

travelBulletin

MARCH 2022

PLUS FIJI TOPS
THE CHARTS,
ENTIRE'S BIG
YEAR, AND MORE.

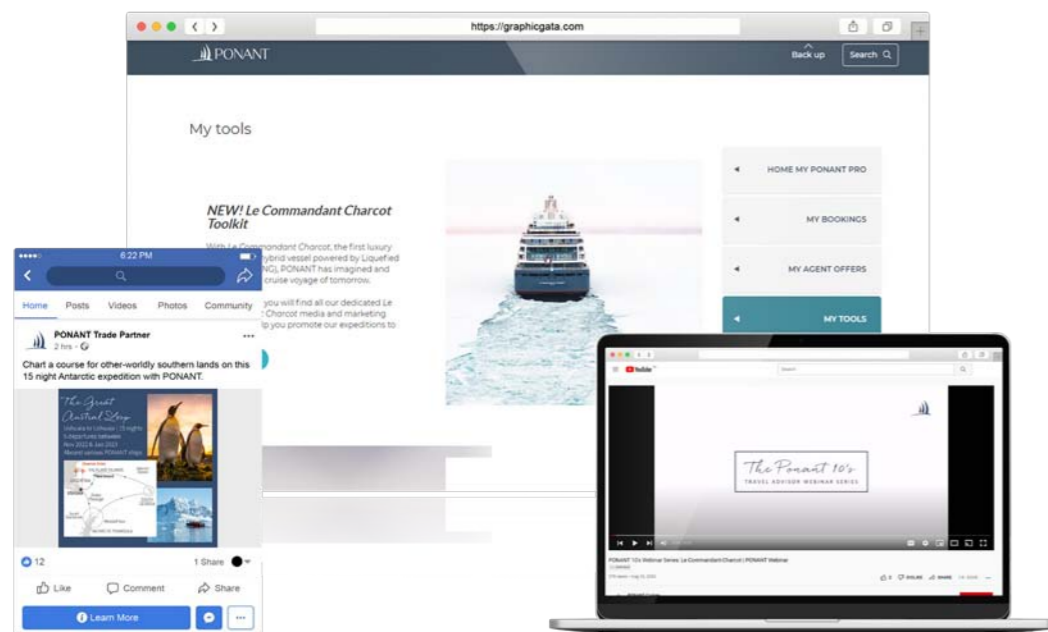
THE
LONG,
WINDING
ROAD TO

Travel Daily's
second Survival
Survey shows
green shoots of
recovery, but it
is a serpentine
road ahead.

RECOVERY

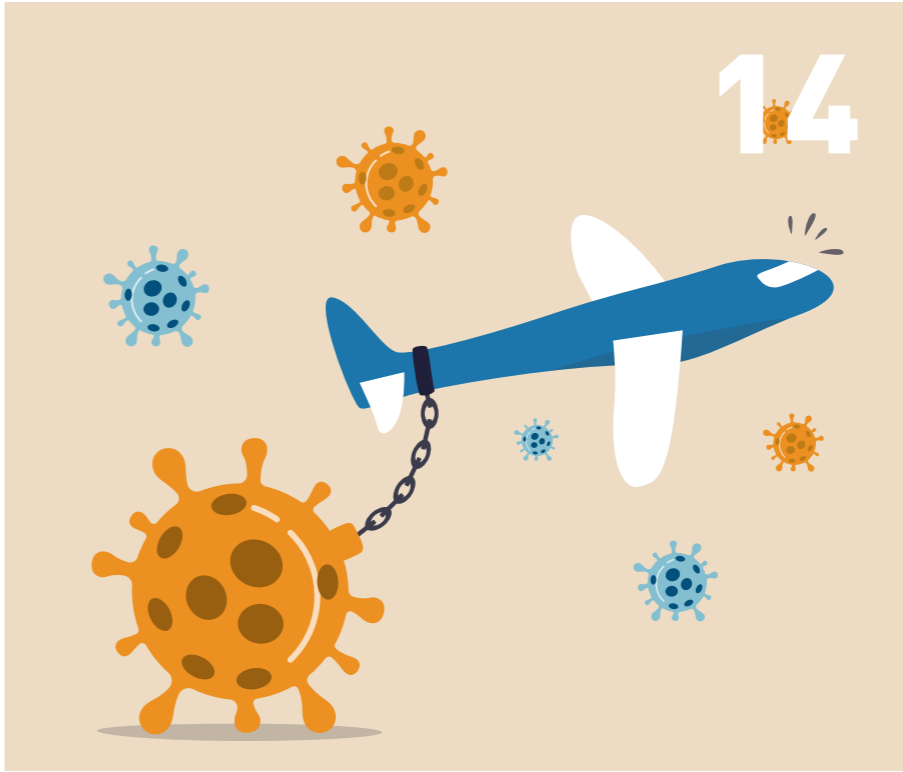


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COVER STORY

14 The long, winding road to recovery
Travel Daily's second Survival Survey paints a picture of a resilient industry, still fighting two years into the pandemic. At long last, there are green shoots of recovery coming through, but there is a long road ahead. Adam Bishop breaks down the numbers.

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This month's contributors

Dean Long, Brett Jardine, Joel Katz, Tim Hoopmann

Image bottom right: A render of *Norwegian Viva* ©Norwegian Cruise Line

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From the publisher

Bruce Piper



THE resilience developed within the travel and tourism sector over the last two bleak years is sadly set to be tested yet again - just when we can finally glimpse a little bit of blue sky.

With unfortunate timing, the outrageous Russian invasion of Ukraine is likely to further disrupt consumer confidence, and in particular put paid to hopes of any semblance of a successful European summer touring season in 2022.

While there's plenty of global positivity about the resumption of travel as vaccination rates (at least in the developed world) seem to be taming the COVID-19 monster, the Ukraine unrest - no let's call a spade a spade, it's definitely a full-scale war - will be striking fear into the hearts of timid Aussie travellers who, by now well used to spending their time locally on renovations, new cars and domestic staycations, will just settle back for another year without an international holiday.

However despite the negative impact of the war, there are at least some better indicators for this crisis than the March 2020 closure of Australia's borders.

A European conflict will dent the travel plans of many

risk-averse leisure travellers, but at least it's no longer actually illegal to leave the country, and there are indications that some, at least, are girding their loins and jumping on planes.

I have an intrepid 18-year-old nephew who headed off last month for a gap year (actually in true teenage fashion it's been designated as a #gapbeer) in Europe with two mates, and having navigated the various protocols with aplomb, the trio are currently terrorising the citizens of Geneva, with scant regard for COVID, wars or any other forms of pestilence.

And despite the news not being good for European tour operators - I suspect there will be plenty of availability for the normally heavily booked once-in-a-decade Oberammergau Passion Play in Germany this year - at least with open borders the travel itch can be scratched in other destinations.

The beleaguered cruise sector in particular may draw comfort that although itineraries may need to change, they do have the flexibility to deploy ships in other parts of the world - perhaps even Australia if current indications of the cruise ban lifting in April prove right.

restart tourism to Australia, flagging further investment in international tourism marketing campaigns later in 2022. Currently Australia remains on the "do not travel" list of a number of countries due to Omicron case numbers, but with the promotions targeting long-haul markets it's likely all restrictions will be lifted by the time leisure travellers actually depart.

FCTG commits to RAP

FLIGHT Centre Travel Group has released details of its first ever Reconciliation Action Plan, committing the business to specific targets over the next two years including business-wide Cultural Intelligence Training.

The plan has been endorsed by Reconciliation Australia, emphasising the importance of fostering consultation and collaboration with Aboriginal and Torres Strait Islander communities as well as empowering and enabling staff to contribute to the process.

MD James Kavanagh said "we also hope that we'll be able to continue to expand the education and employment opportunities available to First Nations communities and young people through expanding our partnership and supplier relationships with those organisations that may be on a similar path".

Bonza unveils bases

STARTUP regional carrier Bonza has made what it described as "the largest launch announcement in

“ We also hope that we'll be able to continue to expand the education and employment opportunities available to First Nations communities and young people through expanding our partnership and supplier relationships with those organisations that may be on a similar path. ”

James Kavanagh, MD, Flight Centre Travel Group

HANGING LOOSE IN HAWAI'I



IT WAS an awfully long time between shakas, but after almost two and a half years the Australian-based Outrigger Resorts sales and marketing team finally made it back to Hawai'i last month.

VP Sales and Marketing Andrew Gee travelled with Sales Manager, Maria Alaveras for a whirlwind week of much-missed in-person meetings and site inspections, including seeing the major redevelopment of Outrigger Reef Waikiki Beach Resort and the new Outrigger Kona Resort & Spa. The pair are pictured with Jeff Wagoner, Outrigger Resorts President & CEO.

