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What is the Trans-Tasman Travel Corridor?

The Trans-Tasman travel corridor, popularly known as the Trans-Tasman bubble, is a proposed quarantine-free travel zone between Australia and New Zealand. The initiative is purely economic in nature. Its goal is to open up borders and restore some degree of bilateral travel, in an attempt to limit prospects of a pandemic-induced economic recession. New Zealand's Prime Minister Jacinda Ardern and the Australian Prime Minister Scott Morrison have publicly emphasized significant domestic containment of COVID-19 cases, prior to easing border controls or recommencing flights.^[1] Canberra and Wellington are home to two sizable tourism sectors, both dependent on cross-border mobility for a share of their economic growth.

A tangible blueprint for Trans-Tasman coordination emerged during Australia's national cabinet meeting in May.^[2] Policymakers pushed for the prioritization of "COVID-19 safe zones", with New Zealand's Prime Minister Jacinda Ardern underlining critical health, transport, and logistical protocols for incoming citizens.^[3] Both Ardern and her Australian counterpart Scott Morrison agree that the corridor's implementation is ultimately conditioned on steady COVID-19 progress and significant domestic containment.

Two months on, that agreement is facing increasing challenges. Australia - home to nearly twenty-six million people - recorded its highest daily rise in COVID-19 infections this July.^[4] Authorities have also reintroduced lockdowns across major cities, including Melbourne.^[5] Similarly, New Zealand - despite managing to overcome the worst of the pandemic - is limiting the number of incoming foreign citizens, citing "burden" on existing quarantine facilities.^[6] Popular support for the Trans-Tasman bubble is also withering as public attention remains focused on growing unemployment frustrations.^[7] These dynamics indicate the need for a more nuanced policy approach to operationalizing the Trans-Tasman travel bubble.

Economic Consequences

Both countries can benefit from positive economic consequences once the corridor becomes operational. Data from Ernst & Young suggests that the Trans-Tasman bubble affords \$2.03 billion to \$4.07 billion in untapped growth potential - all of which is ready to be injected into

the economies by the end of 2020.^[8] Opening-up two-way travel also means giving a lifeline to some 19,000 Australia-based businesses that depend heavily on trade with New Zealand for revenue.^[9] This dependency, if not managed properly, could steer both economies towards a “state of near-total isolation” during the pandemic. Leading policy experts and New Zealand’s former Prime Minister Helen Clark warned of this possibility in their co-authored conversation paper in July.^[10] Adding to the challenge is Australia’s unprecedented business borrowing, and a lack of consumer confidence across big firms in New Zealand.^{[11] [12]}

Therefore, even the slightest growth in citizen movement could give investors on both sides of the aisle a pulse of market receptivity, emerging consumer preferences, and prospects for joint monetary-fiscal coordination to mount critical COVID-19 stimulus plans.^[13]

The case for initiating two-way travel must also be driven by top industry officials – who serve as the engine of a shared, multi-billion-dollar tourism sector. Until now, the broader public discourse on the Trans-Tasman bubble has been driven by government representatives.

Simon Westaway – Australian Tourism Industry Council’s chief – said that pre-existing quarantine and customs arrangements in New Zealand serve as a major plus for market confidence.^[14] These sentiments are shared by Chris Roberts, chief executive of New Zealand’s Tourism Industry Aotearoa, who points to the survival of thousands of tourism-aligned businesses and jobs across the country.^[15]

Critical Reception

Critics of the Trans-Tasman bubble correctly argue that the initiative doesn’t cater to the broader economic good of the Pacific region. Australian Liberal Party member Dave Sharma stressed the need for Canberra to assist smaller Pacific economies by transforming the Trans-Tasman bubble into a “trans-Pacific model.” Writing in *The Australian* this May, he asserted that the “states of the Pacific have so far weathered the coronavirus storm remarkably well. Vanuatu, Solomon Islands, Samoa, and Tonga are virus-free. Fiji has seven active cases and has not recorded a new case in more than a fortnight.”^[16]

