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ACT BRANCH**

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# ACT Budget Submission

## 2008/09

31 October 2007

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## EXECUTIVE SUMMARY

The Australian Hotels Association is represented on the ACT Tourism Ministerial Advisory Council by two of its leading office bearers, President Michael Capezio and Accommodation Division President Mark Sproat.

The Council's document *Position Statements and Recommendations: 2008/09 ACT Budget* sets out a number of opportunities for government investment in the tourism industry, and is strongly supported by the AHA.

Due to the level of input the AHA has had in producing the Council's document, we feel it would be unnecessary to duplicate the bulk of its content, and seek merely to highlight certain areas felt to be of particular importance to the hospitality sector.

The AHA strongly recommends increased funding for Australian Capital Tourism. It is believed that the total Australian Capital Tourism media buy has declined significantly since 2006, and this is of concern to the industry. Sufficient funding must be provided to ensure key markets can be effectively targeted.

The AHA also recommends that the Budget provide increased resources for ACT Policing. Accommodation hotels have reported that a lack of resources often means police are unable to respond promptly or effectively to calls relating to theft or damage, while a strong uniformed police presence in popular nightspots is needed to deter anti-social behaviour and deal with incidents as they occur.

The hospitality sector is suffering from chronic skills and labour shortages. The AHA strongly supports the recent initiatives by the ACT Government in addressing this issue, particularly through the 'Live in Canberra' campaign and the establishment of the ACT Skills Commission. The AHA believes greater funding support for the Canberra Institute of Technology is needed to ensure it is able to respond effectively to the demands of industry, particularly in the commercial cookery sector.

This submission also recommends funding be allocated for the development of a new convention centre, for establishing the Canberra International Gardens and Arboretum, improving road access to and from Canberra Airport, and for providing permanent infrastructure in Commonwealth Park to support Floriade.

## RECOMMENDATIONS

1. *That funding for Australian Capital Tourism be increased to ensure its media buy in key markets is sufficient to effectively promote Canberra as a tourist destination*
2. *That Australian Capital Tourism be retained as a separate budget activity from other units within the Department of Territory & Municipal Services.*
3. *That increased funding be provided to ACT Policing to increase uniformed police presence and the ability of police to respond to calls for attendance.*
4. *That increased funding be provided to Tourism & Hospitality Skills ACT & Region and the Canberra Institute of Technology to address chronic shortages in commercial cookery.*
5. *That funding be provided to establish permanent infrastructure at Commonwealth Park as a permanent home for Floriade.*
6. *That \$250,000 be committed to partner with the Commonwealth and the private sector in the establishment of a trust to manage the development of a new convention centre.*
7. *That sufficient funding for establishing the Canberra International Gardens & Arboretum be provided so that it may open to visitors at the closest possible point in the future.*
8. *That capital works funding be allocated for upgrades to roads heading to and from the Canberra International Airport as a matter of priority.*
9. *That greater cooperation occurs between the ACT Government and the National Capital Authority in regards to the tourist promotion of NCA events in Canberra.*
10. *That the Commonwealth Travel Allowance for public servants travelling to Canberra be addressed at senior level with a view to increasing the rate to a more sustainable level.*

## DESTINATION MARKETING – AUSTRALIAN CAPITAL TOURISM

The AHA recommends the reinstatement of some or all of the funding for Australian Capital Tourism that was lost following the functional review process in 2006. The industry is concerned that the media buy for tourism promotion has declined significantly since the start 2005/06 despite intentions for savings to be made on administrative areas and not reduce destination marketing.

While acknowledging the per capita tourism spend in the ACT is comparable to other jurisdictions, the reality is that Australian Capital Tourism must have sufficient resources to penetrate identified target markets in the face of stiff competition from other destinations.

The AHA also strongly recommends that tourism be retained as an individually listed item in the budget for the Department of Territory & Municipal Services. It is understood that Australian Capital Tourism operates as a separate unit from the Department so it is reasonable to expect its budget to be reported separately from that provided for other purposes.

## INCREASED FUNDING FOR ACT POLICING

The hospitality industry relies on customers feeling safe and secure. Uniformed police presence in and around busy nightspots is accepted to be the most effective deterrent of anti-social behaviour. Regular patrols through Civic occur on Friday and Saturday nights, with police building a good rapport with licensees and venue managers.

The AHA would like to see a similar presence in the Kingston/Manuka area, which also has a concentration of late night venues. Uniformed patrols in this area frequently occur, but not with the regularity of Civic and with the burden of being responsible for both the Manuka and Kingston districts. With the continued development of Civic, and the proliferation of late night venues over a wider area, it is also becoming necessary to increase police presence there on busy nights by providing a second patrol.

The issue of police resources is not limited to late night trading. Accommodation hotels have reported frustrations with the inability of under-resourced police to respond to calls for attendance, particularly when these calls relate to damage to property or theft.

The AHA recommends the Government consider providing increased funding to ACT Policing to ensure sufficient numbers of sworn officers are available to protect the community and respond to calls for assistance.

The AHA also urges the Government to engage with the industry and with ACT Policing to develop an appropriate legislative framework that will provide police with the powers necessary to effectively deal with violent or anti-social behaviour in licensed premises.

