, and we've also raised it with the NCC, as well as in our ongoing engagement with Minister Birmingham.

Senator HANSON-YOUNG: Great. Thank you.

Mr Rudd: Senator, from the perspective of the Federation of Travel Agents, while there are no international flights at the moment from a leisure or corporate perspective, I would echo the comments: there are some insurance issues we're dealing with, mainly in the product design moving forward when the borders are liberated, international borders specifically, in relation to products that are more robust for COVID. We're working specifically with different companies on product development. But that's the only particular issue we have currently.

Mr Manwaring: If I could add that it's a critical component of international travel rejoining. Emirates in particular—and Qantas is looking at it as well—has applied an insurance policy for customers on the plane of up to \$250,000 if they happen to get COVID during travel. But, with borders opening internationally, definitely. One week in ICU in the States is a million dollars, so you can't be going there on a holiday without insurance cover. Insurance companies are being very proactive about it. They're aware of it; it's just getting the suits in London to give some protection to get the policies out. We're working hard on it. It is also a revenue earner for travel agents; it's part of the sales process. Separate to selling travel, policies are covered. We've been asking for mandatory travel insurance for a number of years now. It lessens the stress on DFAT, on the consular officers overseas, as well. The amount of work that travel agents do at the moment is significant in helping people be repatriated when they do get into trouble, and that is a part of that whole insurance question. It's something that all the agents currently do and are not paid to do. It's an issue they are dealing with at the moment.

Mr Hieble: Just to add some positive news from a business events perspective, the inquiry levels are really quite high still; they're quite healthy. Requests for proposals, requests for bid opportunities—the convention bureaus around the country are responding to still high levels. The challenge is, though, that the conversion to actually signing a contract is not occurring. In relation to whether a state will impose further restrictions, further lockdowns, into the future and whether the borders will be open, there's just not enough confidence for event owners to sign a contract. That's part of the frustration. One of the positives about our industry is that there a long lead time, because you're dealing with business far into the future. But that's also a downside when you need that confidence.

Senator HANSON-YOUNG: I have a final question specifically for the Federation of Travel Agents. We know about the fact that borders are closed internationally, so when people come back here they have to go into self-quarantine. What impact have the outbound restrictions meant for you? Is there an argument for easing the

outbound traffic? I'm thinking if people have a funeral to attend or a wedding to go to or they have got work overseas for a six-month period. It seems to me that Australia is one of the few countries that is actually restricting people from leaving as opposed to coming in.

Mr Rudd: I might start and let the chairman follow up. Obviously, with the borders closed, that's an issue. We're advocating for a greater balance between the absolute necessity to preserve life and the liberation of those borders under only medically-led advice.

Epidemiologists are advocating that you find a country or a city which has a similar epidemiological pattern—which doesn't mean a DNA pattern but it means a probability of transmission—and health infrastructure to support the likelihood of transmission. So we would advocate along the lines of the UK, that bilateral flight corridors should be considered, but that debate has to be a medically led one. [inaudible]

Mr Manwaring: Yes. Obviously, the safety-first principles apply. It's interesting that there is still about \$20 million worth of international travel done a week in Australia at the moment from travel agents. It hasn't ceased completely; there are a lot of flights travelling with the 35-passenger restriction. So people are coming to and fro. We think it's critical that a system be developed which will enable the opening of some corridors in a safe way. Other countries in the world seem to be making more progress than we are—and I'm not advocating an open slather thing at all; it's safety first. There is Singapore-Kuala Lumpur, for instance, 45 per cent of all travel around the US is still open and a lot of travel around Europe is happening. How can that be done safely with some new safe travel parameters—a COVID passport or whatever? There are cargo flights in and out; thousands of tonnes of cargo are still flying around in airplanes at the moment, so they keep running.

Those are flown by people and those people are coming into the country, so how do we let tourists and/or people coming for other reasons—as you said, funerals, families and VFRs are huge business within the travel industry—and get that moving again, even in some test corridors? They would have very strict restrictions and then we could gradually build from that. We need some examples to start. New Zealand is obviously a little way away now, but even if we use the example of some of the 'cleaner' states—Perth or Brisbane—into Auckland to start those processes, we can learn from them in a safe way and gradually open up more travel. It's a \$45 billion business currently going in reverse and 3,000 travel agents and 40,000 depend on it.

Senator HANSON-YOUNG: South Australia is a pretty clean state, too. I'll just put that out there!

Mr Manwaring: I'll put you down!

CHAIR: Senator Paterson.

Senator PATERSON: Indeed, South Australia is a very clean state. We're very envious of that here in Victoria, but I don't think you can even travel between South Australia and Western Australia at the moment—let alone Perth to New Zealand. That brings me to my question, which I guess is a fairly obvious one for both of your industries. How important is it that we're able to lift those domestic border restrictions, at least initially, before we go to international border restrictions?

Mr Manwaring: From a travel agent's point of view?

Senator PATERSON: Yes.

Mr Manwaring: As Darren mentioned earlier, it's probably a 30 per cent earning rate for travel agents so, yes, as a start, that's critical to start the cash coming in the doors. That supplements JobKeeper and it supplements the business costs and therefore these businesses can stay alive: the regional centres, the mum-and-dad shops and a lot of people. We're going to lose a lot of IP too because they need cash flow, either that or government support for the next 12 months, to survive. It's literally that critical.

Already there are 30 per cent unemployed. Domestic travel needs the right indicators and support from government; 'See your travel agent' is a simple little slogan which can be used. Seventy per cent of outbound travel is booked by a travel agent and the same statistic can apply to domestic if the consumer is encouraged to use their qualified, experienced AAPTA travel agent. It's a simple remedy that would maybe have some sort of effect and get some cash flowing.

Senator PATERSON: Do your members understand why, for example, people are being banned from flying from one state with no cases to another state with no cases, say, Queensland and Western Australia or the Northern Territory and South Australia? Do they understand the rationale for those sorts of policies?

Mr Rudd: They are perplexed as to the decision-making framework upon which the state premiers and chief ministers make those decisions, so a clearer framework would help. But they do appreciate the safety concerns.

Senator PATERSON: There are quite obvious safety concerns about travel from Victoria, which does have community transmission but, as far as I'm aware, there are other states and territories that have no community

transmission, yet travel is still heavily restricted from those states to other states that have no community transmission.

Mr Rudd: There's a degree of cynicism as to why that is happening in certain states, and that's just a political reality.

Senator PATERSON: Some witnesses earlier today explicitly said they hope that the situation will improve after the state election in Queensland and the Northern Territory election. Do you share that view?

Mr Rudd: I hope those borders are opened as soon as possible, and I would extend that to New Zealand as well.

Mr Manwaring: Yes, the sooner the better. There's a great deal of frustration within the businesses, because they are family businesses and they are on the threshold of collapse and they need to generate and look after their clients and customers and create cash for their businesses. Failing that it has to be government support. Half of the frustration is about the protocols. Can't we learn from other countries or even develop our own health protocols for safe travel? Perhaps that is tests every 48 hours or some other format, rather than a full 14-day isolation in a hotel at both ends of the journey.

Senator PATERSON: To the Business Events Council: how important is it for the people that you represent that state borders are able to be opened soon?

Dr Findlay: It's the single most critical restriction that we need dealt with. It's our absolute priority at the moment. Others come quickly after that but, until border restrictions are lifted, there isn't a lot that we can do to rebuild our industry.

Mr Hieble: We're quite fortunate in Australia that such a significant proportion of the industry is in the domestic market compared to some of our South-East Asian competitors who rely extremely heavily on the international market. I'd say at least 90 per cent or more of our industry would be in the domestic space. The majority of that cannot occur with the state borders closed. To add to that, most of our industry has responded to state and territory requests to design COVID-safe plans to open and operate in a safe way, and the frustration there is that they're not allowed to enforce or enact those plans at this point in time. They've all invested time and resources to develop those plans.

Senator PATERSON: Thank you. It's a very clear and emphatic answer. In your earlier evidence you talked about the importance of some certainty and some ability to plan, particularly given the long lead times in your industry. Is there anything you want to add to that observation?

Dr Findlay: It's actually the basis of the recovery and rebound framework that we've developed as an industry and which is now sitting with government. It's about what mechanisms we can put in place that help to counter the nervousness around booking an event because of the unpredictability around how states and territories are going to react to the detection of even a single COVID case. It goes to your point earlier around whether our members understand what restrictions the states and territories are putting in place and why. From our industry's perspective, many of those restrictions can't be understood from an evidence based logic. There's something else going on.

Senator PATERSON: Would you venture a guess at what that something else might be?

Dr Findlay: It's politics.

Senator PATERSON: Thank you. That's very clear.

CHAIR: Senator Watt, you have some further questions.

Senator WATT: I have a couple of questions for the travel agents representatives. I don't know whether these are within the scope of your work but, if they are, I'd appreciate your answer. I've been contacted by a number of elderly people here in Queensland who find themselves in a situation where they've paid for trips, usually overseas, and the travel agents that they have been dealing with have said that they can't give them a refund, but they're able to give them a credit. They're elderly people and they're not sure when or if they're going to be able to travel overseas. They are pretty dissatisfied with the situation. Is that something that you've had to deal with? What's your perspective on that?

Mr Manwaring: I run a travel business as well. This is the most frustrating and complicated process on the planet at the moment. As I was saying before about the system going into reverse, with all these refunds going out, the travel agent starts the process and is currently finishing the process, but we have to wait for those refunds which are applied for from both airlines and cruise companies to go through to those airlines or cruise companies. The payment system and the settlement plans are complicated. Most of these companies are overseas. We're dealing with billions of dollars at the one time. In the four or five months that COVID has been applicable at the

moment, the refunds have been in the billions—\$10 billion—and the bookings coming in are in the hundreds of thousands—hence the discrepancy in earnings. The pressure on the travel consultant or the travel business to be doing this is extreme. They're working long hours to try and recover funds for clients, some of which are for very complicated itineraries, not just a plane trip here and there. It's a complicated, long trip involving cruising, touring et cetera. That is what is driving most people out of the business currently. Some 30 per cent have already left, and we believe another 40 per cent will leave unless there's business support.

