

Considerations for Start-up Businesses in Travel

If you are contemplating starting a business within the Travel & Tourism industry as a Retail Travel Agent, Tour Operator, online operator or other provider of tourism products, there are a number of considerations that AFTA recommend you research to provide your business with the best head-start.

We have outlined the main considerations to investigate when developing your business plan, however this outline is only to be used as a general guide and will vary depending on the nature of your business.

Business set-up requirements

- Registering your ABN
- Business Plan
- Business insurance protection

1) **Register your ABN**

To register a business name, you will need to have an [Australian Business Number](#) (ABN) or be in the process of applying for one with the Australian Business Register (ABR).

Using the ABN ensures greater consistency between the ABR and ASIC's business names register and avoids an additional identification number for your business name. [Read more>>](#)

2) **Develop a Business Plan**

Developing a comprehensive business plan should always be the first step in when deciding to open a business. A plan gives your business direction and helps you prepare for what you may need to overcome in the future.

A comprehensive range of business plan templates are available from www.business.gov.au

A business plan should include the following;

- Clearly describe a viable concept
- Clearly define a market and market segments the company will be targeting
- Display a competitive edge
- Outline the company control and management of the product or service/s
- Define skills and experience of staff
- Proprietor seed funding (outlining how much is required for the first 12 months of operation)
- Thought-out and obtainable objectives for getting started and
- Operational financial forecasts that are supported by the business plan for minimum of 12 months

3) **Business Insurance Protection**

It is best practice for all businesses to have **Public Liability** and **Professional Indemnity** insurance policies to protect you and your business, should the need arise.

To understand the difference between the two insurances and why they are both important, please find a link below for a webinar recording hosted by Gow-Gates Insurance Brokers. Webinar recording – [Insurances for Travel Agents & Intermediaries](#)

To become an AFTA member or ATAS participant, both Public Liability and Professional Indemnity insurance are **mandatory**. There are a number of optional insolvency insurances now available in market through Gow-Gates, more information under our [FAQs from Q41](#).

Industry Best Practice

In establishing a new business within the travel industry, we recommend in building your brand, network, and credibility to be known as a professional service provider, we have outlined industry best practice items below;

- Employ the appropriate **qualified selling staff**
- Become **ATAS accredited**
- Join the peak industry body - **AFTA**

1) **Qualifications in Travel**

If you are looking to start a career in travel or tourism or perhaps continuing your professional development, a formal training qualification is the best head-start to further your career.

In fostering an industry of highly qualified and trained staff, AFTA endorses seeking a **Certificate III in Travel** as the entry level qualification required for any travel agent consultant or front line travel selling staff. Read [more](#) on qualifications.

2) **Become ATAS accredited**

The AFTA Travel Accreditation Scheme (ATAS) is an industry accreditation scheme that sets the benchmark of quality for the travel industry.

AFTA is committed, through ATAS, to elevating travel industry standards in Australia by driving increased and continued participation by travel intermediaries in ATAS and raising consumer awareness of the benefits of booking travel through an ATAS accredited agent. [Read more](#)

To become ATAS accredited a new travel business (start-up) is required to have at least 20% of staff in a travel selling position to have a certificate III in Travel or equivalent or have at least 2 years' experience in a travel selling position. Additionally, you must supply a copy of your business plan and projected operational budget for the first year of trading.

Read more on becoming [ATAS accredited](#).



ATAS Selection Criteria

To ensure the integrity of the ATAS accreditation scheme, participants are vetted against a range of criteria. The online application is comprised of the selection criteria, which requires supporting documentation to be uploaded with your application.

Read more on [Selection Criteria](#)

How to apply for ATAS accreditation?

To apply for ATAS accreditation, an online application must be completed. The online application process has been designed to take you step-by-step through the criteria and make it as easy as possible for you! [Read more](#)

Read more on the [Application Guidelines](#)

3) Join your peak industry body - AFTA

AFTA's role within the travel and tourism industry involves addressing major issues relating to the operation of all travel agencies in Australia, at both a State and Federal level. AFTA prides itself on being the industry watchdog where it ensures that the viewpoint of the travel industry is represented via media outlets and advocating through lobbying activities. [Read more](#)

AFTA is the administrator of the ATAS accreditation scheme. Read more on [AFTA benefits](#).

Other Commercial Business Decisions

Depending on your individual business requirements and specialisation, you may wish to investigate some of the areas below in order to establish suitable suppliers for your business mix.

*** Information is a guide only and may not include all options relevant to your business***

Selling Air Tickets

A travel business cannot sell airline tickets unless they are either accredited with the [International Air Transport Association](#) in which case they can sell and issue air tickets or they deal through a consolidator who issues the air tickets on behalf of the travel business. Further information on IATA can be found at www.iata.org.

There are various travel consolidators you may wish to speak with the three (3) main ones being [Air Tickets](#), [Express Ticketing](#) and [Consolidated Travel Group](#).

Cruise Lines

Depending on the cruise line you may be required to either have IATA accreditation, ATAS Accreditation or have in place travel agency insolvency insurance before being able to sell a ticket on their cruises. As indicated this varies from company to company,

Tour Operators

There are a number of tour operators in the market, therefore you will need to speak with various tour operators to determine which are the best fit for your business. Depending on the



tour operator they may also require new businesses to be accredited under an industry scheme like ATAS or IATA before entering into business transactions with a new travel business. You may wish to review the *Council of Australian Tour Operators (CATO)* for more information on tour operators. More information on CATO can be found at www.cato.asn.au.

Reservation/Booking Software

There are several travel agency specific computer software programs available that can allow you to manage your reservations (i.e. track bookings, create invoices etc). You may want to undertake an internet search on travel agency software to determine which would best suit your business.

Merchant Facilities

In setting up merchant facilities for your business, you should check with your current Bank (Building Society or Credit Union) on their requirements. Some banking companies may require you to hold accreditation prior to extending merchant facilities to a new travel business.

All AFTA members are eligible to access special negotiated rates for merchant fees through Westpac. [Read more >>](#)