Australian aviation history," unveiling plans to base aircraft at Melbourne Airport and Sunshine Coast Airport servicing 25 new routes across 16 destinations in NSW, Qld and Vic. Initial ports served will include Albury, Avalon, Bundaberg, Cairns, Coffs Harbour, Gladstone, Mackay, Mildura, Newcastle, Port Macquarie, Rockhampton, Toowoomba, Townsville and the Whitsunday coast, operated by an initial five-strong fleet which is forecast to grow to eight in Bonza's first year of operation.

"Since announcing

Bonza to the world late last year we've always said we wouldn't just fly between Australia's three largest cities and instead give people in the regions more choice," said CEO Tim Jordan. The Bonza business plan aims to give Australians more options - at ultra-low fares - to explore their own backyard.

The carrier is backed by investment company 777 Partners, which has a wide range of businesses in its portfolio including Canadian carrier Flair as well as a

Continues over page

IN BRIEF

Tourism Aust goes big on borders

LAST month Australia's international borders reopened to inbound tourists, and while largely symbolic in terms of stimulating than immediate leisure response, Tourism Australia took the opportunity afforded by the 21 February return of normality by launching a major new international marketing campaign.

Themed "Don't go small. Go Australia"

the \$40 million campaign targets traditional markets such as the UK, USA, Germany, France, Italy and Canada, aiming to remind travellers of the incredible experiences that await them here. Tourism Minister Dan Tehan said "After COVID-19, the world is looking forward to taking a holiday, and we want that holiday to be in Australia".

The Minister said the promotion was the first step in a long-term strategy to

Continues from previous page

host of sporting teams in Europe and South America.

Bonza is targeting a mid-2022 debut, with flights expected to go on sale within the next two months.

QF pushes points

QANTAS is making a concerted push for leisure travel market share, revamping its loyalty program to significantly lower the number of QF Frequent Flyer points required for all Qantas Hotels and Qantas Holidays bookings.

Redemptions have been rejigged to require 30% to 45% fewer points, with Qantas Loyalty CEO Olivia Wirth saying “we’re increasing the power of a point when booking hotels and holidays because we want to reinvest in a program that has performed extremely well during COVID. Members have remained

highly engaged despite the low levels of flying over the past two years, shown by the fact they’ve kept earning points on the ground and then redeemed them in record numbers,” she said.

A number of travel agents have reacted to the promotion by highlighting that the notional value of points redemptions is still significantly higher than the cost of simply booking the hotels directly, but Wirth noted a massive demand to unlock the scheme’s value, with more than seven billion points used to redeem flights in just four weeks after borders reopened.

Qantas is also targeting SME loyalty by announcing the launch of Qantas Business Money, a foreign exchange offering in partnership with Airwallex offering highly competitive rates and points earning by corporate members of the Qantas Business Rewards program.

“Members have remained highly engaged despite the low levels of flying over the past two years...they’ve kept earning points on the ground and redeemed them in record numbers.”

Olivia Wirth, CEO, Qantas Loyalty

Another Webjet deal

WEBJET Limited continued its acquisition spree last month with a US\$10 million strategic investment in US-based automated hotel upselling solution business Roomdex. Webjet now holds 49% of the business, along with an option take full ownership in the future.

The flagship Roomdex product is called Upgrade Optimizer, a “fully automated hotel upsell tool” which intelligently calculates the optimal price for hotels to provide upsell offers on room upgrades, stay extensions and guest services.

Webjet MD John Guscic said while the pandemic had been challenging for travel businesses “it has also created market conditions ripe for technology innovation,” with other recent investments by the company including Locktrip and Trip Ninja.

DATA ROOM

MAIN DOMESTIC ROUTES

Top 10 domestic city pairs, December 2021

| City pair | Passengers YE Dec 20 (000) | Passengers YE Dec 21 (000) | % change |
|----------------------|----------------------------|----------------------------|----------|
| Melbourne-Sydney | 2,249.8 | 2,119.8 | -5.8 |
| Brisbane-Sydney | 1,299.7 | 1,093.2 | -15.9 |
| Brisbane-Cairns | 728.8 | 1,012.5 | +38.9 |
| Gold Coast-Melbourne | 514.3 | 794.7 | +54.5 |
| Brisbane-Melbourne | 928.8 | 787.4 | -15.2 |
| Gold Coast-Sydney | 711.3 | 755.2 | +6.2 |
| Brisbane-Townsville | 509.6 | 689.1 | +35.2 |
| Adelaide-Melbourne | 614.1 | 641.0 | +4.4 |
| Brisbane-Mackay | 395.4 | 536.5 | +35.7 |
| Adelaide-Sydney | 589.4 | 524.7 | -11.0 |
| ALL CITY PAIRS | 19,445.6 | 23,516.8 | +20.9 |

Source: BITRE

VISITOR ARRIVALS

Top 10 destinations, December 2021

| Country of residence | Dec 2019 | Dec 2020 | Dec 2021 | change - original Nov 21/ Dec 21 |
|-----------------------|-----------|----------|----------|----------------------------------|
| UK | 118,530 | 880 | 12,440 | 9,650 |
| Singapore | 56,300 | 470 | 9,180 | 6,010 |
| India | 44,640 | 320 | 7,520 | 5,200 |
| USA | 99,900 | 1,000 | 7,390 | 5,680 |
| New Zealand | 143,530 | 2,520 | 3,800 | 2,730 |
| China | 111,800 | 320 | 2,740 | 1,720 |
| Canada | 23,940 | 150 | 1,700 | 1,280 |
| Germany | 29,380 | 110 | 1,600 | 1,290 |
| France | 16,950 | 110 | 1,410 | 1,100 |
| South Korea | 31,260 | 60 | 1,270 | 1,060 |
| All visitors arrivals | 1,177,720 | 8,820 | 73,050 | +52,190 |

Source: ABS

RESIDENT RETURNS

Top 10 destinations, December 2021

| Country of stay | Dec 2019 | Dec 2020 | Dec 2021 | change - original Nov 21/ Dec 21 |
|----------------------|----------|----------|----------|----------------------------------|
| Fiji | 27,100 | 90 | 8,080 | 8,010 |
| USA | 69,780 | 1,180 | 6,640 | 2,970 |
| UK | 33,950 | 1,240 | 5,610 | 2,200 |
| India | 34,630 | 890 | 4,360 | 2,750 |
| Singapore | 34,870 | 660 | 2,770 | 1,500 |
| New Zealand | 123,540 | 2,190 | 2,580 | 380 |
| Unit Arab Emir | 6,040 | 250 | 1,750 | 610 |
| Thailand | 32,280 | 160 | 1,620 | 1,190 |
| Pakistan | 3,260 | 230 | 1,230 | 640 |
| Sri Lanka | 6,710 | 120 | 1,070 | 660 |
| All resident returns | 749,660 | 14,300 | 52,750 | +26,860 |

Source: ABS

DOMESTIC AIR MARKET

December 2021

| | Dec 20 | Dec 21 | Growth % | Year end Dec 20 | Year end Dec 21 | Growth % |
|--------------------------|--------|--------|----------|-----------------|-----------------|----------|
| Total pax carried | 2.18m | 2.54m | +16.7 | 19.45m | 23.52m | +20.9 |
| Revenue pax km (RPK) | 2.54bn | 2.67bn | +4.9 | 22.30bn | 27.30bn | +22.4 |
| Available seat kms (ASK) | 3.86bn | 4.79bn | +23.9 | 32.86bn | 44.93bn | +36.7 |
| Load factor (%) | 65.8 | 55.7 | -10.1* | 67.9 | 60.8 | -7.1* |
| Aircraft trips (000) | 30.3 | 39.5 | +30.1 | 282.6 | 367.0 | +29.9 |