For customers to accept that, we've worked hard with the ACCC to make sure that the suppliers can offer cash or credit refunds. If the client wants cash, the ACCC procedural document indicates that the supplier must provide the cash. That then goes to the agent and then quite quickly goes on to the customer. But the wait time at the moment, because of the sheer volume and the fact that most of this cash is overseas, to return it and reconcile it, with the government tax we pay—the passenger movement charge et cetera—all added back in, and then pass it on to the consumer, is currently between four and seven or eight months, I'm afraid.

Senator WATT: So, for people who are dissatisfied with their situation, is it really, from your point of view, airlines or hotel accommodation providers who are responsible for this decision? How do these people get—

Mr Manwaring: Yes, that's right. Sorry to interrupt. In the mainstream, it is the supplier who has the funds, and the supplier in some cases has put that on to other hotels et cetera, waiting for them to refund it to them. Then it comes down the line, in reverse to what it normally does. The whole system was planned to go out in positive sales very quickly, and reversing it is a completely different argument regarding the volume. Those billions which are currently coming back into the country and have gone to refunds are having to be actioned by the travel agent for no income. They're not making any money; they're just spending hours at the moment tracking down each of those refunds to reconcile them and get them back to the customer. That is improving as we get through this year, because there have been no actual refunds added to the list, because there's been no travel booked for the past seven months, if that makes sense. So the volumes are decreasing, and therefore the pace at which they can be actioned is improving. I think the clients, unfortunately, have to try and stay in touch with their agent and be as patient as they can. The refunds in most cases will be safe. We can't guarantee all of it, because some of these overseas companies may not last through COVID. That's a reality for airlines or cruise companies. We are hoping that they will all still exist post COVID and that the funds are safe, but I'm afraid it is a matter of waiting and trusting. The travel agent doesn't have the funds; the supplier and/or their agents have the funds, and we are accessing them as much as we can. At this stage, about \$100 million each week is put back into the community.

Senator WATT: Thank you for that. There is another question that's been raised with me just in the last few days, and again this might be beyond your remit. I understand that there are some online travel agents operating in Australia—sometimes they're based offshore—who have taken money from consumers who have booked a trip, whether it be to Cairns, the Whitsundays or anywhere else. It might include reef trips, rafting and hotel accommodation. Some of those online providers have, I think, now gone broke, and understandably the tourist still expects to get their reef trip, their hotel or whatever it is that they paid for, and that's left operators out of pocket. Is that something that's been brought to your attention, and is there anything that we can do legislatively to protect consumers, operators and the better travel agents around?

Mr Manwaring: Yes. In the travel ecosystem, everybody's a travel agent under the travel guises of AFTA, really—the bricks and mortar, the onliners. It's true that there are international onliners operating in Australia. It's a free open market. Some of those, in fact, have collapsed, and some of them are currently in administration, with the administrators sorting out the fund proceeds and the refunds back to the clients. Travel insurance is part of that whole process, and AFTA, as the industry body—the accreditation scheme in a deregulated market works pretty well. There have been very few defaults in the last four or five years, since the ATAS program was released. So there are protections there for the consumer.

For the end supplier not receiving their funds from that booking, if the customer hasn't used the product, it will be up to the administration. Whether it be any business, I don't think legislation is the way to go with this. It's more of an industry led solution, we believe, and AFTA does fill that role for both international and domestic travel. Currently there is a credit chargeback scheme, which AFTA also created. That is currently in limbo because of the COVID environment. Unfortunately, more defaults are probably due, and it's a matter of that cash being tracked as best as possible. There's no single-shot solution to this problem, though. We're well aware of it. Does that help at all?

Senator WATT: Yes, I think so. It's something that's only been raised with me in the last few days, so I'm still trying to get my head around it at the moment. But it does seem to be a bit of an issue.

Mr Manwaring: Yes. It revolves around insolvency, basically. The effects flow on to the consumer and then the end supplier and the actual travel agent themselves. As I say, if the support is not there, there will be insolvencies and those problems will multiply across the seven million customers a year who use them.

Senator WATT: Thanks.

CHAIR: To all of the witnesses: is there anything else you'd like to say to the committee, anything that we haven't covered in the questions today?

Mr Rudd: Just in closing, I'd like to thank the committee for interest in this area. It does employ a lot of Australians. I do need to point out that unless we all work together there are going to be a lot of people in our particular area that are going to go broke, and we don't want that to happen. We'll be putting a budget submission to government. And I should point out in my five weeks in this role I've been out almost every second day. This is a business sector within the broader industry that's very proud. As I mentioned in my opening statement, since high school, for generations, they've been helping Australians get overseas for commerce, culture, family, friends, reunions and a whole range of things. Now is the time for our society to support them in return. That's what we'll be submitting to government.

CHAIR: Thank you, Mr Rudd. From your short time in the role, do you have an idea, in terms of a time frame, of what's the most critical period?

Mr Rudd: We are in that period now. We are looking at a range of mechanisms, in house and through other experts, to help advise people on when to choose to sustain the business and when to choose to exit the business gracefully. We'll be putting submissions to government in the budget process to help with funding and also to bring back legislation, like the Fair Entitlements Guarantee, to help people, if they have to go down that particular path, to exit their lifetime's work gracefully and be able to afford all of the entitlements that their employees are due. That's a harsh reality. My counterpart in the United States is advocating that 70 per cent of travel agents in the United States will fold. People are calling us from Greece to make bookings, because the travel agent guild and craft in that country is almost extinct.

CHAIR: We will continue to engage with you over the next little while and keep across that. Dr Findlay, did you want to add anything in there?

Dr Findlay: Similar to what Darren has just shared, we are also implementing a similar program for the business events industry businesses to provide the level of support that they need about making decisions around sustainability and viability into the future. We have now faced, as I said, close to zero per cent revenue for six months. While it might be reasonable to expect a business to be able to look after itself for that period of time, anything beyond that is now very serious danger territory for every business in our industry. What I propose we'll do now is package up the very comprehensive survey data that we have prepared, as well as the Recovery and Rebound Framework. We can provide that to the committee as a basis for your future considerations when you prepare your report.

CHAIR: Thank you very much to our witnesses. Thank you for appearing today. The committee really appreciates the time that you have given us and the effort you have put into your evidence. I don't think you're taken any questions on notice so you can get out of that one. If there are further bits of information you think are relevant to the committee's inquiry we look forward to receiving those. Thank you very much.

Proceedings suspended from 14:26 to 14:31

ADAMSON, Ms Frances, Secretary, Department of Foreign Affairs and Trade

BALZARY, Ms Mary, First Assistant Secretary, Soft Power, Communications and Scholarships Division, Department of Foreign Affairs and Trade

BAXTER, Mr James, First Assistant Secretary, Office of Trade Negotiations, Department of Foreign Affairs and Trade

BERESFORD, Mr Tim, Acting Chief Executive Officer, Australian Trade and Investment Commission (Austrade)

CHITTICK, Mr Craig, First Assistant Secretary, United States and Indo-Pacific Strategy Division, Department of Foreign Affairs and Trade

CONNOR, Mr Tom, Acting First Assistant Secretary, Southeast Asia Division, Department of Foreign Affairs and Trade

GORDON, Dr Jenny, Chief Economist, Department of Foreign Affairs and Trade

HARRISON, Ms Phillipa, Managing Director, Tourism Australia

HEINECKE, Ms Danielle, First Assistant Secretary, Pacific Operations and Development, Department of Foreign Affairs and Trade

ISBISTER, Mr Jamie, Ambassador for the Environment; and First Assistant Secretary, Economic Growth and Sustainability Division, Department of Foreign Affairs and Trade

LAWSON, Ms Elly, First Assistant Secretary, North Asia Division, Department of Foreign Affairs and Trade

LOGAN, Ms Kate, Chief of Protocol, Department of Foreign Affairs and Trade

McCOURT, Ms Suzanne, Assistant Secretary, Sanctions Crime and Sea Law Branch, Department of Foreign Affairs and Trade

MILTON, Mr Ben, Assistant Secretary, Corporate Law Branch, Department of Foreign Affairs and Trade

NEWNHAM, Mr Simon, Chief Legal Officer, Department of Foreign Affairs and Trade

PEAK, Mrs Elizabeth, First Assistant Secretary, Human Development and Governance Division, Department of Foreign Affairs and Trade

RAPER, Ms Cathy, First Assistant Secretary, COVID-19 Coordination Unit, Department of Foreign Affairs and Trade

SLOPER, Mr Daniel, Chief People Officer, Department of Foreign Affairs and Trade

THOMSON, Mr Gerald, First Assistant Secretary, Pacific Bilateral, Department of Foreign Affairs and Trade

VENUGOPAL, Mr Murali, Chief Finance Officer, Department of Foreign Affairs and Trade

WARD, Ms Elizabeth, First Assistant Secretary, Trade, Investment and Business Engagement Division, Department of Foreign Affairs and Trade

WEBSTER, Dr Fiona, Acting First Assistant Secretary, Consular and Crisis Management Division, Department of Foreign Affairs and Trade

WILLIAMS, Dr Stephanie, Ambassador for Regional Health Security, Department of Foreign Affairs and Trade

Evidence from Ms Harrison was taken via teleconference—

CHAIR: Good afternoon, everyone, and thank you for coming. The committee will now resume its hearing on the Australian government's response to the COVID-19 pandemic. I welcome officers from the Department of Foreign Affairs and Trade, Austrade and Tourism Australia. Ms Adamson, do you have an opening statement you would like to make?

