

ACT AND REGION TOURISM

A DISCUSSION PAPER

BY

THE STANDING COMMITTEE ON
TOURISM AND ACT PROMOTION

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Committee Members

Mr T De Domenico (Chairman)

Mr D Lamont

Ms H Szuty

Secretary

Bill Symington

Research Assistance

Vicki Salkin

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TERMS OF REFERENCE

On 27 April the committee resolved to inquire into and report on:-

1. the contribution made by tourism to the ACT economy including
 - .tourist expenditure patterns
 - .investment in tourist related infrastructure
 - .tourism related employment
2. the potential for expanding tourism and related activities in the ACT in the short and long term with particular reference to
 - .the role of the tourism industry and the Government in marketing and promoting the ACT and the region as a tourist destination
 - .the scope for minimising cyclical aspects of tourism and maintaining a continuous demand for tourist related facilities through coordination of cultural activities, festivals, conventions and recurring and special events in the ACT and the region
3. the extent to which the image of and perceptions about the ACT community held by other Australians are coloured by media reporting and comments about the Federal Parliament, the effect this has on promoting the ACT and measures to counter adverse publicity about the ACT
4. any related matters which may arise

1 INTRODUCTION

1.1 Tourism is of vital importance to the ACT economy. More than a million visitors directly support an estimated 7000 jobs in the tourism industry and inject around \$8 million each week into the economy. The committee is pleased to note from the Chief Minister's statement to the Legislative Assembly on 21 October 1992, that the tourism industry's contribution to the ACT economy is properly recognised by the Government.

1.2 By any standard, tourism is such a major force in the economy that the committee decided to examine the role of the industry and, in particular, its potential for expansion. Because adverse perceptions about Canberra are as likely than not to influence visitor numbers, the committee also resolved to look at the issue of "Canberra bashing" which has become something of a national sport.

1.3 Early in the inquiry it became clear to the committee that it could not examine the tourism potential of the ACT and associated issues without giving consideration to the broader Canberra region. In other words, the committee accepted that in respect of tourism, as with other economic and social issues the ACT is not an island and that its tourism potential is as much a part of the south east region of Australia as is the region's tourism potential for the ACT.

1.4 Accordingly, the committee extended its inquiries to include wide ranging discussions with tourism operators and others associated with the tourism industry in the ACT, the south east region and elsewhere. In May the committee had discussions in Brisbane which were specific to international tourism, perceptions about the ACT as a destination and issues relating to the convention trade. During September the committee visited industry representatives and regional tourism bodies in the alpine and south coast regions. The committee reported to the Assembly following both visits.

1.5 At a public hearing in Canberra on 30 July, evidence was taken from 19 representatives of the tourism industry, community organisations and Government departments. The committee also received 27 submissions from a wide cross section of the industry and the community.

1.6 The inquiry has fallen naturally into two parts. On the one hand, the committee has focused on issues directly relevant to the ACT, and the other has discussed matters such as coordination and cooperation between the ACT and the south east region.

1.7 Tourism in the ACT and region also embraces a range of short and long term issues and the committee has sought to assess these in reaching conclusions about the future course of the ACT industry.

1.8 In the normal course, the committee would report to the Assembly on the result of its inquiry, leaving it for the Government to respond to its recommendations. However, arising from the views and opinions it received during the course of its hearings and discussions, the committee was confronted with a range of options on how to develop tourism's full potential in contributing to the economy. The committee recognises that the various options would impact on the industry at different levels. Accordingly, the committee has decided to present preliminary conclusions and queries for public comment in the form of this discussion paper. The intention is to allow interested persons and organisations to put further views to the committee before it makes specific recommendations to the Assembly.

1.9 The committee retains an open mind on many of the issues canvassed and welcomes the assistance of further detailed responses, particularly from those who are in a position to make authoritative assessments of existing and potential tourism activities for the ACT and the region.

1.10 The committee invites responses to this discussion paper by 26 February 1993.

2. EXECUTIVE SUMMARY

2.1 While the committee notes that the ACT tourism infrastructure is generally well established, it considers substantial upgrading of seriously neglected parts of the Parliamentary Triangle Area for which the Federal Government is responsible is needed as well as route and identification signage and parking adjacent to visitor attractions. In section 3 the committee calls on the Government to take action on these matters. The committee also suggests the development of ecological tourism subject to certain qualifications.

2.2 In section 4 the committee expresses views about ACT and region co-operation on tourism with particular regard to promoting the region as an alternative route between Sydney and Melbourne. With regard to ACT tourism representation interstate and overseas, the committee proposes a Sydney and Melbourne presence, the maintenance of current arrangements with the NSW and Australian Tourism Commissions and the targeting of inbound tour operators.

2.3 The committee in section 5 supports changes in scheduling events, where possible, to fill in periods of low accommodation demand and suggests a role for the Tourism Commission Events Unit in this regard. However, the committee warns against creating events on an artificial basis, and stresses that the private sector should be primarily responsible for organising events on a commercial basis. The committee proposes that the Events Unit be resourced to provide, inter alia, interpreting and services specific to the encouragement of visits to Canberra by ethnic community groups.

2.4 The question of funding of promotions and marketing programs remains a crucial factor in the ACT's ability to attract visitors. The committee, in section 6, calls for the industry to maintain and increase its direct and indirect assistance in promoting Canberra. The committee also calls for co-operative industry/Tourism Commission marketing directed at the Sydney market. It suggests the Government explore with ACT industry and commerce options for funding expanded tourism campaigns.

2.5 Road and rail links to Canberra as the national capital leave much to be desired, and the regional tourism industry as

well as the ACT industry is further disadvantaged by institutionalised factors such as airfares and the lack of international status for Canberra airport. The committee, in section 7 proposes that the Government negotiate with the Federal and NSW Governments to redress the problems of communication and with the airlines about airfares. The committee proposes early action to provide permanent Customs and Immigration facilities at Canberra airport as well as improved rail services and upgraded road links to the ACT.