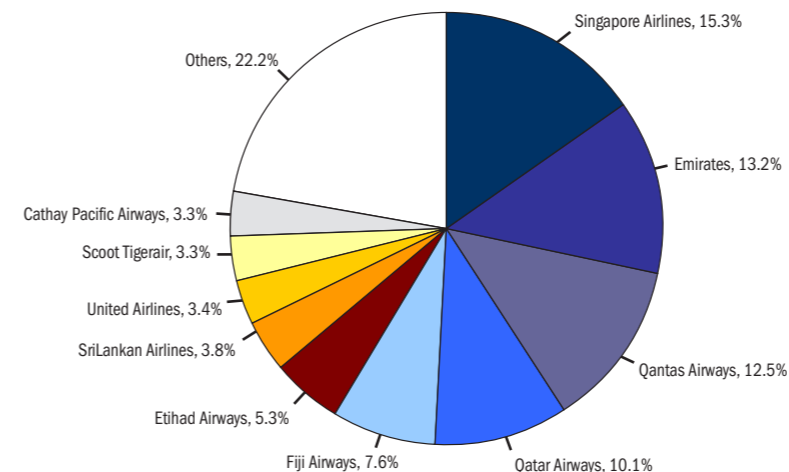
*Percentage points difference

Source: BITRE



INTERNATIONAL AIR MARKET SHARE

Share of passengers carried – December 2021



Source: BITRE

INTERNATIONAL AIR ROUTES

Top 10 city pairs, year end December 2021

| City pair | Passengers YE Dec 20 | Passengers YE Dec 21 | % of total | % change 21/20 |
|----------------------|----------------------|----------------------|------------|----------------|
| Auckland-Sydney | 390,681 | 117,947 | 7.6 | -69.8 |
| Singapore-Sydney | 333,097 | 97,526 | 6.3 | -70.7 |
| Auckland-Brisbane | 219,638 | 95,964 | 6.2 | -56.3 |
| Auckland-Melbourne | 301,251 | 90,956 | 5.8 | -69.8 |
| Singapore-Melbourne | 323,881 | 73,774 | 4.7 | -77.2 |
| Los Angeles - Sydney | 218,441 | 67,047 | 4.3 | -69.3 |
| Dubai-Sydney | 189,344 | 64,043 | 4.1 | -66.2 |
| Doha-Sydney | 184,643 | 51,584 | 3.3 | -72.1 |
| Dubai-Melbourne | 154,465 | 41,793 | 2.7 | -72.9 |
| Auckland-Gold Coast | 69,917 | 39,613 | 2.5 | -43.3 |
| Top 10 City Pairs | 2,385,358 | 740,247 | 47.6 | -69.0 |
| Other City Pairs | 6,916,846 | 815,349 | 52.4 | -88.2 |
| ALL CITY PAIRS | 9,302,204 | 1,555,596 | 100 | -83.3 |

Source: BITRE

Travel Daily HEADLINES

- 01 Feb Entire saves agent comm
- 01 Feb AFTA details budget plan
- 02 Feb “Nonsensical” border ban
- 02 Feb QF fuels up on rewards
- 03 Feb NZ plots reopening by Oct
- 04 Feb QF Holidays rejigs value
- 04 Feb Perth Airport shuts terminal
- 07 Feb CATO establishes SETO
- 07 Feb Australian borders to open
- 09 Feb Rail operator makes debut

- 10 Feb Entire Travel makes it easy
- 10 Feb BA returns after two years
- 11 Feb Still no date for cruising
- 11 Feb \$3 million for WA agents
- 15 Feb QF leaves PER in the cold
- 17 Feb Webjet grabs upsell biz
- 18 Feb Australia promoted to the world
- 21 Feb \$19.6 million first half loss for Helloworld
- 21 Feb The Travel Authority Group sold to ATPi
- 21 Feb International border reopens



AFTA VIEW

Dean Long, Chief Executive Officer,
Australian Federation of Travel Agents

GOVERNMENTS around Australia have removed all domestic borders and if you're double vaccinated, you can enter the country without the need to quarantine.

Congruently, there's an increase in activity from people seeking to travel and, with our listed travel companies delivering an improved performance, we are hopeful that this is a positive sign for the second half of the year.

Even with these improving conditions, our unity of action is critical in ensuring we are provided the financial support to see us through the lasting impact of these restrictions.

We need to remain focused on a unified ask in what is an ever increasingly complicated political landscape and the hubris of a Federal Budget cycle.

The increasing blur of a Federal Election campaign which, while yet to officially be actioned, is well and truly in play and now there's the global domino flow on effect of the invasion of Ukraine.

What hasn't let up is our absolute determination at an AFTA level and member level to making sure every single parliamentarian at a Federal, State and Territory level gets the reality of the travel sector and the critical need for ongoing support.

AFTA's submission to Government for \$190 million in support via the implementation of a Travel Sector Skills Retention and Impaired Recovery Package as part of the Budget process is now available as a summary on the AFTA website.

The AFTA Board will be in Canberra in full force during Budget Week late March.

We also continue to maximise other opportunities and are grateful for News Corps' ongoing support including the kick off this week of the Travel Industry Round Table in Adelaide hosted by *The Advertiser*, which brings together a powerful collective of local voices as part of a meeting with Finance Minister Senator the Hon Simon Birmingham and Tourism Minister the Hon Dan Tehan.



Fiji comes out on top

THE latest figures from the Australian Bureau of Statistics show Fiji was the most visited overseas destination in December 2021.

Fiji accounted for 15% of all short-term resident returns, with more than 8,000 trips taken to the country, eclipsing more traditionally popular markets such as the United States (6,640 trips) and the United Kingdom (5,610).

The numbers are good tidings for the efforts of Fiji's tourism bodies, which put hard work into the Australian market upon the two countries reopening to each other.

The statistics also reflect the success of Luxury Escape's recent five-month Fijian campaign, which saw the wholesaler increase its average destination room nights sold in the country by 500% per annum, generating approximately AUD\$50 million in sales.

Tourism Fiji Chief Executive Officer Brent Hill added the country was experiencing "astounding demand" from Australia.

AIRLINES PIVOT WA

WESTERN Australia will drop its hard border to both domestic and international tourists on Thursday 03 March 2022, says Premier Mark McGowan.

McGowan conceded the Omicron variant had already arrived in Western Australia, and the state would be unable to stop its spread, acknowledging he expected new infections to reach about 10,000 daily by the end of next month.

The new date was delivered two days before the long-awaited resolution of the protracted legal conflict between Perth Airport and Qantas Airways regarding outstanding payments.

The Western Australian Supreme Court appeared to strike a middle ground between the two stakeholders, with Qantas ordered to pay Perth around \$9 million in airport fees covering the time elapsed since the airline's previous agreement was signed in mid-2018.

The judgement was \$16 million shy of what Perth was demanding; however it was still more than Qantas believed it was entitled

to fork out – a result both parties were keen to claim as a victory.

The week prior, Qantas had confirmed, after much speculation, it will continue to exclude Perth from its services to London until at least June, citing ongoing uncertainty around the reopening of Western Australia's borders.

London flights from Sydney and Melbourne will instead continue to operate via Darwin, a pivot Qantas had announced in September.

The Perth-London service was scheduled to resume in April, according to earlier indications from Qantas, however with Premier McGowan earlier refusing to commit to a date to reopen the state's borders, the plan was effectively scuttled.

Qantas Group also cancelled Jetstar Airways flights to Perth for the same reason, with the budget carrier imposing a moratorium on the destination until at least April.

Jetstar said the move would create more certainty in its flight network.

Fortunately, travel advisors will

have slightly less to worry about through all the flight cancellations, with the Government of Western Australia allocating the sector \$3 million in support funding.



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CAUTIOUSLY OPTIMISTIC RESULTS

WHILE there were plenty of losses made by the big travel brands for the last reporting period, the common themes were improving market conditions and a cautiously optimistic outlook. With travel restrictions starting to lift around the world, booking confidence was shown to be on the gradual improve in the final months of last year, with brands hopeful that trend will continue throughout the year.

Helloworld (HLO) posted a half-year statutory loss after tax of \$14 million for the six months to 31 December, a financial slug that was tempered somewhat by a 45% improvement in revenue. In its latest outlook, the business stated it was well placed to handle significant TTV and revenue growth, and that it anticipated breaking even by June and moving into profitability at some stage next year. Also positive was HLO's 60% improvement in TTV when compared to the same period last year, as well as

the holding of significant forward bookings for the latter end of 2022 and early 2023.

The losses were far greater for Flight Centre which reported a statutory loss after tax of \$194.12 million for the six-month period. However, the life signs moving forward still looked encouraging, with revenue rebounding by 98% to \$315.7 million and the company's corporate division leading the way with a host of account wins. In fact, Flight Centre's heralded "Grow to Win" strategy across the FCM and Corporate Traveller brands saw B2B sales contribute 60% of total revenue during the six-month period.

Aussie airlines found the second half of last year equally as tough, with Qantas and Rex Airlines both posting losses for the period. Qantas haemorrhaged the most of the two, releasing an underlying loss before tax of \$1.28 billion. But despite the sizable hit to the bottom line, which was attributed

to lockdowns and ramp-up costs, the Flying Kangaroo was upbeat about the future, targeting a full return to its international network capacity by the fourth quarter of 2022. Meanwhile Rex Airlines posted a \$36.7 million loss, ballooning from the \$9.9 million reported in the previous corresponding period. The grounding of the airline's network in the face of travel restrictions did most of the damage, with revenue also dipping by 7% during the period. Rex said it was anticipating the first six months of 2022 to perform better, citing fewer travel restrictions as a key driver, while also flagging a move to expand its 737-800NG fleet at the earliest opportunity.