Ms Adamson: I do, Chair, a very brief one.

CHAIR: Okay. Ms Adamson, we'll start with you and then go to Mr Beresford and then Ms Harrison, and then we'll go to questions.

Ms Adamson: Thanks very much, indeed, Chair. I'm really pleased to be joined by Phillipa Harrison and Tim Beresford.

The work of DFAT and its portfolio agencies has never been more important in delivering for Australians at home and overseas. Our priority is helping Australians at this extremely difficult time. We've restructured our response across four pillars: to help Australians overseas, help Australians at home, help businesses in economic recovery and help our neighbours. All of our 111 DFAT-managed overseas posts have maintained operations, with over 70 per cent of DFAT A-based staff remaining at posts in often very challenging circumstances. The department-wide effort has been enormous, and I thank my colleagues for their dedication.

Our global network has helped maintain supply chains and markets for essential goods and services. Our diplomatic efforts, in collaboration with Austrade, Health, Infrastructure and other agencies, have helped secure over 40 per cent of all ventilators in Australian ICUs, as well as more than 30 million gloves and one million goggles. Australian businesses have been assisted with the sharing of commercial and economic insights, along with the securing of trade routes for critical exports and imports. DFAT has coordinated work across the portfolio and across government to develop priorities for the recovery of the trade, tourism and investment sectors. Australia's economic interests have benefited from our continued advocacy for free flows of trade for Australian exporters.

We are working across government and with industry to build resilience to future shocks to global supply chains. We are supporting engagements with neighbours and like-minded governments and working to ensure robust multilateral institutions. We played a major role in securing an independent evaluation of the global response to COVID-19 and origins of the pandemic. We are supporting vaccine development and are calling for equitable access to any successful vaccines. These efforts will benefit Australia. We have strongly supported government initiatives to help Indo-Pacific partners manage the impacts of the pandemic. Redirection within our aid program via the Partnerships for Recovery initiative will deliver \$280 million to support the critical medical and humanitarian needs of our Pacific family, Timor-Leste and our partner countries in South-East Asia. These and other ongoing development initiatives serve Australia's core strategic interest in promoting regional resilience, stability and recovery.

We have worked with Pacific governments to maintain COVID-19-safe regional connectivity and movement of essential PPE, medicines, expertise and food supplies through the Pacific humanitarian pathway. DFAT has done all of this while continuing to support Australians overseas in our biggest consular response in history. To date, we have assisted around 27,000 Australians access 340 flights home, of which 64 flights were directly supported by cross-government efforts. There has been no pause in our response. Assisting Australians overseas remains our core focus. As we navigate the uncertainties and challenges we face, our diplomacy will continue to be a vital contributor to national resilience and economic recovery.

Mr Beresford: Over the last six months, the Australian Trade and Investment Commission has pivoted to support the government's response to COVID-19, which, as we know, is unprecedented economically and from a health perspective. COVID-19 has fundamentally changed the way our Australian businesses operate and the environment they operate in. It has made life extremely challenging for Australian exporters of goods and services. We are speaking directly to businesses and peak industry associations to understand the needs of exporters, investors and the tourism sector. We have focused on providing a critical lifeline through the International Freight Assistance Mechanism to get exports moving and keep freight routes open, helping exporters adapt to and survive the pandemic; worked across government at a Commonwealth, state and territory level to provide a 'team Australia' approach in supporting businesses and investors; and administered key targeted tourism support programs to help ensure the sector's survival and feed insights into government policy.

IFAM, the international freight assistance mechanism, is a cornerstone of our COVID contribution. IFAM is a \$352 million temporary emergency measure to get Australian exports flowing again, rebuild aviation supply and secure critical imports for Australia's COVID-19 response. On 1 April, Austrade set up the IFAM team, which involved seven agencies led by the international freight coordinator, Michael Byrne, and the Australian freight controller, Air Vice Marshal Margaret Staib.

Our key focus was to identify Australian exporters with high-value perishable items and imports of critical items of national significance and national importance where there just was no alternative to air freight. Flights have taken off in every state capital. Indeed, IFAM has supported regional producers. There's been an air bridge between Hobart and Sydney to enable Tasmanian producers to route international flights, an air bridge from Darwin to Brisbane and, indeed, regional Australia's been served through both Toowoomba and Cairns. So far

IFAM has been successful. It has reconnected international supply chains, air freight connections to nine departure points from Australia and 63 international markets, over \$1 million of export sales of 85,000 tonnes of premium produce; brought in nationally critical imports—PPE, ventilators, critical medicines—approximately 4,000 flights; and, more importantly, supported 35,000 direct jobs relying on air freight and over 120,000 jobs which are indirectly reliant on air freight. IFAM has supported all states across all the country with tuna, oysters, meats, vegetables, abalone, seafood and mangoes. In addition to that, on our focus on exporters, we continue to support exporters through our Export Market Development Grants scheme. On 1 April the government announced a cash injection of \$49.8 million from the \$1 billion COVID-19 Relief and Recovery Fund. This has provided recipients with full grant entitlement for the year.

Finally, support for tourism. COVID-19 has severely impacted the tourism sector—a \$152 billion sector in 2019, supporting more than 300,000 businesses and employing more than 660,000 Australians. Around 95 per cent of those businesses are micro to SMEs that have been supported by the government's whole-of-economy measures such as JobKeeper, jobseeker, the cash flow payments, apprenticeships and trainee support, and assistance for financially distressed businesses. In addition to these whole-of-government measures, the government has had a number of targeted support programs under the \$1 billion COVID-19 Relief and Recovery Fund.

Austrade, as I mentioned, has supported through EMDG and, equally, through the zoos and aquariums component, which was around \$94 million of that \$1 billion. These grants are for eligible zoos and aquariums to deal with animal welfare issues such as food, health and specialist care utilities. So far, 140 of 145 eligible zoos and aquariums have applied for funding—Taronga Zoo, Perth Zoo, Sea World, Crocosaurus in WA. We're currently assessing the claims for a second payment. Based on the costs of July to September, the program will complete in October. Our COVID response is a long-term effort. Our efforts will continue to support the Australian economy and, more importantly, Australian businesses.

CHAIR: Thank you very much, Mr Beresford. Do you have that opening statement available electronically?

Mr Beresford: Sure.

CHAIR: Could you provide it to the committee, and then we will agree to the publication of it along with Ms Harrison's and Ms Adamson's. Ms Harrison, are you right to go?

Ms Harrison: I am. Thank you for the opportunity to address the committee. As we all know, the last few months have been extremely challenging for Australian tourism, with the industry facing the devastating impact of the worst bushfire season on record and then the complete shutdown of global travel as a result of COVID-19. These two crises have resulted in tourism businesses closing or being mothballed, job losses and the industry losing billions of dollars a month in revenue. COVID-19 has changed the operating environment now and into the future for all of us, but none more so than the tourism industry and the many communities that rely on it for their livelihood. Our operators were the first to feel the impacts and will likely be the last to recover, due to a heavy reliance on international visitors. They are front of mind in everything we do at Tourism Australia.

With international borders closed for the foreseeable future, Tourism Australia is prioritising its recovery efforts towards supporting the industry and stimulating demand from domestic tourism where possible. Whilst domestic tourism alone cannot fill the vacuum of lost international business, more Australians travelling domestically does have the potential to deliver billions of dollars of much-needed revenue to our sector. Tourism Australia research carried out in July 2020 shows that six out of 10 Australians are either dreaming about or planning their next holiday. This pent-up demand is why Tourism Australia is currently using the period of restricted movement to encourage Australians to dream about their next domestic trip and to plan and book when the time is right. But continued restrictions on interstate travel hamper the ability for this demand to flow through to the operators, the businesses and the communities who need it more than ever.

While some of our brand activity remains paused due to the impacts of COVID-19, we have not gone quiet. We have increased our social media presence, digital activities, media partnerships and the training of domestic-travel agents. We're currently working with the states, the territories and our commercial partners on the next iteration of our Holiday Here This Year domestic campaign. Targeted activity will aim to galvanise Australians and get tourists back into the areas that need them most, including regional Australia, areas directly impacted by the bushfires and destinations heavily reliant on international tourism. In time, international visitors will form a critical part of the recovery—and our ambition is to get back into the market as soon as possible once orders begin to open. In the meantime, we cannot go dark. We continue to engage regularly with, and train, distribution partners and industry across our key international markets. In fact, in the last 12 months we've trained 80,000 travel agents globally compared to our normal 32,000.

We have moved our incredibly successful events programmed to virtual platforms to continue to connect Australian industry with global partners, and our activities in the PR space have generated international coverage worth more than an estimated \$115 million in equivalent advertising value in the last six months alone.

We also continue to keep Australia top of mind through social media activity and digital content, and we are developing a new international brand campaign prioritising those markets and travel cohorts which will reopen soonest.

Aviation capacity will be another crucial element to our recovery, and we remain focused on ensuring that there is a Team Australia approach by government and industry to attract airlines back to Australia.

Looking to the future, Australia's handling of the outbreak will reinforce our already strong reputation for safety, whilst our key strengths of spectacular nature, clean air and wide open spaces will stand us in good stead as the world resumes travelling. Just prior to these dual crises, our industry was in a strong position with 9.5 million international travellers spending \$45 million in 2019. We must not lose sight of this as we focus on rebuilding. There is no doubt that tourism will play an important role in Australia's economic recovery as we move beyond the coronavirus.

CHAIR: Thank you very much, Ms Harrison. Thank you for those opening statements. This is the first time we have had you here before the committee—and I know you have been appearing before other committees. We very much appreciate your attendance, and I put on the record the committee's acknowledgement of the efforts of you and all your staff in your COVID-19 response. In particular, I thought the efforts of the early responders in Wuhan were particularly brave and I would like to acknowledge them today.