As Sharma points out, most of Australia’s Pacific allies do not share its experience of a COVID-19 resurgence. This assessment is backed by independent evidence. A recent study published in *Epidemiology and Infection* suggests that most Pacific island countries reported no COVID-19 cases by early March.^[17] This is a stark contrast to Australia, which reported nearly six dozen infections by the time, and scrambled to quarantine hundreds of

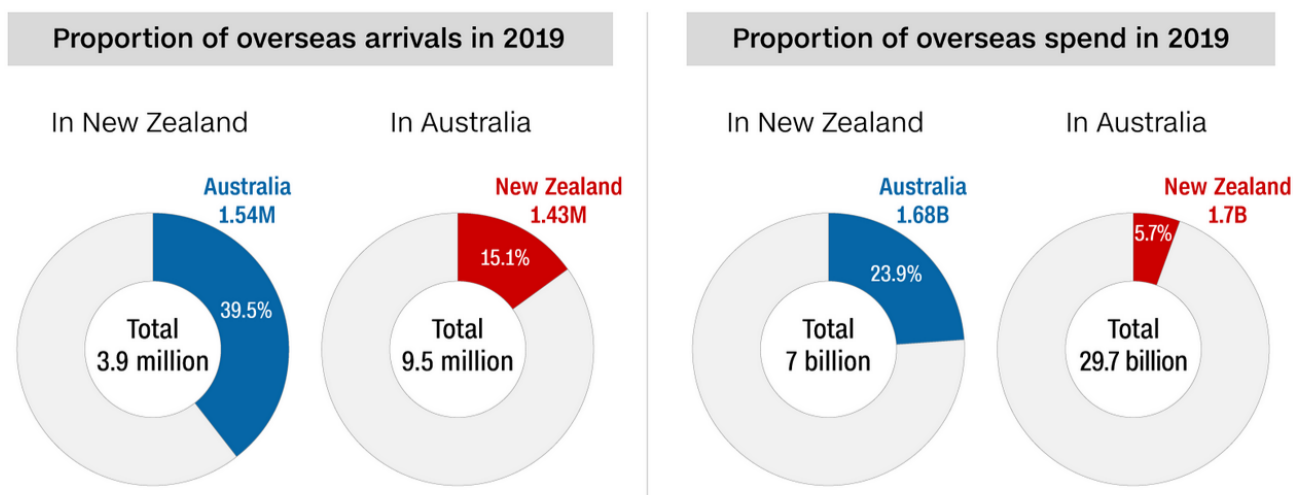
foreign nationals on remote islands.^{[18][19]} Thus, any parallels between Australia’s Trans-Tasman border concerns and those of its immediate Pacific allies lack compatibility. The sole exception is New Zealand, which has experimented with different COVID-19 threat levels like Canberra and shares Australia’s belief in a strictly incremental approach to kickstarting the travel corridor.

Critics of the New Zealand-Australia relationship are also likely to point to a layer of distrust that has accompanied their past relations.^[20] In light of the newly proposed Trans-Tasman policy approach, this skepticism too has its use: it could ensure mutual oversight over critical health protocols once the bubble becomes operational.

Tourism as a Growth Accelerant

There are also economic merits to such an incremental and bilaterally negotiated travel arrangement. Evidence from Vietnam suggests that if high-speed contact-tracing and universal arrival quarantines are activated in sync, nations can see a double-digit increase in passenger traffic without significantly compromising their GDP growth targets.^[21] This is also the intended goal of both Prime Minister Scott Morrison and New Zealand premier Jacinda Ardern.^[22]

Finally, there is a dire need for policymakers in Canberra and Wellington to acknowledge the centrality of two-way tourism to their post-pandemic recovery needs.