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A UNITED NATION

A NEW nation brand and tagline will promote Australia to the world, in order to attract more visitors and investment.

More than 300 marketing resources will be made available for free to help better promote Australia in a competitive international marketplace, after the country's national brand and tagline were released last month.

“
...more than just a logo and tagline...it is a holistic approach to selling what is unique about Australia to the world
”

Dan Tehan, Federal Minister for Tourism

The new nation brand logo features a kangaroo above the word “Australia”, with international and domestic research finding the logo to be representative of a “modern, capable, and inclusive country”.

Complementing the logo is the tagline “Only in Australia”, with the two able to be used in conjunction with each other.

Minister for Tourism Dan Tehan said a strong brand will reinforce Australia's reputation as a great place to visit.

“Australia's Nation Brand is more than just a logo and tagline...it is a holistic approach to selling what is unique about Australia to the world,” he said.

Former Tourism Australia Chair Bob East said Australia's nation brand builds on the country's already fantastic reputation, buoyed by our lifestyle, landscape, and tourism offerings, to develop greater recognition for our country.



CATO VIEW

Brett Jardine, Managing Director,
Council of Australian Tour Operators

LAST month we were thrilled to announce a new Australian peak body, the Student Educational Travel Organisation (SETO), established under the umbrella of CATO. The not-for-profit company will lead the educational travel sector in areas of governance, advocacy, and education with a vision to accelerate education outside the classroom. SETO members strive to ensure every student can access and benefit from experiential learning opportunities through travel.

SETO has been in planning for over two years and will act as a conduit between the travel and education sectors incorporating specialist educational travel tour operators, suppliers, teachers, schools, and universities. We had identified the need for specialisation in the growing education travel sector and as it turns out the timing was ideal with borders opening this month.

Many don't realise there are approximately 10,600 schools and universities in Australia, with over five million students, 89% of these students are under 18 years of age and excited to learn through travel exploration. This includes programs like study and sports tours, ski trips, music and performance tours, language immersion trips, expeditions, and service trips. SETO was the inspiration of CATO board member David Walker who has been appointed as the inaugural Chairman and he was supported by Anne-Marie Mitchell of GET Education Tours, Jamie Wansey of Student Horizons, Liz Anderson of Sundowners Overland and Pete Fletcher of World Challenge who all provided extensive input and expertise in the initial stages with each of their respective businesses recognised as founding members.

Lockton Australia has also formally become SETO's major corporate sponsor with a significant financial contribution that will assist the roll-out of the association and the development of specific student-related travel insurance products. Lockton is currently working on tailored insurance programs and risk management services, including innovative risk transfer solutions that will be exclusive to SETO members. Membership applications are open at www.seto.net.au.



Entire Travel Group's Brad McDonnell and Greg McCallum

AN ENTIRELY GOOD START TO 2022

ENTIRE Travel Group has been hard at work the past month, rolling out a new industry-first booking solution and a Peace of Mind booking plan.

Allowing travel advisors to seamlessly customise, quote, and book its full range of independent holiday packages, the booking solution is available 24/7 with real-time pricing.

The new software allows agents to tailor Entire's suite of hundreds of independent packages across 28 destinations, all of which are pre-designed, independent holidays which depart daily.

Prioritising simplicity and flexibility, agents can choose a package & room type, add essential details, and select from a range of Freedom of Choice options, which are included in the package price.

A booking can also be further enhanced through the inclusion of optional extras, and quotes include gross pricing, day-to-day itinerary details, and a 'book now' link, which automatically loads the quote for reservation on the website.

Sales & Marketing Director

Greg McCallum told *travelBulletin* Entire's desire to evolve its product stemmed from the industry's move toward further elasticity for both agent and client.

“We wanted to have a solution which was servicing the agents 24/7,” McCallum said, “and what

“
...let's be the easiest partner to deal with', whether it's for travel agents in Australia, whether it's our suppliers overseas
”

Brad McDonnell, MD, Entire Travel Group

we've delivered is the fact that for any date range the travel agent selects, we're offering the real time pricing for that package.

“The next layer of flexibility for travel agents is the speed and accessibility for them to work this out themselves whenever they need it, without having to wait for

office hours.” Managing Director Brad McDonnell said the new booking solution also made Entire an easier proposition on both the agent and supplier side.

“From an efficiency, from a speed of transaction point of view, we just think that we're going to be highly desirable because we are easy to deal with,” he added.

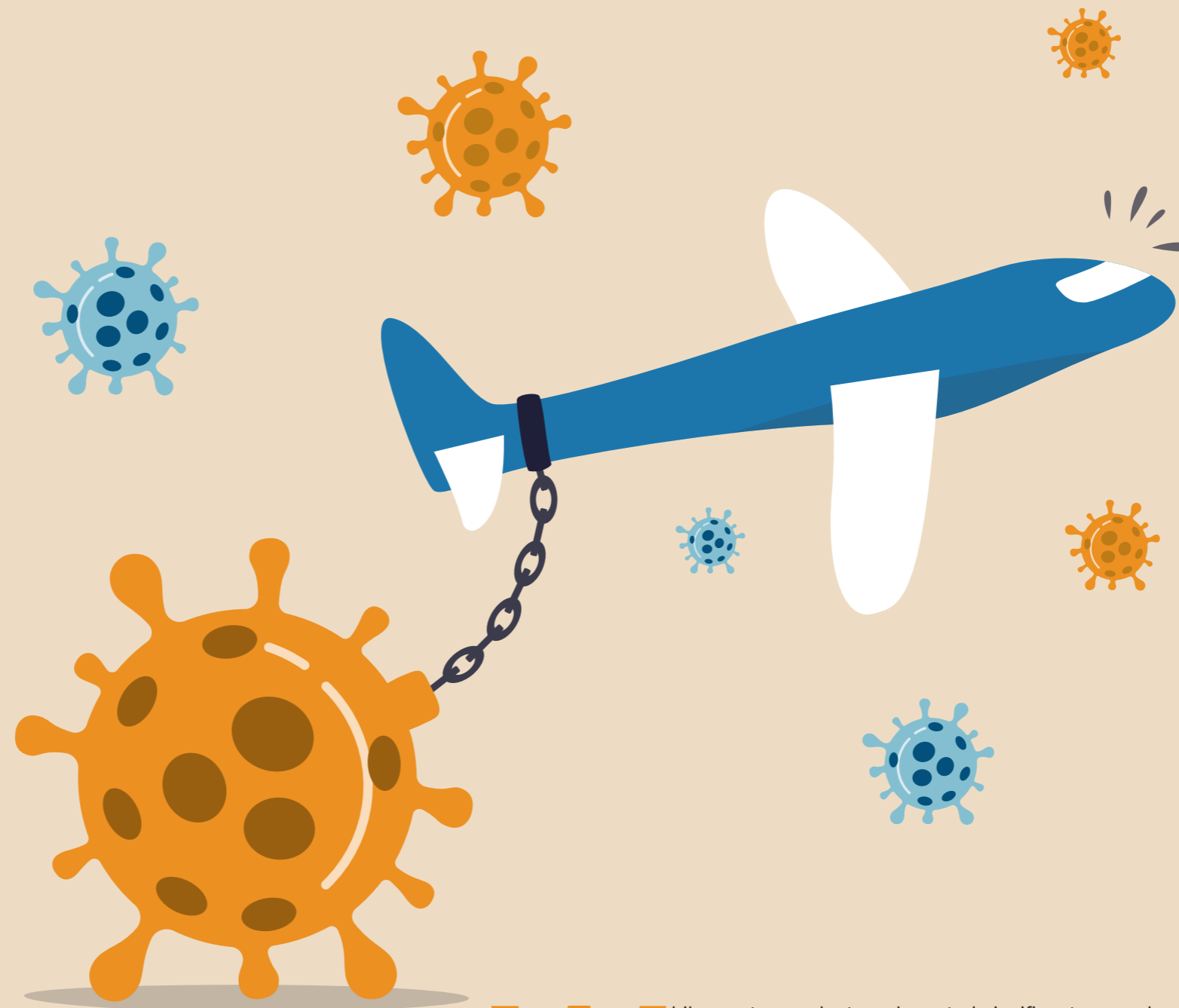
“That was something which we've always talked about, 'let's be the easiest partner to deal with', whether it's for travel agents in Australia, whether it's our suppliers overseas”.