Ms Adamson, I have some questions to begin with. We have five senators. I'm going to have to chair this session very tightly. You're in hot demand! I want to touch on the issue you touched on in your opening statement around the repatriation of Australians from overseas. How many flights has the Australian government directly facilitated to return stranded Australians? In your statement you say there have been 64 flights by cross-government efforts.

Ms Adamson: That's correct. My colleague Dr Webster will be able to go into more detail for you.

Dr Webster: As the secretary mentioned, we've facilitated 64 flights by government.

CHAIR: That's by the federal government?

Dr Webster: By the federal government.

CHAIR: Can you tell me when they started? Have they kept going pretty consistently?

Dr Webster: They started with the Wuhan and Yokohama flights at the end of January and in early February. They continue to run except that they have tapered off over the last few weeks.

CHAIR: With the caps?

Dr Webster: With the caps.

CHAIR: Perhaps you could take on notice those 64 flights and where they were from.

Dr Webster: Yes, I can provide you with that.

CHAIR: That would be great. How many Australians have you supported to return back to Australia?

Dr Webster: Since the government announced that we would reconsider their need to travel overseas—

CHAIR: That was on 17 March?

Dr Webster: 13 March—over 371,000 Australians have returned home, including 27,000 on those flights that we have played a direct role in facilitating.

CHAIR: On the repatriation flights?

Dr Webster: That's right.

CHAIR: And others would have just been on commercial flights?

Dr Webster: On commercial flights.

CHAIR: So it's 371,000—

Dr Webster: Yes, and that's an ABF figure.

CHAIR: Does that track from the end of January?

Dr Webster: That's from 13 March to today. ABF could provide you with the exact numbers for a broader period if you need that.

CHAIR: No, that's fine for the time being. In terms of demand to return to Australia now what are we looking at there? How many Australians are overseas and trying to get home?

Dr Webster: The number changes daily, but today we have 27,000 people registered with DFAT at our posts overseas and that includes 18,800 who have expressed a wish to return to Australia.

CHAIR: When you say they've registered with you, the balance between the 18,800 and the 27,000 are those who are remaining overseas?

Dr Webster: They're remaining overseas. They haven't, essentially, ticked the box which said, 'I wish to return to Australia.' They've just registered with a post.

CHAIR: We have quite a significant cap on Australians returning.

Dr Webster: That is right.

CHAIR: How is that being managed? What's happening for those 18,800? Do you prioritise?

Dr Webster: No. The introduction of the caps has posed a significant challenge for those Australians overseas. We don't have control over the seats that are allocated to people on those airlines that are still continuing to fly. Where there are exceptional, extraordinary circumstances, or where people are vulnerable we do try to help them, but we have limited leverage with airlines in terms of getting them on to a flight.

CHAIR: Are you doing any planning around how to manage the return of Australians, or do you just see yourself as a place where people register and then it's up to them to negotiate their return passage?

Dr Webster: Ultimately it is up to them to negotiate their return passage. But we do try to help them where possible within the confines of the Consular Services Charter, so that means providing information about those flights that are available, or at least those flight that are operating; helping them liaise with local authorities; providing them information about applying for exemptions to the cap—for example.

Ms Adamson: If I could add there, I think you've seen, across the range of countries and our overseas posts where Australians have been most affected, very strong forward leaning engagement on the part of our ambassadors, high commissioners and all of their staff. It's a very engaged communication. Although we do work within the Consular Services Charter, I think during this period we've been very forward leaning and willing to assist wherever we can, including in relation to the provision of information. Australians have told us most often that they've most wanted accurate information. Our heads of mission have been using all forms of communication, including very actively on social media, to get that information across. They've been engaging directly with airlines as well, particularly in the pre-cap period, to try and ensure that vulnerable Australians have been able to come home.

CHAIR: In terms of those 18,800 that have indicated that they want to return home where are they coming from mainly?

Dr Webster: That's across the world, but I can give you more detailed data around where they're from. Some of the top countries are India, which you'd probably be aware of. There are about 7½ thousand Australians who are seeking to return home. It's important to remember that in India we have actually helped with about 45 flights bringing home just over 8,000 Australians already.

CHAIR: So 45 of those 64 flights are repatriating Australians from India are they?

Dr Webster: Yes. The Philippines also has a high number of Australians seeking to return, South Africa, Vietnam, and the list goes on. I can also provide you with more granular data there.

CHAIR: Okay, that would be excellent. In terms of some feedback I've been getting, and I think some of my colleagues have been getting, from people who are writing to us from overseas anxious about returning home—and that's certainly escalated in the last month or so—they say when seeking consular assistance quite often that they are referred to the airline. Basically they're told, 'Go to the airline.' What other consular assistance is available for people who are perhaps stranded or in some sort of hardship overseas?

Dr Webster: As the secretary said, our heads of mission do try to keep an engaged approach to helping people with information about what we call sheltering in place, which is information about the situation on the ground and where they might find help. In terms of financial assistance, we continue to issue traveller emergency loans for people in genuine hardship. That includes covering the cost of flights where they're unable to afford the cost of the airfare. So that option is available to those who are genuinely in need.

CHAIR: But ultimately it's an airline's decision about who gets the seats. Have you inquired whether the airlines manage that through either urgency or first in, best dressed? Is there a line? Is there a queue? Do people understand how it works?

Dr Webster: The airlines have to make the commercial decisions about the flights and seats.

CHAIR: This goes to the issue of economy seats being bumped for business seats. Is there any assistance through government or engagement with the airlines that the government is having on that issue that, if you're prepared to pay 15 grand, you'll probably get to the top of the list but those who can't afford that are left waiting?

Dr Webster: It's actually a matter for the department of infrastructure in terms of engagement with the aviation industry.

CHAIR: But you'd be getting some feedback on that, surely?

Dr Webster: Absolutely, we are, and that's what people are finding. The seats are restricted, obviously, and airlines are making commercial decisions about how they allocate the seats that are available on board any given flight.

CHAIR: So it's not necessarily a fair process, which would probably be adding to people's stress. I saw a report in *The Australian* today that mentioned registering through the online portal. Is that how you got the number of 18,800?

Dr Webster: That's right.

CHAIR: The report said that that crashed yesterday. Is that operating again?

Dr Webster: I think that it is operating again. I'll have to check that it's operating right now. I understand it did crash. That was due to heavy demand in the UK.

CHAIR: Is the 18,800 picked up in your figures?

Dr Webster: Yes, that's the latest.

CHAIR: So how many from the UK—

Dr Webster: We saw a rise of approximately 800 in the UK.

CHAIR: Yesterday?

Dr Webster: Yesterday.

CHAIR: Okay. That online portal was put in place recently; is that correct?

Dr Webster: The online portal has been in place since March—I'd have to check the exact date—just to start to get a strong sense of exactly where people were who wished to return or needed help.

CHAIR: You said the repatriation flights have occurred from March until now. In the earlier repatriation flights, were you able to meet the demand for people wanting to return home?

Dr Webster: We managed to meet the demand in the particular areas where those early flights were taken, but then, as we had those flights, demand grew. What we found was that, as in India, we started off with a number, around 7,000 Australians, that we knew wished to return and we actually managed to repatriate, as I mentioned, about 8,000. The number has since grown back up to 7,000, or it's done that in parallel. That was the result, I think, of people over time realising that the situation was not going to change. So there would have been people who started off thinking, 'I've got a flight booked for May-June; I should be fine.' But, as it continued to roll on, they realised, 'Actually, I'm not going to be fine; I'd like to go home now,' or, 'My flight's been cancelled and I'm now stuck.'

CHAIR: So you don't think that if we had more repatriation flights earlier we would have less of a problem now of returning Australians?

Dr Webster: It's hard to speculate what the actual movement would have been.

Ms Adamson: And of course you'll remember, Senator, that early on the advice was to return to Australia while people still could. There were, at that point, flights returning with significant numbers of empty seats.

CHAIR: On the commercial options?

Ms Adamson: On the commercial options. The way this has played out has been that the pool, if you like, of Australians whose circumstances have now changed has grown, including because of the spread of COVID and, in some cases, the inability of local health systems to manage that. Hindsight's a wonderful thing, but that advice was conveyed very strongly at the time, including repeatedly by the Minister for Foreign Affairs.

CHAIR: For the almost 19,000 who are trying to get home now, what's the weekly cap that's in place? Are you aware of that?

Dr Webster: I am aware of it, but I'll have to just check what the actual caps are.

CHAIR: How long is it going to take for these 19,000 to return?

Dr Webster: The caps at the moment for each city are, for Sydney, 350 international passenger arrivals per day; for Perth, 525 arrivals per week; for Brisbane, 500 per week; for Adelaide, 500 per week; and, for Canberra and Darwin, capacity allocated within limits on a case-by-case basis.

CHAIR: So the cap is about 3,000 per week, so to bring those 19,000 home is going to take some time. Would you agree?

Dr Webster: That's right.

CHAIR: Do you have any understanding of what that might look like, or is that a matter for the airlines?

Dr Webster: The data around this is really a matter for Infrastructure and ABF in terms of understanding exactly what capacity currently looks like for the airlines, but they are being allocated a certain number of seats for all of their existing commercial scheduled flights, and people are just moving through. I think those are operating at capacity, but I wouldn't be able to say so for sure.

Ms Adamson: I think the latest advice to us this morning from Border Force was that there are about 4,000 passengers a week arriving under the various distributed cap arrangements.

CHAIR: So your role in it, just to be clear, is that people are being told to register with the mission overseas, but that's about it? That's just so you have a level of knowledge about how many want to come, and then it goes to other departments and the airlines to manage?

Dr Webster: The actual ticketing and allocation of seats is absolutely a matter for the airlines. Helping people, giving them advice and information and giving them links to information in country is absolutely something that we're very heavily engaged in. We try to do everything we can to help people, particularly the most vulnerable. If they are in a situation, for example, where they're starting to run out of medication, this is something where we can try to help with all of those things in terms of sheltering safely in place.