## TRAINING & SKILLS DEVELOPMENT

The hospitality sector is acutely affected by the skills and labour shortages that are plaguing businesses in the ACT. The AHA is encouraged by the recent establishment of the ACT Skills Commission and the 'Live in Canberra' campaign.

Targeted support for training in commercial cookery is required to ensure Canberra's tourism & hospitality sector is able to live up to visitor expectations. The Accelerated Chefs Apprenticeship scheme implemented by the CIT in conjunction with Tourism & Hospitality Skills ACT & Region has the potential to be successful in removing some of the barriers to entry into the profession. With appropriate promotional funding, more people would become aware of the opportunities to quickly achieve qualifications without submitting to a four-year apprenticeship.

Increased funding is recommended for both Tourism & Hospitality Skills ACT & Region and the Canberra Institute of Technology to combat shortages in commercial cookery.

## FLORIADE INFRASTRUCTURE

Floriade is Canberra's iconic tourist event, each year bringing thousands of visitors to Canberra. The AHA believes Commonwealth Park is the ideal home for Floriade, showcasing the best views of the city in a central location close to other attractions such as the National Museum, National Gallery and the War Memorial.

The AHA believes the economic benefit to the ACT from Floriade could be maximised by investing in permanent infrastructure in Commonwealth Park, and in increased visitor services during the festival.

Constructing permanent infrastructure to support Floriade, such as toilets and kitchen/catering facilities would improve the experience for visitors and save time and expense each year in erecting temporary solutions. Aesthetic improvements such as display fountains, public art and raised walkways should also be considered.

Providing adequate parking at Commonwealth Park is a problem facing the event. The quality of temporary parking facilities at West Basin is poor, and

people are often forced to walk considerable distances to the entry gates causing traffic problems by crossing Commonwealth Avenue on foot rather than using the underpass. The AHA recommends funding in the Budget be allocated to constructing a paved carpark at West Basin and providing a shuttle bus service during Floriade to ensure ease of access to the event.

The AHA also believes the ACT Government should reconsider its position not to charge an entry fee for Floriade. A modest entry fee would not diminish the capacity of Floriade as a tourist event, but would provide a means to recover the cost of investment in more permanent infrastructure.

## CONVENTION FACILITIES

The AHA commends the Government for its investment of \$30 million to refurbish the National Convention Centre and for providing increased funding to the Canberra Convention Bureau to ensure Canberra's competitiveness in the national conference market.

Industry remains enthusiastic for a new convention centre, and the AHA recommends the Government support the Canberra Business Council's proposal to establish a management trust to oversee the project in cooperation with the Commonwealth and the private sector.

The AHA recommends the Government commit \$250,000 in 2008/09 to establishing the trust, and also recommends the Government earmark appropriate capital works funding to complete construction of a new convention centre.

## CANBERRA INTERNATIONAL GARDENS & ARBORETUM

The AHA supports the development of the Arboretum and believes the site will one day become a significant community and tourist attraction.

Funding for the Arboretum has been a political issue but the AHA recommends an injection of funding to establish the gardens so that they may be able to open to visitors at the soonest possible opportunity.

The AHA also supports the idea of partnering with foreign embassies and high commissions to establish international gardens that will celebrate Canberra's status as the national capital.

## VISITOR ACCESSIBILITY & TRANSPORT

Transport difficulty is one of the major challenges for the tourism industry. Our shortage of taxi services often creates farcical waiting lines at the Airport and from hotels, particularly during Parliamentary sitting periods.

With the rapid recent development of office accommodation at the Canberra Airport, transport for air travellers has become more difficult. The AHA supports the Government's decision to join with the Canberra Airport to upgrade Pialligo Avenue, but recommend that this project be fast tracked so as to be completed in its entirety next year, rather than become a long-term project.

The AHA also supports the recommendation by the Ministerial Tourism Advisory Council to address the traffic bottlenecks that occur at the intersection of Majura Road/Fairbairn Avenue/Pialligo Avenue as a matter of urgency.

## COMMONWEALTH – TERRITORY RELATIONS

Canberra's role as the seat of federal parliament, and the existence of the National Capital Authority as a major planning, promotional and events stakeholder makes it essential that the Commonwealth and ACT governments are cooperating to ensure the most effective use of resources.

The AHA supports the Ministerial Tourism Advisory Council's recommendation to explore the possibility of reviving the NCA's interstate road shows. These would help to promote the role of the national capital, to educate Australians about the Griffin Plan, instil a sense of ownership in Canberra and help to break down negative perceptions of the city.

The AHA also urges closer cooperation between the Commonwealth and the ACT governments in relation to the events conducted by the NCA. Additional promotional support from the ACT Government for NCA conducted activities will help to increase the tourism-related benefits for the ACT.

Hotels are concerned that the current travel allowance provided to Commonwealth public servants visiting Canberra is just \$106 per night. This rate is much lower than other capital cities and lower even than many smaller regional cities.

The travel allowance often acts as a cap on hotel room rates, as all properties are forced to compete for the same business. Because such a significant percentage of hotel guests in Canberra are government travellers, an artificially low yield has a significant impact on profitability, which impacts on management decisions on whether to upgrade facilities.

A travel allowance that more accurately reflects the cost of travel and accommodation would lead to hotel owners becoming more prepared to reinvest in their properties.

The AHA recommends that the Commonwealth Travel Allowance for public servants travelling to Canberra be addressed as a matter of urgency.

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