All packages are fully supported by the new Peace of Mind booking plan, which provides consumers with a full refund for COVID-related pre-departure cancellations, and still ensures the agent is paid full commission.

“For our travel agent partners it is a win-win because it enables them to book our holiday packages with total confidence, knowing that neither they nor their clients will be out of pocket if COVID conspires to cancel the holiday,” McCallum added.

Two years on from the start of the coronavirus pandemic, the Australian travel industry looks very different. Travel Daily's second Survival Survey garnered responses from across the travel industry and presents a picture of a resilient group of people at the start of a protracted journey back to normality. ADAM BISHOP breaks down the numbers.

THE LONG, WINDING ROAD TO RECOVERY



While most people agree the travel sector in Australia will be forever changed because of the pressure applied to it by the health crisis, the extent to which it will transform and when it will turn a corner remains open to debate. While most of the big publicly listed travel companies

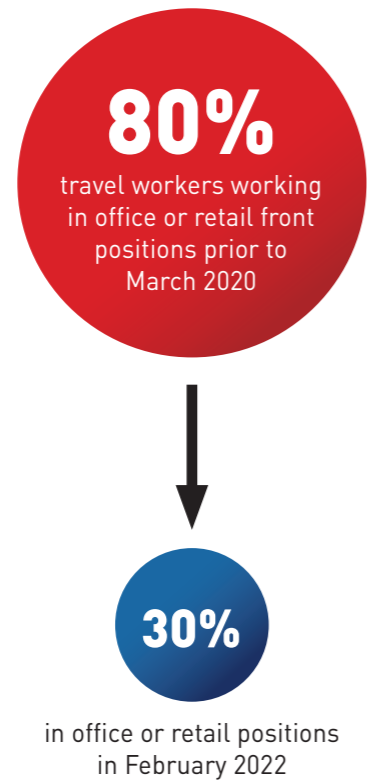
last week posted significant losses, the majority also pointed to some encouraging green shoots that have been seen over the last few months.

If Flight Centre is any guide, the company noted in its latest financial presentation that it continues to target a return to 2019 TTV volumes by the full year 2024. By that time the travel giant said its cost

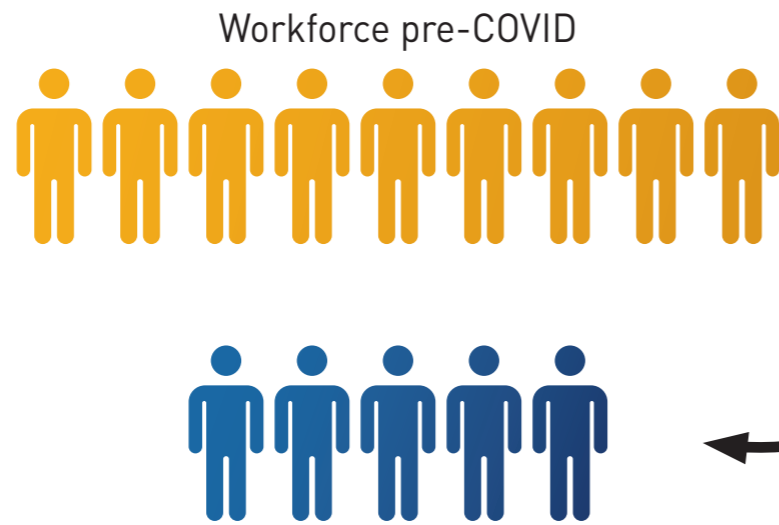
base should be materially lower than 2019 because of structural changes it enacted to increase both scalability and profitability. Flight Centre also noted the changes would enable the company to rapidly grow its "labour-light" leisure models in the online and b2b spaces. But testament to the murkiness and uncertainty of the current climate, Flight Centre

also declined to provide a formal FY22 guidance, citing a lack of visibility over the time frame and extent of any perceived recovery, exacerbated by not knowing when remaining restrictions around the world would cease, if any future COVID strains will emerge, and whether or not increasing geo-political instability instigated by the invasion of Ukraine by Russia would create further headaches for travellers.

But it wasn't all doom and gloom, with most big players in travel also playing up the potential goldmine that over two years' worth of pent-up demand and a recent swathe of countries abolishing travel restrictions could provide, as a host of key markets concede the reality of "living with the virus" moving forward. While Flight Centre noted it was predicting the near-term recovery to exceed the rebound experienced after the Delta wave in November last year, so too was Qantas optimistic that domestic air sales would bounce back firmly, assuming all borders remain open for business. The carrier indicated last month that it was expecting to reach 68% of its pre-COVID local capacity by the third quarter of 2022 and achieve between 90-100% of 2019 volumes by the end of the final quarter this year. While its international network will clearly face more challenges, Qantas was buoyed by a "reduced friction" abroad brought on by diminishing restrictions, indicating leisure bookings were leading the momentum, particularly its non-stop and premium offerings for the Northern Hemisphere summer. On the flip side of the coin however, the complications caused by Omicron and slower-than-anticipated openings from major outbound markets such as Japan,



“The carrier indicated last month that it was expecting to reach 68% of its pre-COVID local capacity by the third quarter of 2022 and achieve between 90-100% of 2019 volumes by the end of the final quarter this year”

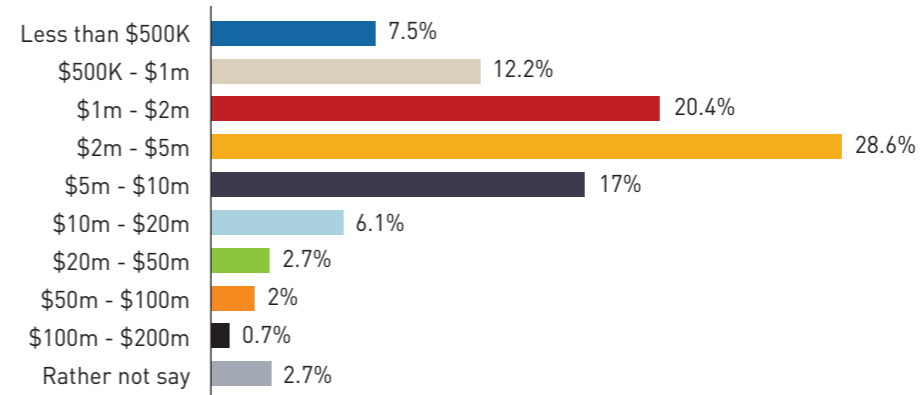


In 2021 53.6% of respondents undecided or exiting the travel industry in the next 12 months

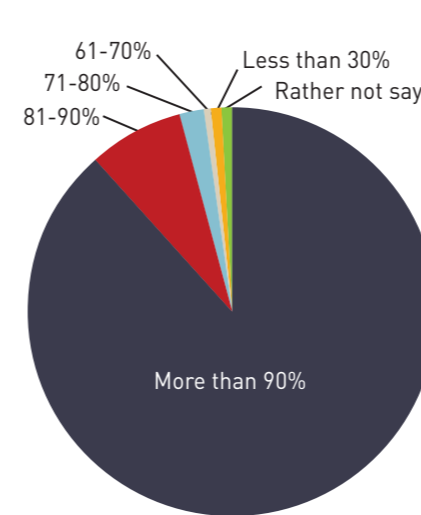


In 2022 a further 33.4% of respondents undecided or exiting the travel industry in the next 12 months

Travel businesses total sales for 2019



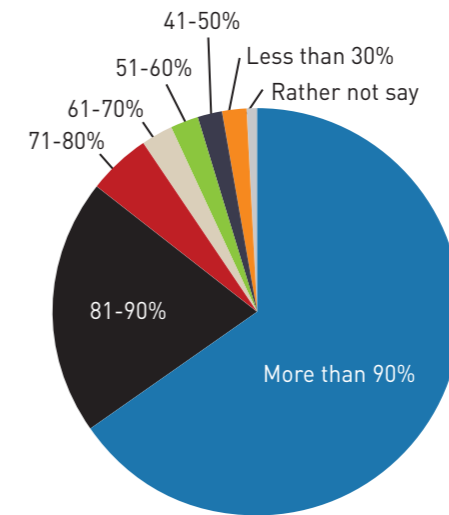
How much did your sales decline year-on-year in the worst month since March 2020?



New Zealand, Indonesia and China have also dented the recovery pipeline. As a result, Qantas now thinks it will be able to claw back to 70% of pre-COVID capacity by the first quarter of next year, a slightly less optimistic timeline than it had counted on a year ago but still tracking in an encouraging direction.