CHAIR: Is financial assistance something you offer?

Dr Webster: That is only in the form of traveller emergency loans.

CHAIR: Have you had to do that?

Dr Webster: Yes, we have.

CHAIR: Do you have any details on those?

Ms Adamson: I do. In terms of what we call COVID related traveller emergency loans, we have issued about 390.

CHAIR: What's the value of those?

Dr Webster: On average, \$3,400. They're generally to cover the cost of an airfare, and that will, of course, change depending on where a person is coming from.

CHAIR: And how many individuals have accessed that?

Dr Webster: About 390.

CHAIR: Sorry—I put a dollar figure next to that, so that's why I got that confused. That's between March and—

Dr Webster: July.

CHAIR: Is there any advice going to government about how to bring these 19,000 home as soon as possible? Has the government asked you to do a plan or provide advice?

Ms Adamson: I think it's fair to say that the government is very aware of the situation. The caps are in place for a reason, obviously, and that's to enable quarantine levels to be manageable and to keep Australians across the country COVID safe. So I think that's all understood, and the situation for vulnerable Australians across the globe is something that we're monitoring very closely and that our posts are giving us information about, including the situations of particular Australians. As we have from the outset, we continue to help in whatever ways we can. Those ways are limited at the moment, but we are always looking for ways to assist.

Just in relation to that: we've had confirmation, as I hoped we would, that the portal is operational, so that facility is available also. Of course, the situations vary a lot between countries. In countries where there are smaller numbers of Australians, our embassy officials would often know many of them personally and keep in touch. In countries where there are very large cohorts then the communication tends to be more through social media, Australian organisations and others. And, of course, family and community members are helping in all sorts of ways as well.

CHAIR: Yes. Are you worried about the safety of any of those 19,000?

Dr Webster: We consider—and it's an estimate only—that about 15 per cent of those are probably in the vulnerable category. That's a broad category of people. It might be personal vulnerability, it might be their situation, it may be to do with their medical condition or their financial condition. So that's a broad sort of estimate. Those are the people with whom we would try to be more engaged, obviously, in terms of helping them on the ground.

CHAIR: So that's just over 2,000 people who you think are vulnerable?

Dr Webster: That's right.

CHAIR: Do they have a more specialised service in terms of you advocating on their behalf, perhaps, to come home?

Dr Webster: Some of them would be formal consular cases for us. That means we would be looking at helping them more closely than others who simply wish to return but are otherwise okay.

CHAIR: Yes. I'm just trying to understand: is there a more active management of that 15 per cent than—

Dr Webster: Yes.

CHAIR: Right. We might come back if we have time for that. Senator Patrick.

Senator PATRICK: Ms Adamson, the trade minister has indicated that he's had difficulty in receiving calls back from his counterpart in China. Has that situation improved since he indicated that publicly?

Ms Adamson: Nice to see you, Senator Patrick. I think that Senator Birmingham spoke about that most recently in Adelaide over the weekend. As you know, the way we communicate with the Chinese on a regular basis or, indeed, government to government in any country, is typically through our embassies. I can assure you that there is daily contact on a wide range of issues with the Chinese embassy here in Canberra through my department's contact with them, as well as across a wide range of government departments and agencies in Beijing through our embassy there.

Senator PATRICK: Alright. I want to go to that, because I've obtained FOIs from DFAT which looked at reporting on the coronavirus in January. It appears that the first report that came out of Beijing was on 21 January, well after the pandemic had been well reported and, indeed, after we'd stood up our response team here in Australia. How is it the case that Beijing's first report was on 21 January? Were the officers absent?

Ms Adamson: We have, as you know, a range of ways of sourcing information. The first advice to the department actually came through our medical unit on 3 January. It picked up what was going on from a range of sources, of course including through media reporting. But by the end of January we were cabling to post, with the medical unit providing advice, and a network of doctors was also providing advice towards the end of January. So there was information coming to the Australian government from a range of sources; I'm sure you would have heard about that from our colleagues in the Department of Health as well.

Senator PATRICK: Okay, but I'm focusing on what was happening in China at the time. Your consulate in Shanghai had been involved between about 2 and 17 January. Actually, the first report that came out was on 2 January—

Ms Adamson: That's right.

Senator PATRICK: according to the FOI information that I have. There were only three reports coming from the consulate in Shanghai, and all of them effectively just gave access to or gave reference to websites that were reporting on the spread of the virus. I'm just going back to your first statement, where you said, 'We're engaging with embassies—embassy to embassy or embassy to their foreign ministry.' It just seems to me that the reporting we were getting early on in the piece was perfunctory, in some sense.

Ms Adamson: With the material from the consulate-general in Shanghai, Shanghai has consular responsibility for Hubei province and for Wuhan, so that would have been the reason why it came from there. There was, I think, a growing awareness in the course of January of an issue, and hindsight is, of course, a wonderful thing. But I don't think we were without information that we needed. In fact, I think I would argue the Australian government—ministers and the Prime Minister—were very much on the front foot when it came to our response to this. There are many things which happen across China that our posts report on, and, as you say, 2 January was when it was first drawn to attention.

Senator PATRICK: But during this period we had the World Health Organization raising alerts. We had communications between the Chinese equivalent of the CDC and the US CDC. This thing was well underway internationally, and yet there were only three cables from Shanghai, all just referencing web addresses. Did you actually send any people from Shanghai to Wuhan or to Hubei?

Ms Adamson: I'd have to take that on notice. The normal visits—it's about 1,200 kilometres from Shanghai to Wuhan. We don't have a consulate-general, obviously, in Wuhan. That's why we cover it from Shanghai. They're responsible for other parts of China as well. So I'd need to check on that. But I don't have front of mind that consulate colleagues would have gone to Wuhan immediately to investigate. Their role would have been providing information that was available, and, as you say, the World Health Organization, plus the very capable network of medical specialists and epidemiologists, were alert to this, and one of the reasons they were alert to it, of course, is the experience of SARS in 2003, avian influenza and a range of others. For people who know the background of those—and I remember this myself—any hint of a pandemic—well, the pandemic, of course, came later—or of a virus of concern is always going to be elevated in our consideration.

Senator PATRICK: Did your officials in China contact the Chinese Centre for Disease Control and Prevention during that initial period? When was the first contact made with the Chinese CDC?

Ms Adamson: I'd have to take that on notice. What I can say, though, is that throughout the process, in this case, embassy colleagues in Beijing have had very regular contact with the World Health Organization people based in China. That was the principal source of information about the virus, and that is where you would normally expect that to be as well.

Senator PATRICK: I just have an uneasy feeling. We pay a lot of money for staff to be in these embassies. I understand hindsight is a nice thing, but there were only three cables—and I might point out that, under FOI, I was given access to all material, so it wasn't like there were a number of cables that were classified or redacted through international relations concerns or anything like that. It's just really light on the ground. I think Australians would expect our embassy officials to jump onto these things pretty quickly and make sure we are fully informed, or at least your department are fully informed.

Ms Adamson: I would simply say to you that information that was available was flowing. You need to recall as well—and I know you do—what information was actually available more generally in China during this period and that the sort of detailed information that we were getting was coming through the World Health Organization as well as through their contacts with the Centers for Disease Control. But it very quickly went into the realms of epidemiology and the need for expert knowledge, which we were supporting. I recall in those early days the information that we were able to provide, from a range of sources in China, was in fact highly valued by Department of Health colleagues here. Without going into too much detail about that, I would push back on—as you can see I'm doing—an assertion that there was any lack of effort on the part of embassy or consulate general colleagues on what was then an emerging issue but one on which we were getting data from a wide range of sources.

Senator PATRICK: On 20 January we made COVID a communicable disease of national significance and started standing up teams. It just seems to me that, the next day, communications were shifted across from Shanghai to Beijing. I wonder whether or not that was a directive. Maybe you could explain why that happened. The second question I have is: on what date did Foreign Affairs first brief the minister and on what date did the first ministerial submission go to the minister?

Ms Adamson: I'll take those questions in relation to the briefing of the minister on notice. On the shift of reporting responsibility, these things are not locked in or fixed in terms of reporting responsibility. Typically, though, an embassy in a capital will lead-report on an issue of national significance. Value will be added, as it continued to be through our consulate general in Shanghai when the global focus was on Wuhan. They were still active in the wide range of functions that flowed from that, including consular advice to Australians and consular assistance. But, at a certain point, of course, the embassy in Beijing then picked it up as a national issue, as an emerging global issue, as an issue with impact potentially on Australia.

Senator PATRICK: On notice, can you advise whether or not it was initiated by someone in Canberra or in Australia or whether the embassy itself initiated the transfer of reporting responsibility.

Ms Adamson: There was no formal transfer of responsibility. They would have, I am sure, taken the initiative to report. That's what we expect our embassies to do.

Senator HANSON-YOUNG: We've heard quite a bit of evidence today from industry peak bodies and people who work within the tourism sector that they've had very little direct support in the midst of the lockdowns and the restrictions as we're all dealing with the health crisis of the pandemic. Has the government asked for a tourism recovery plan from the department at all?

Mr Beresford: As I outlined at the commencement, there have been a number of whole-of-economy measures—which obviously include JobKeeper, the jobseeker package, the cash flow payments, the apprentice and trainee support and support for financially distressed business—which have helped the entire economy,

including the tourism sector as part of those whole-of-government initiatives. In addition to that, and as part of the relief and recovery fund, which is in the order of \$1 billion—the relief and recovery fund, again, is a set of targeted initiatives, some of which are pointed directly at tourism; others go to aviation, which has benefits for tourism, clearly, and there are a number of initiatives under that particular relief and recovery fund—

Senator HANSON-YOUNG: My question was about whether the government has asked for a brief or a plan or advice from the department as to how we save, rescue, Australia's tourism industry.