CNN Source: Ministry of Business Innovation and Employment of New Zealand, Tourism Australia
Graphic: Jason Kwok, CNN

Tourism makes a direct contribution of 5.8 percent to New Zealand's annual GDP and accounts for some 20 percent of its total exports, making it the country's top export industry.^{[23] [24]} The majority of New Zealand's foreign visitors are also Australian. In turn, the former spent about \$1.7 billion on Australian tourism last year - a fraction higher than the latter's total spending contributions put together.^[25]

COVID-19 and Travel Protocols

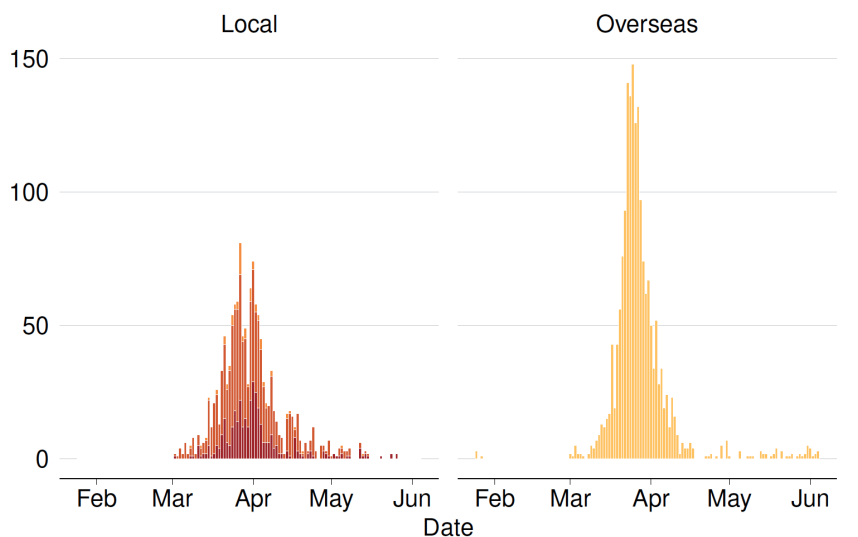
Narrative-building on the Trans-Tasman bubble has consistently missed-out on health verification metrics. Arrangements such as pre-flight health requirements, eligibility benchmarks, transit movement, aircraft protection, and post-landing contact-tracing protocols are being carefully devised by The Trans-Tasman Safe Border Group - a 40-strong expert panel ranging from government officials to aviation representatives from both countries.^[26]

Note that none of these developments have been amply integrated into the official policy positions of Canberra and Wellington. Rather, both parties have been preoccupied with key logistical choices, such as confining travel to certain states, or greenlighting a nationwide influx of visitors.^[27] The end result: the public's top concern - significant COVID-19 health safeguards - fails to dominate airwaves.

A detailed report by the Grattan Institute, one of Australia's leading public policy think tanks, confirmed the presence of effective international arrival protocols in New Zealand.^[28] The report also documented the effect of recent overseas arrivals on the majority of Australia's COVID-19 infections between March and mid-May.^[29]

Most new infections were from new arrivals, or coincided with the peak in overseas cases

New cases, by source



Source: Barry (2020).

More importantly, the 115-page document offers no evidence of a bilateral travel arrangement with New Zealand proving to be equally counter-productive.

Hence, it is aforementioned critical distinctions that can induce bipartisan support for the travel corridor, given how various opposition members have stressed a reduction in migrant numbers and mistook the travel bubble as a leisurely exercise - demonstrating little awareness of its underlying economic stimulus. ^{[30][31]}

Conclusion

Ultimately, New Zealand and Australia’s efforts to devise health verification metrics for incoming travelers, revive stagnating tourism sector contributions, and promote people-to-people engagement are all vital steps for kickstarting the Trans-Tasman travel corridor. However, to translate this groundwork into tangible implementation, both governments must also publicize the initiative’s positive economic consequences, the significance of health protocol oversight, and enable industrial elites to contribute to the corridor’s future narrative-building.

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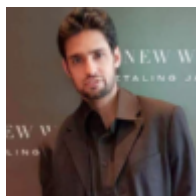
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