While it's easy to get a flavour of what the future picture will look like for publicly listed companies at the top end of town, it can

Now: How much were your sales down in Jan 2022 compared to Jan 2019?



certainly be more opaque to obtain the same insight at the grass-roots level. That's why **travelBulletin's** sister masthead **Travel Daily** recently brought back its Survival Survey to ascertain what the zeitgeist was like among its valuable industry readers.

One noticeable trend taking place over the last 12 months has been the exodus from retail/office-facing jobs in exchange for home-based roles. While not entirely unexpected, the

survey results certainly show the pilgrimage is being undertaken at pace. Close to 80% of respondents indicated they were working in either an office or retail front position before March 2020, however that number has dwindled to less than 30% of travel workers. Meanwhile home-based work has grown from 13% before March 2020 to nearly 60% currently. This realignment almost seemed inevitable from the outset of the pandemic, with major players Flight Centre and Helloworld both shedding large volumes of bricks and mortar operations early on as part of their respective survival plans, while investment and focus on developing more agile home-based networks has come from multiple quarters. The need to diminish overhead such as rent and utilities, fewer availabilities for full-time jobs and improving technology have all contributed to the shift. There is also a case to be made that the ructions caused by the shutdown have

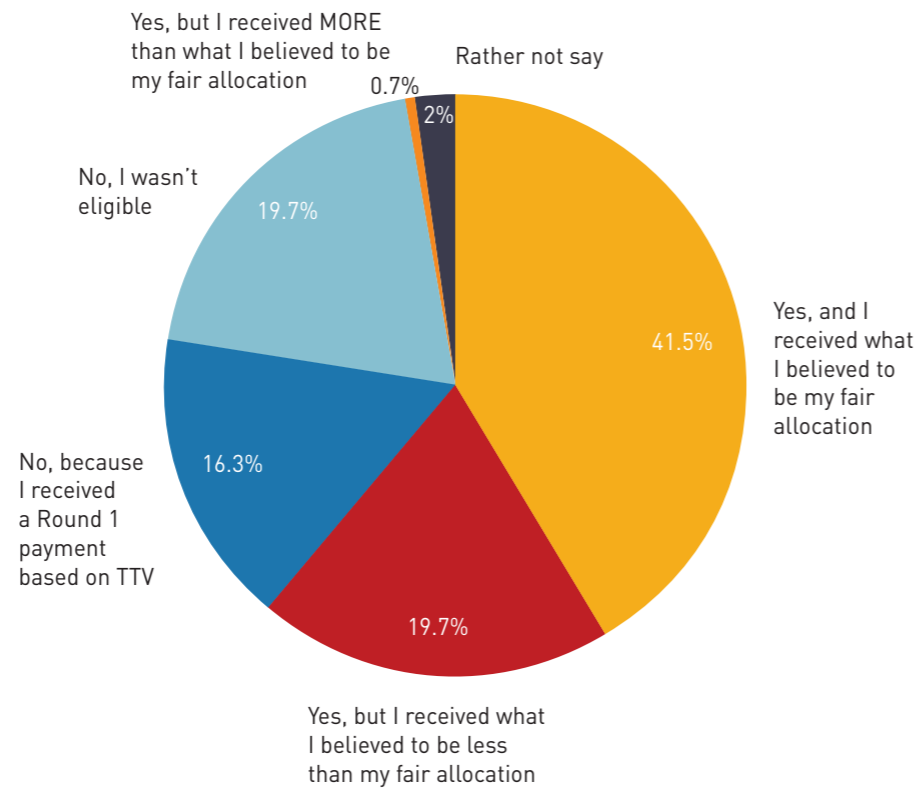
“From an earnings perspective, the ship for Aussies working in travel appears far from being righted, with 65% of people suggesting sales for January 2022 were down more than 90% compared to January 2019”

suit the core survivalist skillsets of existing home-based agents over retail facing advisors, with TravelManagers Chairman Barry Mayo previously telling *travelBulletin* that remote travel agents boast a competitive skills-based edge over traditional agents during the prolonged period of limited physical interaction.

“Home-based agents are already used to working remotely and are experienced in using alternative methods of communication to complement face-to-face interaction with their clients,” Mayo suggested.

From an earnings perspective, the ship for Aussies working in travel appears far from being righted, with 65% of people suggesting sales for January 2022 were down more than 90% compared to January 2019, while one in five also stated sales had decreased between 81-90% on pre-pandemic levels. Close to 60% also told us they were now earning less generally than they did in 2019, and only 14% indicated they were roughly on the same wicket now than they were before the health crisis.

The survey results also showed that full-time travel jobs have dropped significantly from 77% before the pandemic to 59%, however, recent job



Were you eligible for Round 2 of the Government's COVID-19 Travel Support Program?

numbers from Seek and other sources suggests this trend may be starting to finally turn around.

Those workers and businesses still left standing in travel were in large part able to do so because of government support funding, with more than 90% of respondents confirming they were able to access the crucial JobKeeper payments to keep them afloat

during the early stages of the shutdown. Around 7.5% said they were ineligible for JobKeeper, while more than half were able to access contributions from the Federal Government's COVID-19 Travel Support Program. Just over one in four respondents said they had received some level of funding, but “less than what they thought they deserved”, while 17% lamented

they were not eligible to access any funds from the scheme.

The tougher eligibility criteria, in addition to problems rolling out the first tranche of the scheme, led to fewer businesses being able to access round two of the COVID-19 Travel Support Program, with only 41.5% telling the survey they were able to successfully grab a fair portion of funding the second time around. Close to 20% said they had received some funding but “felt they were deserving of more”, while a similar percentage were told they were not eligible to access the second part of the program, a subset of which were told this was because their first round funding was allocated on the basis of TTV and not revenue.

The government's SME Recovery Loan Scheme remained undersubscribed according to the survey, with only 5% applying and getting approved for a loan. Another 11% told us they applied for a loan under the scheme but were knocked back, with the vast majority of respondents (84%) stating they chose not to apply for a loan at all. Alternative forms of financial assistance came mainly in the form of rental relief from landlords, state or federal government cashflow bonuses and other various forms of government grants.

The pandemic has also left a deep impression on some of travel's major industry bodies. The Australian Federation of Travel Agents (AFTA) saw its membership challenged during the crisis, with 78% of respondents stating they were members of AFTA before March 2020, while only 69% have stuck by the organisation with renewed membership.

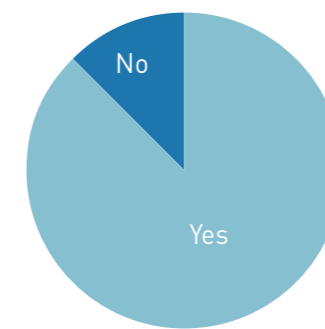
And while the figures above don't exactly paint an optimistic



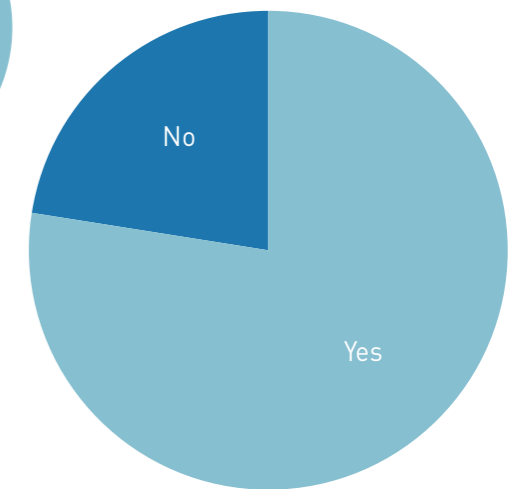
25% of survey respondents report that they have improved their income over the past 2 years

“...two thirds of those surveyed said they expected to continue having a career in travel in 12 months' time, a large increase on the 44% noted last year”

picture of the sector, it is important to note that two thirds of those surveyed said they expected to continue having a career in travel in 12 months' time, a large increase on the 44% noted in our inaugural survey last year. In 2021 there was clearly far more doubt about the viability of verticals like travel agencies, with 44% only willing to answer “maybe” to the big question of future career prospects, however in this year's survey the undecided had shrunk by 16%. Amazingly, 25% of respondents also told us they had managed to improve their income over the last two years, so amid the fire and the brimstone that has been the pandemic era, there also appears to be some hope to clasp firmly as we soldier together on the long and windy road to full recovery.



Were you an AFTA member prior to March 2020?



Are you still an AFTA member?



Of the SME Recovery Loan Scheme, only 5% of respondents applied and received a loan

...with a further 11% applying and being denied

SEVEN WAYS TO IMPROVE YOUR MENTAL HEALTH AT WORK

By Tim Hoopmann

AS WE continue to adjust to different working conditions and work environments it is vital we take care of ourselves and our mental health. The past two years have been challenging and taking care of our mental health has never been more important. We need to make it a conscious part of our everyday, forming good habits that will lead us to better mental health.