Mr Beresford: I'm coming to that. In the first phase, of that \$1 billion, one particular program went to crisis issues, which is around zoos and aquariums. The zoos and aquariums component is in the order of \$94.6 million, and that goes to animal welfare issues. People haven't been going to zoos, and therefore this covers welfare costs such as feed, health, specialised care and utilities. In addition to that, there's the Export Market Development Grants reimbursement. That was another \$48.9 million out of that \$1 billion relief and recovery package. Fourteen per cent of tourism businesses enjoyed that benefit. Again, it's a program which is not only provided to tourism businesses; it's also provided to professional services organisations, international education and—

Senator HANSON-YOUNG: You said 14 per cent?

Mr Beresford: Yes. When you consider it, that's a sizable amount relative to the tourism sector, which is less than 14 per cent of our national economy. In addition to that, Minister Birmingham and other ministers were just recently on a series of stakeholder engagements. One was in northern Australia, talking to a whole bunch of people about what they're looking for as we move into recovery. It's a fluid situation at the moment, as you can appreciate. With Victoria—and I'm very happy for Ms Harrison to jump in as well—compared to where we were two months ago, we thought we were going to be a little further down the track. Now that Victoria has played out, clearly, with borders remaining closed, the ability to see that recovery has slowed down. Having said that, there absolutely is consultation and engagement with industry around a tourism recovery plan post the crisis. That's further work that's underway. In the meantime, we've got JobKeeper, which, as the Treasurer and the government have said, is here till the end of March. So work on what those next steps in the tourism recovery will look like is underway.

Senator HANSON-YOUNG: But there's no existing tourism-specific package?

Mr Beresford: In the relief and recovery there were a number of packages. Some were linked to aviation. The direct support for regional airlines, the underwriting commercial regional airlines—these were all under the control and ambit of the department of infrastructure. It has a benefit for tourism, clearly, and there was a distinct package around supporting zoos and aquariums, which went to supporting and upholding our zoos and aquariums in these challenging circumstances. In addition to that, there was the EMDG Scheme, which, as I've articulated, supported 14 per cent—

Senator HANSON-YOUNG: Yes, but I haven't heard anything about a specific package for the tourism industry as an ecosystem.

Mr Beresford: For the tourism ecosystem, the zoos and aquariums package was absolutely front and centre of that work.

Senator HANSON-YOUNG: How much in total, of that \$1 billion, has gone to tourism businesses?

Mr Beresford: The \$1 billion, which is administered by the department of infrastructure—there have been many things underway in that. As I said before, aviation, both the commercial and regional airlines—there's \$198 million. The support for regional airlines is another \$110 million. They clearly have implications for tourism. There will be a share of that which is directly attributable to tourism as well as other sectors, like freight or general commerce, no question.

Senator HANSON-YOUNG: I just feel like you're starting to repeat yourself, so let's go on to some other questions, if that's okay, unless you've got something new. No? Okay. How much involvement has the tourism minister had with these programs? Have you been giving briefs to the tourism minister on a regular basis? How many has he asked for? What documents have you had to prepare for him?

Mr Beresford: I will ask Dom Bilbie. Dom looks after our zoos and aquarium program, so I will pass to Dom if that's okay, Chair.

CHAIR: That's absolutely fine. Welcome.

Mr Bilbie: The zoos and aquarium program came into being and the guidelines were published on 14 May. The guidelines are signed off by the minister.

Senator HANSON-YOUNG: So that's the only brief you've given to the tourism minister in the last six months?

Mr Bilbie: We provide regular updates about progress in terms of performance.

Senator HANSON-YOUNG: What form do these updates come in?

Mr Bilbie: We generally report on matters such as the number of applications that we've received, processing times and the amounts that have been paid.

Senator HANSON-YOUNG: But can we try and be a bit more specific, because my question was: what briefs have the department given the tourism minister in his job as the tourism minister? You've told me you've given a briefing on the zoos package, so that's one. Is there any other briefing that you have provided to the tourism minister in relation to the tourism industry in the context of COVID?

Mr Beresford: Austrade has been giving multiple briefs on many fronts. Clearly, zoos and aquariums is one. There has been an update on the state of play in tourism, and there have been updates on the stakeholder engagement they've got underway in tourism. I'd be very happy to come back to you. We could take it on notice in terms of the types of briefing we've been giving. We're very happy to share that.

Senator HANSON-YOUNG: Thank you. Is there work being done to increase the amount of support to the tourism industry in the upcoming budget?

Mr Beresford: As we touched on a little earlier, there are consultations and engagement now with industry. I touched on one that Minister Birmingham was part of the other week with northern Australia. There's ongoing consultation with industry to work through what is the next step. Obviously right now, in the midst of JobKeeper, that's effectively underwriting quite a significant number of businesses, including tourism businesses, and we're in a number of consultations and deliberations over what are the next steps we want to take in terms of the tourism recovery plan.

Senator HANSON-YOUNG: Has there been any briefing given to the tourism minister about the effectiveness of JobKeeper in relation to how many workers in the industry have received it and how many have missed out?

Mr Beresford: I'll take that on notice.

CHAIR: Senator Hanson-Young, you've had almost 15 minutes, so can you please be quick.

Senator HANSON-YOUNG: Yes, thank you. Does the department have a response to calls from the sector for suspension of the passenger movement charge or fringe benefits tax for entertainment and travel?

Mr Beresford: We're providing briefings. That's a call for government.

Senator HANSON-YOUNG: Have you been asked to provide analysis or advice on those specific elements?

Mr Beresford: I'll take that on notice.

Senator HANSON-YOUNG: Thank you.

CHAIR: Senator Davey, I might go to you. You're going to split your time with Senator Paterson, but he will have his towards the end—is that correct?

Senator DAVEY: Yes, that's fine. I'll go now. Ms Harrison, I want to ask Tourism Australia a couple of questions. You mentioned in your opening statement the pent-up demand for domestic travel and that Tourism Australia is trying to promote and encourage domestic tourism in the absence of our international tourism. This morning we heard from the chair of the Australian Tourism Industry Council, Martin Ferguson, who made the comment:

... until we get free movement of people ... no government handouts are going to solve our problems—

in the tourism sector in Australia. Would you agree that these very stringent border restrictions limiting people's travel are having significant impacts on the tourism sector?

Ms Harrison: There is no doubt that the inability for people to move across states is hampering the tourism industry's ability to recover. There is an opportunity around intrastate travel—in some states, that is quite a significant opportunity. If we want to fully recover, we need both domestic and international borders open again.

Senator DAVEY: You said that you'd done some consumer research in July 2020. Can you share that research with the committee? Was there a breakdown in that research? Have you looked at the difference between regional tourism and interstate tourism?

Ms Harrison: We do regular consumer research at the moment; we do it every two weeks. That is publicly available. Part of what we do is sharing consumer sentiment. So we are doing that domestically. We do have a look at it on a state-by-state basis. In terms of whether we look at regional versus city, we have other ways of measuring that. One of the other things that we do is speak to industry widely on a regular basis. We just spoke to

800 stakeholders in August; we talked to them a little bit about what they were seeing in terms of the outlook for them and their businesses, and, yes, it wasn't a particularly rosy picture.

Senator DAVEY: This morning the Tourism Industry Council said that there had been a significant amount of research—they had collated data around interstate versus intrastate. Is that the same report that you were talking about?

Ms Harrison: I'm not sure what the Tourism Industry Council was referring to, but I am happy to share our own research. We take inputs from a number of sources—TRA is a big one, under Austrade. We do our own research, and there's a lot of research out there. I'm happy to share whatever we have access to.

Senator DAVEY: Looking forward, you mentioned a tourism recovery plan. What sorts of areas are you looking at? Is that just a recovery plan for when we reopen our international borders or is it a staged process—so as soon as we can move freely around the country, Queensland can get their tourists back? Is it step by step?

Ms Harrison: It's very much step by step. At the moment we are looking to where there are any opportunities, and that's why we are back in the domestic market for the first time in eight years—firstly with bushfires, and now for a longer period with COVID. We need to make sure that Australian travel experiences, be they for domestic audiences or international audiences, remain top of mind, because the booking lead times for travel—particularly the further you get away from Australia—are very long. So we need to make sure that Australia remains top of mind. I can tell you that there is still a lot of demand for Australian experiences, both internationally and domestically. It's now about getting ready so that we are ready to go when those movement restrictions are lifted.

Senator DAVEY: Finally, have you got any input into the state premiers or their departments? We know that most of our states—Western Australia, Tasmania, the Northern Territory—have done a great job containing and managing COVID; I think they're all down to zero community transmission. Yet they have closed their borders, even between each other. I know that our minister has announced his disappointment and frustration with that, and the Prime Minister as well. Are you having any conversations with state agencies or state governments to say that there is potentially an opportunity for them to take advantage of their management of COVID with other states to provide the sterile links, so to speak?

Ms Harrison: We are the marketing agency, if you like, and the demand creation agency. So our counterparts that we deal with on many levels are the state and territory tourism organisations. We do talk to them. I speak personally to the CEOs every two weeks and probably more often on an ad hoc basis. They understand. They have regular contact with their own state premiers and I think they're fully aware of the implications of their decisions. It's probably not up to me to comment; those are policy decisions for the states.

CHAIR: Senator Watt.

Senator WATT: Thanks, Chair. I want to start with some questions about the \$1 billion tourism fund that was announced by the Prime Minister on 12 March. DFAT are probably the people to direct these questions to initially. When that fund was first announced by the Prime Minister, he said that it would be led by the Minister for Trade, Tourism and Investment, Senator Birmingham. The administration of the fund was then moved across to the Deputy Prime Minister and the Department of Infrastructure, Transport, Regional Development and Communications. How was the decision made to move the fund from Minister Birmingham to the Deputy Prime Minister?

