

Berowra electorate – Issues facing travel agents raised at a breakfast in the electorate hosted by the Australian Federation of Travel Agents

Office of Julian Leaser MP

17/07/2020

Cash flow issues

- At the start of the coronavirus lockdowns, the majority of customers took credits for upcoming travel, as opposed to refunds. This was beneficial to travel agents.
- As the lockdown has continued, more customers are asking for refunds of travel, as future travel looks less likely than before.
- This has the following impact on travel agents:
 - o Loss of commissions to the travel agent. The cancellations then cause more work, while also losing money from the commission they were going to receive.
 - o Loss of deposits paid to vendors (the majority being overseas vendors who have little obligation to provide refunds).
 - o Lost security of future business for the travel agents.
- This loss of cash flow for businesses will impact their ability to ‘bounce back’ when travel is more widely sought.

Cruise industry

- Customers are for the most part split on the future of the cruise industry. While general travellers are wanting to stay away from them, ‘hard core cruisers’ are already wanting to book their next cruise.
- With a relaxation of state border restrictions, travel agents would like to see a promotion of domestic cruises again, stimulating the local economy.

Government tourism messaging

- Both the Federal and State Governments should adapt their messaging to promote using travel agents for domestic travel. Past messaging that used TripAdvisor or booking directly reduces the benefits that using local travel agents can provide. Travel agents are Australian-owned small business that promote other small businesses in the domestic tourism industry as opposed to large international businesses like Expedia. If people are encouraged to book through local travel agents it will provide a direct benefit to our local economy.

JobKeeper

- JobKeeper has been a ‘lifesaver’ for travel agents.
- Travel agents are afraid of the economic cliff that a stop of JobKeeper in September would bring, as their industry is nowhere near being able to get to a feasible income level within the next few months. The challenges for the industry are likely to last for years.

JobKeeper and the capacity to pay redundancies

- Many businesses (not just the travel sector) have been relying on JobKeeper. These businesses have not had any cash flow for months. In the event that JobKeeper ceases, businesses will not have the funds to pay entitlements and redundancies.

State borders

- State borders should be opened as soon as possible.
- Mixed messaging between states and territories is creating more uncertainty for travellers, travel agents and travel vendors.
- Broad sweeping restrictions from states and territories and areas are impacting the ability of residents to travel and support the local economy.
 - o For example, the Northern Territory naming Sydney as a broad hotspot, when the current outbreak is in South West and Southern Sydney.

Tenancy Agreements

- From a survey of those in attendance, around 90% were finding their landlord extremely accommodating to the issues that were being faced.
- Those who found their landlord difficult have not faced evictions, as per regulations.

Travel bubble

- A travel bubble between Australia and the South-Pacific Island nations would make a huge difference. People who previously had holidays that were going to be taken up, could take them to closer destinations which are safer.
- An important point for this is ensuring that messaging can be clearer from leaders, where possible, on what sort of dates are achievable for seeing these relaxations of travel restrictions coming in.
 - o Realistic expectations would be better for travel companies to prepare for the road forward, instead of dates being constantly 'pushed back'.