When it comes to the workplace, even small changes can bring about tangible benefits. These small changes over time will amount to a high impact on our health and wellbeing. Consistency is the key. Small steps to begin.

SET ACHIEVABLE GOALS

TRY making a list at the start of every day that you think you can achieve on that day. Don't overwhelm yourself with too many tasks as this will add to your stress levels. Reward yourself when you have completed your list.

TALK ABOUT YOUR DAY

TALKING can be a great way to process the day's events and receive support. Check in regularly with your manager and ask for support when needed.

SET BOUNDARIES

PUT some time in your diary to recharge. Turn your phone or emails off during that time to allow yourself to have a proper break and pursue something that will help you unwind. Finding relaxing tasks should be a daily thing.

CUT OUT TIMEWASTERS

IF YOU'RE in a busy work environment, you may find that there are certain tasks that you don't enjoy spending time on. While it can be hard to avoid necessary activities that need to be done, try to limit your involvement and make more time for things you do enjoy.

GET YOUR STEPS UP

EXERCISE is a great way to reduce stress. Take time to get some exercise during your lunch break regardless of whether you are working from home or an office.

BE FLEXIBLE

FULL-TIME, five days-a-week isn't for everyone. If you're finding that your current arrangements aren't suiting your day-to-day life, consider asking for flexible working arrangements.

TAKE YOUR BREAKS

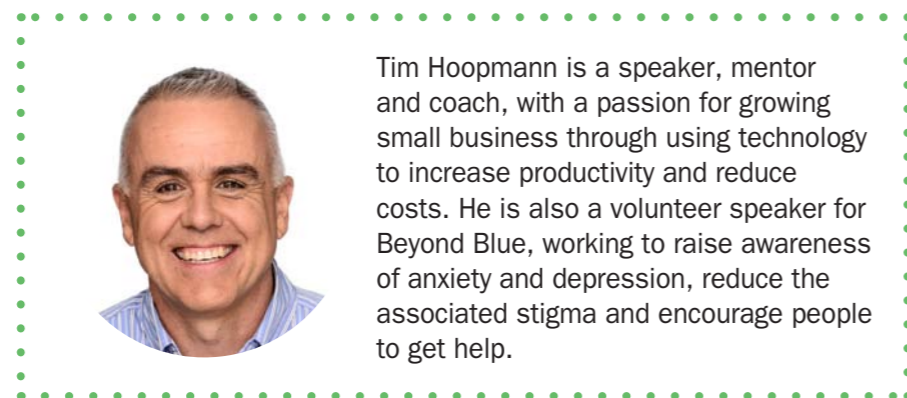
IT'S easy to get caught up finishing tasks, too many meetings or even eating your lunch at your desk. We all do it on occasions; however, if this is becoming a regular thing it may be time to break the



habit. Giving yourself a chance to rest and reset will help boost productivity when you return.

Always remember to find the activities that you enjoy and will help you relax and improve your mental health at work. Each person is different and sometimes it takes a bit of trial and error to find what suits you. Keep persevering as you take more time for you and better care of your mental health.

Beyond Blue has a dedicated Coronavirus website with many great resources about managing work stress to help you coronavirus.beyondblue.org.au.



Tim Hoopmann is a speaker, mentor and coach, with a passion for growing small business through using technology to increase productivity and reduce costs. He is also a volunteer speaker for Beyond Blue, working to raise awareness of anxiety and depression, reduce the associated stigma and encourage people to get help.

EMERALD AZZURRA DELIVERED

EMERALD Cruises has taken delivery of the first of its two luxury superyachts, *Emerald Azzurra*, from Ha Long Shipyard in Vietnam.

The 100-guest luxury yacht will welcome her first guests on board on 11 March for a Best of the Red Sea cruise from Aqaba.

Azzurra will then embark on a season of Mediterranean and Adriatic cruises between April and November, which will include a transit of the Suez Canal.

Rounding out her inaugural season, *Azzurra* will travel to Doha in December, owing to a partnership between Emerald and Qatar Tourism.

The eight-day itineraries out of the Qatari capital will take in Sir Bani Yas in Abu Dhabi, Khasab & Zighy Bay in Oman, as well as Fujairah & Dubai.

Available packages will offer three-day pre- and post-cruise tours of Qatar, following the country's hosting of the FIFA World Cup.



©Emerald Cruises

Carnival teases two ship return

CARNIVAL Cruise Line last month announced *Carnival Splendor* will return to Australia after the completion of her Alaska season, causing the Aussie cruise industry to exhale a deep sigh, as the ship will not be absent from local waters for as long as feared.

Guests will be able to book onto *Splendor's* 'Journeys' sailing back to Sydney, with Carnival

President Christine Duffy saying the cruise line is continuing to make plans for a return to guest operations in Australia.

However the formerly Brisbane-based *Carnival Spirit* is still not scheduled to return to Australian waters for more than 18 months, which at this stage means the cruise line will not revert to its previous compliment of two locally homeported ships until

the end of next year.

Carnival said details for a two-ship return to Australia will be announced when such plans are confirmed, adding it will be resuming local operations after government officials provide more clarity.

Duffy said Carnival appreciates the patience of all involved throughout the rescheduling process.

ACCESS DENIED: AUSTRALIA IS OPEN, BUT CRUISING IS OFF THE CARDS

AUSTRALIA may have begun to welcome back international tourists, but international cruises are still not welcome, after Federal Minister for Health Greg Hunt extended the country's pandemic emergency measures until April.

Mid last month, Hunt extended the human biosecurity period under the *Biosecurity Act 2015* for a further two months to 17 April, which will see the international cruise ban, in place since March 2020, lengthened past two years.

Cruise Lines International Association (CLIA) Managing Director Australasia Joel Katz said it is hoped the extension would be the last before international cruise ships can return to Australia.

"Though the cruise ban has been extended, we can now see hope for thousands of Australians whose livelihoods depend on

cruise tourism" Katz said.

Slightly more downbeat was the Australian Cruise Association (ACA), which lamented the decision as "disappointing".

The ACA said it recognises the new April expiry date will give it time to work with members in port destinations around Australia to help the industry prepare for a phased restart.

In the wake of the disappointment, the NT boosted hopes when it announced it had increased its capacity cap for cruise ships from 150 to 350 guests and crew members.

The decision forms part of the staged reopening of the cruise industry in the NT, a commitment it observed as part of a wider National Cabinet push in mid-February.

CLIA's Katz said of the decision, "the Northern Territory is a key piece of the puzzle when it comes to cruising in Australia,

especially for the expedition sector which benefits many remote communities across the north of the country."

The cruise industry was formerly a key economic driver for the NT, according to the Territory's Minister for Tourism Natasha Fyles, as it generated an estimated \$60 million of annual expenditure pre-COVID.

"This increase to the capacity of crew and passengers on board domestic boutique cruise ships will be a major boost to operators and retailers," she said.

Ponant Chair Asia-Pacific Sarina Bratton said following the NT's decision, her line is now turning to the Federal Government for further action.

"We are now calling upon the Australian Government to immediately adjust the declaration under the *Biosecurity Act* to allow our operations in Australian waters to commence," she said.



Anne next in line

CUNARD Line has announced its new ship joining the fleet in 2024 will be named *Queen Anne*.

Anne will mark the first time since 1999 Cunard will have four ships at sea, when she joins *Queen Mary 2*, *Queen Victoria*, and *Queen Elizabeth*.

The new vessel will feature reimagined Cunard signature spaces, an updated livery, and new guest experiences within dining, culture, and entertainment.

CDC's new framework

THE expiry of the Centers for Disease Control & Prevention's Conditional Sailing Order, and its replacement by a new voluntary framework, saw strict regulations controlling the resumption of American cruising lifted last month.

Cruise Lines International Association (CLIA) has hailed the move, saying it "recognises the cruise industry's unwavering commitment to providing some of the highest levels of COVID-19 mitigation found in any industry".

CLIA told *travelBulletin* the industry is the only segment within the travel and tourism industry which requires exceedingly high levels of vaccination of both passengers and crew prior to embarkation.

Dudley says goodbye

BRETT Dudley, who founded Ecrusing in 2000, has resigned from his role as consultant to the company.

Dudley sold the company, and his other travel business Latitude 33, to Sky Bound Capital in February 2020, but last month said it was "only fair" he resign.

He said the decision was made "given the current and continuing uncertainty of the industry".



CLIA VIEW

Joel Katz, Managing Director
CLIA Australasia

A WELCOME BREAKTHROUGH FOR CRUISING

IT HAS taken more than 18 months of persistent and often frustrating work with state and federal governments, but the Australian cruise industry is now seeing clear signs of progress as we strive for cruising's revival in our region.