Ms Adamson: The decision was made quite quickly. We had stood up within DFAT a task force ready to do work on this. I think word came through the week after. I called Simon Atkinson, my counterpart at Infrastructure, and said we would have our team work within that new construct. So that's the way we did it. I don't recall precisely how that decision was made but I do recall when it was made—it was very early on. From my perspective as DFAT secretary there was a seamless transfer of the work and, as Mr Beresford has said, Austrade was involved in the design of various proposals within it. I think this was happening—

Senator WATT: When the fund was first announced you put together a group within your department to administer this fund—

Ms Adamson: To design it.

Senator WATT: to design it—but a week later the responsibility moved to a different department.

Ms Adamson: It could have even been within a few days. It was a few days. I think we were working to design it, to set it up. I think it quickly became clear that there was going to be a broader call on a sectoral support fund—more broadly than the Department of Foreign Affairs and Trade would have a natural consistency for—and Infrastructure was its logical home. So we, in the very collaborative way that the whole Public Service has

been working, effectively reassign those resources. They continued to work on that until there was not a need for it.

Ms Raper: Our sectoral support task force did actually continue to work right across the portfolio very closely, with colleagues at Austrade and elsewhere, to make sure that the interests of the trade, tourism investment sectors were very much taken into account in the design of these programs. So we did continue to have a very heavy involvement.

Senator WATT: Does that mean, then, that DFAT or Tourism Australia—agencies within this portfolio—have made recommendations to government about how this \$1 billion should be used?

Ms Raper: Yes, we were actively involved in those discussions.

Senator WATT: And Tourism Australia has been as well?

Ms Harrison: Yes, there was, right from the outset. And Ms Raper is correct: our staff physically and virtually remain part of us. They worked to Infrastructure as well but were actively working. In the very first days and weeks of all of this and for some time after that, I liaised regularly with Ms Harrison and also with the then CEO of Austrade.

Senator WATT: Ms Harrison, have you and Tourism Australia had some input into how these funds are being spent?

Ms Harrison: We have regular dialogue with DFAT and Austrade on the issues facing the sector, so yes we do.

Senator WATT: Is that specifically about the use of the fund?

Ms Harrison: In the early days we did talk about some opportunities for the fund but, as Ms Adamson said, it did move quickly to another area.

Senator WATT: So when would the last time have been that Tourism Australia had any input or discussions with government about how this \$1 billion fund could be used to help tourism?

Ms Harrison: I will have to take it on notice. I'll check it and come back to you.

Senator WATT: You don't remember at any time in recent months?

Ms Harrison: Not recently, no.

Senator WATT: Ms Harrison, I suppose I'm asking you this as the head of the government's tourism organisation. Can you point us to what direct support is going from this fund that was billed as a \$1 billion tourism fund to assist tourism operators around Australia?

Ms Harrison: I don't know that is one for me to answer. The tourism industry is benefitting from a range of programs at the moment. But as the marketing agency of the government, I don't think that's one for me to comment on.

Senator WATT: Ms Adamson, I know Senator Hanson-Young asked questions about this but I am interested in following it up. If I'm a reef tourism operator in North Queensland, if I'm a fishing expedition operator in Broome or any small business around Australia, what support am I getting from this \$1 billion tourism fund?

Mr Donnelly: There's been a number of different grants or programs funded from the \$1 billion relief and recovery fund. Tim has spoken extensively about the \$95 million zoos and aquariums package. There was nearly \$20 million in fee waivers in relation to access to marine and national parks, \$27 million allocated to a range of arts related organisations to assist in the continuity of these important drivers to the tourism economy, and the nearly \$50 million top-up to BMDG payments which Mr Beresford referred to earlier.

Senator WATT: So if I'm running a zoo, I might be getting a bit of support. But if I'm your standard accommodation provider, tour operator, anywhere around the country, in what way am I getting any direct support from this \$1 billion tourism fund?

Ms Adamson: I think it was a \$1 billion sectoral support fund, so, by definition, covering a wide range of sectors. One into which Austrade has put an enormous amount of effort to some success was the aspect of this that included work on the International Freight Assistance Mechanism. So it was a much broader construct, if you like, with the ability for various proposals to be considered as part of it. The way you've characterised it is not actually the way it was sort of conceived from very early on. The government recognised there would be a wide range of calls on a potential fund from a wide range of sectors and they've been supported in a variety of ways, as Mr Donnelly and Mr Beresford have said, but they're significant demands.

It was a rapidly unfolding situation. We were providing advice to ministers on a range of potential designs to deal with the need for support. That fund of course is now fully allocated and it was quickly allocated. When it

was first started, we had a horizon that was quite long, through to the end of the year, perhaps even by the next budget. It very quickly became clear there would be calls on it from a range of tourism and exposed businesses affected by COVID-19.

Senator WATT: Can I just pick you up: did you just make an error there in saying that the fund has been fully allocated? I don't think it has been fully allocated, has it?

Ms Adamson: My advice is that it has been fully allocated.

Senator WATT: Okay, I didn't realise that. Could I get you to just come back on notice with how that fund has been allocated, then.

Ms Adamson: Well, that's really for the department of infrastructure.

Senator WATT: Okay, we'll go to them. I have just a couple of questions to Austrade about the funds for zoos and aquariums. How many applications have been made to this fund to date?

Mr Beresford: I will pass back to Dom Bilbie, who's the overseer of it.

Mr Bilbie: There are two rounds of applications. The first round is for the final quarter of last financial year, and the second round is for the quarter that we're in presently. We received 145 applications for that first round, and we expect to receive around 140 applications for the second round.

Senator WATT: Of the 145 that you received in the first round, how many were approved?

Mr Bilbie: They all received a level of funding.

Senator WATT: Some got all that they asked for and some got part of what they asked for?

Mr Bilbie: Yes, that's right.

Senator WATT: Okay. How much funding has been expended to date?

Mr Bilbie: Around \$14 million to date.

Senator WATT: What was the fund worth in total again?

Mr Bilbie: Ninety-four million.

Senator WATT: And it was intended to be spent over how long?

Mr Bilbie: Over the two quarters that I've described.

Senator WATT: So \$94 million was allocated to be spent over six months, effectively?

Mr Bilbie: That's right.

Senator WATT: And so far we've only spent \$14 million?

Mr Bilbie: Yes, that's right. It's closed applications for the second round, and it looks as if there's around \$19 million worth of demand there.

Senator WATT: So that program looks like it will end up being undersubscribed?

Mr Bilbie: Yes, that's right. We're expecting a subscription level of around \$35 million presently.

Senator WATT: Is there any reason that you're aware of that people haven't taken it up as much as was expected?

Mr Bilbie: I think there are a range of reasons. We've had very good interest from the eligible applicants. We've received applications from essentially all eligible applicants. The eligible applicants are set out in a schedule to the grant guidelines. I think what we've seen is a range of factors, one being that some of the zoos and aquariums have cut their costs to suit. We were guided in the development of the program by information that the Zoo and Aquarium Association collects from its members, which includes financial information, so we were significantly guided by previous-year costs in estimating the likely amount of money that would be necessary.

Senator WATT: So no applications have been declined?

Mr Bilbie: No.

Senator WATT: Have you received any feedback from stakeholders that the criteria are too narrow?

Mr Bilbie: I can't think of any individual instances. It's a relatively small team, so I think I would be aware of any significant calls for the expansion of the criteria.

Senator WATT: Thanks. Could I go to Ms Harrison next. I want to explore some of the funding that's been allocated for tourism marketing programs, both after the bushfires and during COVID, because there has been some blending of that, I think, over time. If I'm correct, after the bushfires the Prime Minister announced a whole range of measures, including about \$76 million to support tourism, and that included, I think, about \$20 million in

domestic tourism marketing to encourage people to travel to bushfire affected regions and \$25 million for international tourism marketing, again to attract people here. Do you know how much of that money has been spent to date?

Ms Harrison: Yes. We had a plan to spend that money over two financial years. We were going to spend \$41 million in the first financial year and then the remainder in the financial year that we're in at the moment. Because our marketing efforts were hampered by COVID, we weren't able to spend that money effectively, so we didn't spend all of it. We applied for it to be rolled over, and we've had approval to roll some of those bushfire funds into this financial year. I will take on notice the exact amount, but it's around half of that. I'll come back to you on how much we have spent to date, but we still do have funds remaining to spend that were planned this year and some that were rolled over from underspend last year.

Senator WATT: Yes. I think I'm right in saying that, it having been announced that about \$45 million in total would be spent on tourism marketing to assist bushfire regions, the same money was then reannounced, if you like, to assist tourism marketing post COVID. There wasn't any new allocation of funding for tourism marketing once COVID came along?

Ms Harrison: No, but what I would like to clarify is the purpose of those bushfire funds. It was two things. One was to help those regions that were directly affected by bushfires. The second reason was that we did see a downturn in inbound tourism during that period when there was a lot of negative global publicity on the bushfires, so part of that money is for attracting domestic tourism to counter the downturn in international tourism. So that was really acknowledging that all of Australian tourism was affected by the bushfires, so that money has a dual purpose.

Senator WATT: Okay, you can come back to us on notice. I suppose what I'm specifically interested in is how much of that money that was originally allocated—in total \$45 million—for tourism marketing to attract people to undertake tourism in the bushfire regions was ultimately used to assist bushfire regions, as opposed to more general post-COVID tourism marketing.

Ms Harrison: It's not post-COVID as well. I just want to make it really clear that, when we were allocated that money, it was for the areas of Australian tourism that were affected directly and indirectly by the fires, and we continued to roll that program out.

Senator WATT: Thanks.

CHAIR: Sorry. I didn't mean to cut you off there, Ms Harrison. Senator Watt, I have to squish in Senator Paterson before we finish.