Last month's National Cabinet announcement that the major eastern states will work with the Commonwealth and with our industry to facilitate a return to cruising is a significant breakthrough, and the cruise industry is now busy seizing this opportunity.

In recent days we have had positive discussions with the NSW Premier Dominic Perrottet who has taken the lead role in pushing for a cruise revival. We've also met with other key leaders, health authorities and other government officials from the eastern states, Northern Territory and Canberra.

Though there is still a way to go before detailed plans for cruising's revival are finalised, we can now see a clear political will to achieve results and we are hopeful the most recent

extension of Australia's cruise ban will be the last.

There's no doubt the phenomenal efforts of travel agents, suppliers and other cruise supporters over recent months has been a major factor in gaining greater traction with governments. As a result of the vigils, meetings and media interviews many agents have held, our leaders can now see what it means to have more than 18,000 people cut off from their livelihoods, at a time when other nations have already shown how to achieve a responsible resumption of cruising.

Around the world, wherever cruise lines have successfully returned to operations, this has come through close partnerships between government and the cruise community. We're grateful for the passionate backing we have from our cruise community in Australia, and we're looking forward to having closer cooperation with our governments on the road ahead.

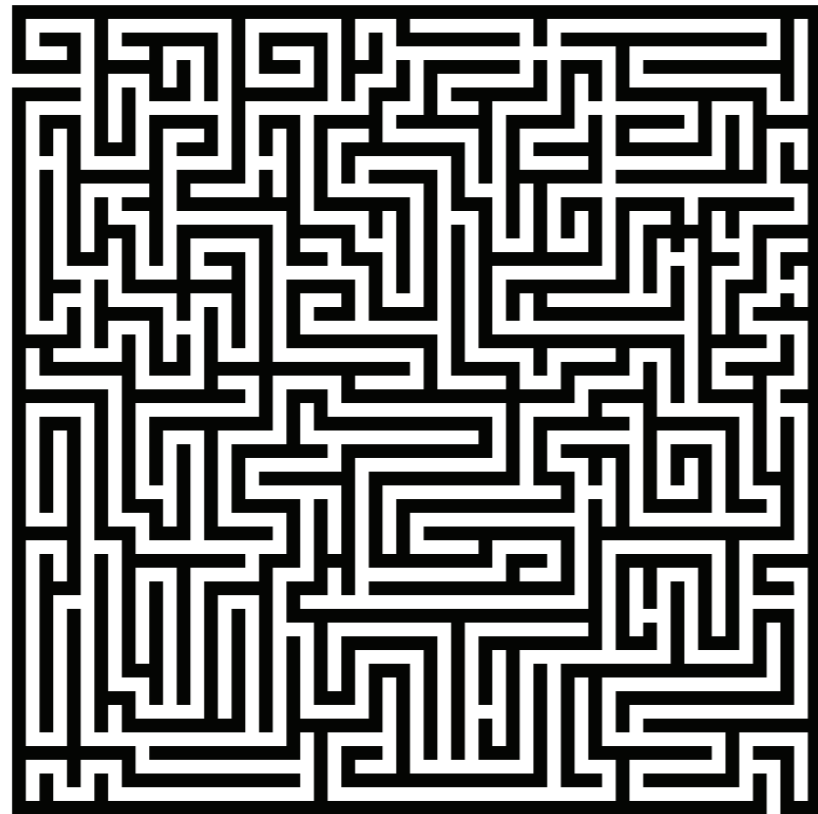


HEADLINES FEBRUARY 2022

- 10 Feb** Report: Crystal US office shuts down
- 16 Feb** Genting assets drawing strong interest
- 17 Feb** NT increases cruise passenger caps
- 18 Feb** Genting "washed hands" of Crystal

A-MAZE-INGLY INSANE

USUALLY mazes are reserved as entertainment for primary-aged kids, but this is not your average maze. See if you can find your way through, with the start at the top left and the end at the bottom right of the maze.



TUNE IN & ZONE OUT

When you want a distraction from tuning into the news, you might want to turn your ears to something slightly more interesting. Here's a rundown of one of our latest listening distractions - available on Apple Podcasts, Spotify or wherever you like to tune in.



EVEN THE RICH

FOR some very entertaining celebrity history, *Even the Rich* delves behind the scenes of the lives of some of our biggest stars. Hosts Brooke Siffrin and Aricia Skidmore-Williams - yes those are their real names - take listeners on a journey through celebrity, with 15 different seasons looking at modern American royalty like Beyonce and J-Z, Paris Hilton and the Kardashians, along with several generations of the Kennedys, Gianni Versace, Madonna and more. There's also some genuine blue blood in there - sort of - with one of the seasons covering Diana and Meghan, while some local flavour, including some hilarious attempts at Australian accents, come courtesy of six episodes recounting the history of our very own Murdoch dynasty.

Inspire your clients

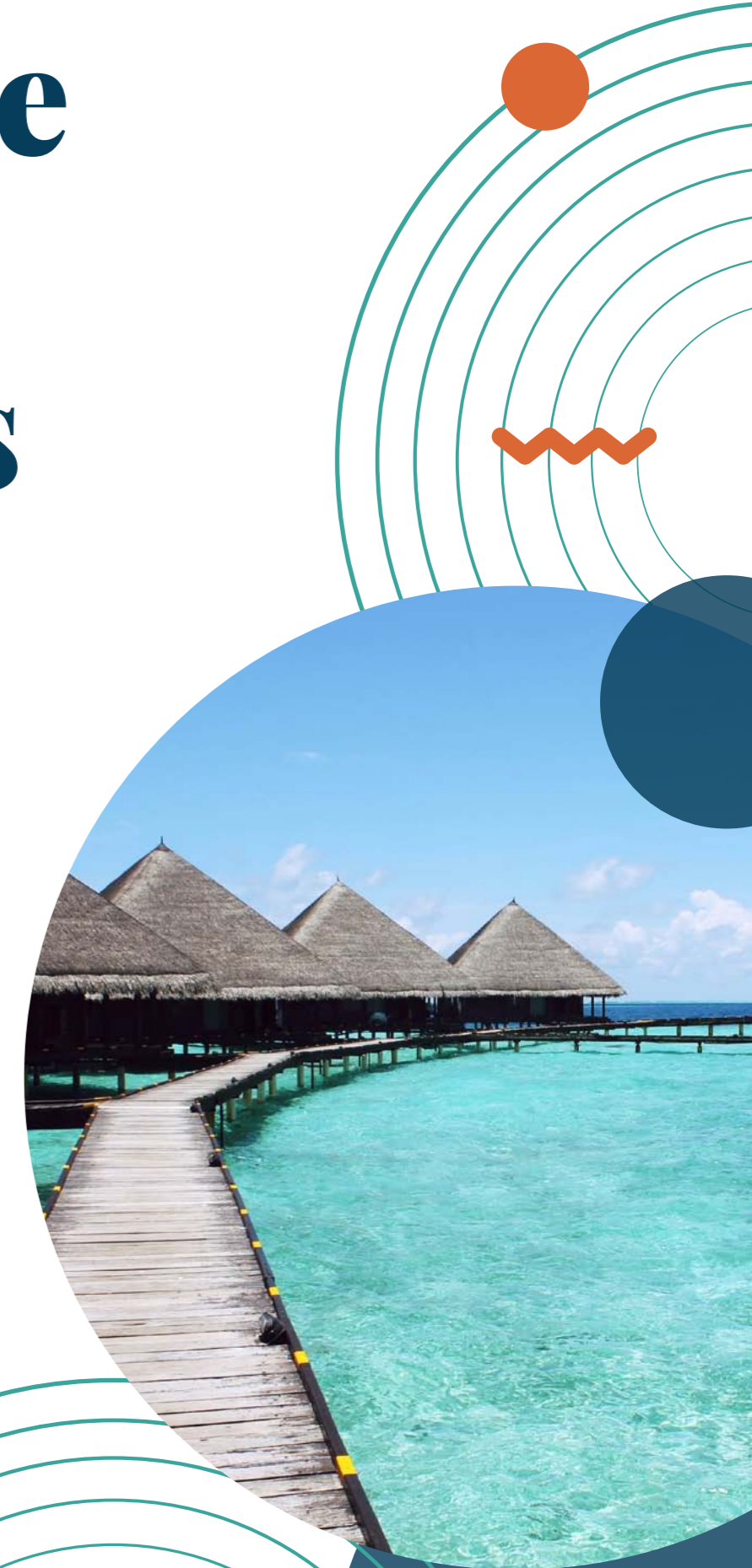
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