Senator PATERSON: Thanks, Chair. I appreciate you squeezing me in at the end here. There are two issues I want to pursue; I don't know if I'll have time to do both. One is the World Health Assembly motion for the COVID-19 investigation and how that's progressing, and the other is trade diversification in this area. I might start with the trade diversification issue, and then we'll see how we go. I'll direct a question to you, Ms Adamson. Sorry to make people play musical chairs in the background. I'll direct my question to you, Ms Adamson, in the first instance. How important is it for Australia to pursue a strategy of diversifying trade opportunities in this new global climate that we're operating in?

Ms Adamson: Senator, let me just give a very quick answer, but I'm going to ask my colleague Elizabeth Ward, to my right, who really specialises in this, to go into it in more detail if you want. Obviously, at the moment export markets for Australian companies have been shaken up in some instances, so we're ensuring that we can support them through a wide range of mechanisms, whether it's free trade agreements or helping them overcome non-tariff barriers or working with Austrade. Export markets generally are vitally important, and I think it's widely understood that there is value in diversification. Let me hand to Ms Ward if you're interested in some of the specific things that we're doing.

Senator PATERSON: I am, yes.

Ms Ward: Thank you, Senator. Of course, the focus we have in the trade teams in DFAT at the moment is very squarely on rebuilding Australia's economy on businesses and on jobs. Trade diversification is obviously something that DFAT has been, through its trade policy, building over a number of years. Of course, the resilience of our economy relies heavily on providing for our very open economy and on building opportunities for those Australian businesses that are in the export game, whether they be goods exporters or services exporters. So our very first and best option in our open economy, which has benefited us so much over so many years, is to continue that process. At the moment, we have 14 free trade agreements which are in force. They do provide preferential trade arrangements with our largest trading partners, and we're continuing—

Senator PATERSON: What proportion of our trade is covered by those agreements?

Ms Ward: At the moment, it's around 80 per cent, if I'm not wrong. I'll take that on notice. The goal, of course, is to build that to around 90 per cent with our largest trading partners. We do have a number of very large FTA negotiations in train at the moment, one with the EU, which has been ongoing for a few years now, and one that has recently started with the United Kingdom. We've also got the RCEP agreement, which is more a regional agreement. That is almost concluded. So this stable of FTAs, if you like, really do provide great opportunities for our businesses.

Senator PATERSON: I want to quickly address some specifics before we move on to the other issue. What's the expected time line? I know that's a difficult question to answer in trade negotiations, but what's your best guess of the time lines with both the UK and EU free trade agreements? They're obviously, potentially, very significant ones for Australia.

Ms Adamson: Really, the answer is as soon as possible, and we are conducting virtual trade negotiations. I wouldn't say they're necessarily in comfortable time zones for my trade negotiators, but we've had a number of rounds of both—from prime ministers down, when it comes to the UK one, as well as EU leaders. There is an expectation that they'll be able to be done quite quickly. I think we haven't put an actual time frame on it, but they are live negotiations with large numbers of negotiators, negotiating partly through the night, obviously, in our case. Ms Ward, I don't know if you want to say more about that, as someone who's been doing it?

Ms Ward: I've got a few more details about how many negotiations we've had. The first round of the UK negotiations was held just recently, from June until early July. They were done virtually. The second round is to be held in late September. Obviously, there's a great degree of political enthusiasm for that particular negotiation and for getting it done as soon as possible. The EU FTA is much further advanced. The seventh round of negotiations was held in May and the eighth is to be held in September. The RCEP, or Regional Comprehensive Economic Partnership, negotiation is close to conclusion, and there will be a ministerial meeting towards the end of the month.

Senator PATERSON: There are lots more questions I'd like to ask about that, but I'll move on to the World Health Assembly motion on COVID-19. Ms Adamson, are there any updates you can share on the progress of that investigation after it was successfully ratified by the World Health Assembly?

Ms Adamson: There is an update, and I'll ask my colleague, Elizabeth Peak, who is across all the detail, to give you that update.

Mrs Peak: There has been some good forward progress on the resolution that was agreed at the World Health Assembly on 29 May. Since then, the panel has been stood up. It's the Independent Panel for Pandemic Preparedness and Response. The co-chairs have been selected. They are two very eminent co-chairs: former President of Liberia, Ellen Johnson Sirleaf, and former Prime Minister of New Zealand, Helen Clark. These co-chairs are now moving the process along. They are in the process of developing terms of reference, which have been put out for consultation, and selecting further panel members, all of which will happen in the next couple of weeks. In addition, an independent secretariat has begun to be established. Anders Nordstrom, the Swedish ambassador for global health security, has been appointed as the head of that secretariat. So the group is getting together, and the time line for the panel is that it will report to the World Health Assembly in May 2021.

Senator PATERSON: Finally, have any kinds of investigations taken place yet on the ground in Wuhan around the origination of the virus?

Mrs Peak: Early preparations have been made by the World Health Organization to progress a mission. There has been a preliminary mission of two World Health Organization officials that arrived in China on 11 July. They were preparing the way for a larger mission to proceed. That is specifically looking at identifying the zoonotic source of COVID-19.

Senator PATERSON: Thank you. Given the time, I don't think we have an opportunity to explore that, but I appreciate the update.

CHAIR: I have one final question. In relation to the repatriation of Australians, 390 people are being given financial assistance. Is that up on what it would normally be? It just seems like a very small number to me.

Dr Webster: That is more than it would normally be. In ordinary times, those traveller emergency loans are largely taken up with prisoner loans and very small amounts of assistance to Australians who, for example, need cash in an emergency. They haven't, in the past, been used for airfares.

CHAIR: Did you give me the number of applications as opposed to the numbers of—

Dr Webster: I don't have a number of applications. In some instances people will speak directly to the post consular officer about their financial circumstances, and they will be asked a range of questions about whether or

not they have other avenues for assistance. It's not until all of those avenues are exhausted that they would then sign up for a loan.

CHAIR: Do you keep the data on those who applied versus those that are granted?

Dr Webster: Not unless they are an actual consular case. It would be recorded in our consular information database.

CHAIR: Are consular advisers advising Australians stranded overseas to access their super as a way of supporting themselves?

Dr Webster: They wouldn't advocate for it, but they may provide information about the range of options available that the government has announced in Australia.

CHAIR: Are they doing that?

Dr Webster: I'm aware of one instance where that has been done, through a social media post. I think that might be what you're referring to.

CHAIR: I've had some people come to me and say that that's what they've been told. Presumably you have a set brief that people work from.

Dr Webster: That's right, and the Smartraveller website provides a range of links for people who are overseas and may wish to seek assistance. It would provide the full suite of announcements that the government has made about all of the different sorts of assistance and support that the government is providing to people.

CHAIR: So accessing your super early would be part of that.

Dr Webster: That could be one of them.

CHAIR: So there is truth to people being told by consular staff to access their super.

Ms Adamson: No, I wouldn't say that. I would simply say that in some of our posts, particularly where there are large expatriate Australian populations, advice about a wide range of things that are happening back home will be conveyed to the community. But that's not the same thing, I think, as what you're suggesting. There is no formal advice of a consular nature. It would simply be—and I think I have seen this in the post, which dates back to April—Australians being advised of the ability to access super if they wanted to do so. That's a different thing to consular advice.

CHAIR: Dr Webster, you said you were aware of one. Is that what you were referring to?

Dr Webster: It is what the secretary just referred to. It is making people aware of the suite of options that are available to Australian citizens, whether they are overseas or here, about—

CHAIR: Okay. Do you have a guideline that relates to this financial assistance?

Dr Webster: No, there is no guideline about the super.

CHAIR: No, about financial assistance.

Dr Webster: Yes, sorry; we do.

CHAIR: I am just wondering: does the super form part of that?

Dr Webster: No, it does not. Can I make one correction to the record. I previously mentioned the number of flights that we had directly facilitated. It was 64. I mentioned the number from India was 45. Not all of those flights were part of the 64. Thirteen of the flights were part of the 64, and those 13 flights were where we actually underwrote the cost of the flights through Qantas and Qatar. The others were ones where we assisted Australians domestically to get onto the flights. They were private or commercial charter flights. That's just a distinction. So, of the 64, 13 were from India.

CHAIR: And the balance of the 45 were others. Is the government looking at underwriting any more flights for the 19,000 who are trying to get home?

Dr Webster: We need to operate within the limits of the cap. So, at the moment, the best option available for people is commercial flights currently scheduled to come into Australia.

CHAIR: So there's nothing the government's considering at the moment to fast-track those 19,000 coming back?

Dr Webster: We can only work within the quarantine capacity of Australia.

CHAIR: There is some deal going on with international students, though. I'm not sure how that fits within the cap. We might have to come back to that. Aside from the cap, is the government looking at how to fast-track these 19,000 people home?

Ms Adamson: As we've both said, we're very mindful of the interests of those Australians and working as hard as we can to try to find ways home for them, and we will continue to do that. With your indulgence, could I also just make a brief correction. I know Senator Watt was very interested in the \$1 billion relief and recovery fund. My information was that that was fully subscribed. He suggested that it wasn't, and Senator Watt was in fact correct. It was oversubscribed with bids at one point. A range of those were not approved for funding. It is, as I said, the department of infrastructure, which administers the fund, that could give you the very latest. I understand it is very close to being fully subscribed but not quite yet.

Senator WATT: Thanks for that.

CHAIR: He loves being right!

Senator WATT: I wasn't going to say it.

Ms Adamson: I can see the look on your face, actually!

CHAIR: It was enough!

Senator WATT: It happens so rarely. You've got to take it when you get it!

Ms Adamson: I willingly give it.

CHAIR: You've made his day. That concludes the appearance of the Department of Foreign Affairs and Trade, Austrade and Tourism Australia. Thank you very much, officials, for giving evidence to the committee today. Officers are reminded that answers to questions taken on notice are due in 10 working days. Thank you, colleagues.

Committee adjourned at 16:08