2.6 The role of the Tourism Commission is discussed in section 8 of the paper, and the committee suggests options for restructuring the Commission to provide it with greater global marketing expertise, to provide for direct participation by the tourism industry in its funding and operations, and for the ACT Tourism Commissioner to be vested with statutory powers to undertake major market development projects. The committee also suggests that the Canberra Visitor and Convention Centre be retained as an entity separate from the Tourism Commission but that its operations be consistent with tourism development policy.

2.7 Canberra bashing was an issue of concern to the committee in its inquiry and in section 9 it proposes that the Government in consultation with the National Capital Planning Authority examine the feasibility of developing an education program about the ACT for Australia wide use. The committee also proposes that the Government examine the feasibility of a "Youth Parliament" to be convened in Canberra and the development of an educational program on the Assembly and its committees. Community pride is an important factor in tourism and the committee proposes a program directed at engendering civic pride in Canberra and the ACT. The committee proposes an expanded visiting journalists program with support from ACT industry and commerce.

2.8 During the inquiry, the committee sought to gauge opinion about continued efforts for Canberra's bid to host the 2002 Commonwealth Games. There was broad support for a bid, but a degree of concern that the necessary accommodation infrastructure to handle the very large numbers of visitors during the games be planned so as not to leave Canberra with a

capacity overhang following the Games if the bid were to succeed. The committee acknowledges this concern but notes that the October 1992 long week-end, which drew more than 30,000 visitors for the dedication of the Vietnam Memorial dedication, showed that Canberra can handle a huge influx of visitors at any one time. Accordingly, the committee suggests in section 10 that the Government undertake a feasibility study into the accommodation and other infrastructure demands involved in hosting the Games, the study to include other major events which could be attracted to Canberra towards the end of this decade. The committee also suggests a feasibility study on ACT growth and development over the next 10 years and that hotel sites be released at a regular rate in accordance with expected growth in demand.

3. TOURISM - CONTRIBUTION TO THE ACT ECONOMY

3.1 Tourism benefits the ACT economy by directly injecting cash into the community and providing jobs. Indirectly, tourism improves wider employment prospects and the overall economy. In particular, events which have drawn many people to the ACT have provided a special boost to the economy. Floriade, for example, contributes much in accommodation and revenue, and generates employment.¹ When the National Gallery has a major exhibition, it also attracts many people to the ACT and boosts the local economy.

Expenditure Patterns

3.2 The Canberra Visitors Survey by the ACT Tourism Commission (Tourism Commission) for the years 1989/90 and 1990/91 shows that in those years tourism injected around \$400 m into the ACT economy, employing around 7,000 people both directly and indirectly. Average expenditure on accommodation by visitors was \$100, with hotels and motels the main accommodation used, although the Commission noted an increase in the use of serviced apartments in the period.²

3.3 Expenditure data for 1990-91 indicated that of the 1.138 million visitors, 877,000 stayed overnight or longer, and of these, 29 per cent did not spend on accommodation, suggesting that these visitors stayed with family and friends. Some 8 per cent of visitors spent between \$11 - \$50 on accommodation, 16 per cent spent \$51 - \$100, 20 per cent spent \$101 - \$200, and 16 per cent spent more than \$201. Mean expenditure on accommodation was \$100 per person.³

3.4 Of those who spent on accommodation, the choices of stay ranged from hotel/motel for 54 per cent, caravan park/camping for 9 per cent, guest house/youth hostel for about 4 per cent and serviced apartments for 2.5 per cent.⁴

¹ Submission no 14, p18

² Submission no 21, Research Addendum, pp2-4

³ *ibid*, p24

⁴ *ibid*, p8

3.5 The approximate mean expenditure on items other than accommodation was \$64 per person on food and drink, \$2 on organised tours, \$38 on shopping and \$27 on other goods and services.⁵

3.6 A number of issues arise from this aspect of the survey, issues such as how to encourage visitors to stay longer and utilise accommodation, shopping and entertainment facilities. These matters are covered later in this discussion paper.

Employment Effects

3.7 About 7,000 people or 5 per cent of the ACT workforce is directly employed in accommodation, club, restaurant and catering, airline, bus, coach, taxi and visitor attraction sectors as well as in some tourist specific areas of retailing. These figures appear to have remained static over the past five years.⁶ Tourism is labour intensive and it was acknowledged in many submissions that increased tourism and longer stays generate greater employment, particularly for young people.

3.8 The committee is mindful that care needs to be taken when estimating what effect increased tourism has on employment. It was suggested to the committee that 17 extra tourists create one new job, and that most of the jobs created by extra visitors will be part-time. It was postulated that to sustain an increase of 16 new jobs an 8.7 per cent annual compounding increase in hotel/motel overnight stays would be needed.⁷

3.9 As part of its charter the National Capital Planning Authority (NCPA) is required to assess economic developments in the ACT including tourism. In its proposal for strategic investment prepared in February 1992, the NCPA noted that the ACT suffered more than any Australian State from reductions in domestic tourism between 1989/90 and 1990/91 with resulting falls in room nights and associated expenditures. The Authority stated that bringing domestic visitor numbers back to 1989/90 levels could be expected to provide approximately 1000 additional jobs in the ACT.⁸

⁵ *ibid*, p24

⁶ Submission no 9, p2

⁷ Submission no 6, p2

3.10 Tourism related employment is also created and maintained in areas such as the Territory's national parks, nature reserves and nature parks which employ 90 people, and the Floriade which generates employment for some 145 people over the four week event.⁹

3.11 On a much broader basis, the development of major national institutions, such as the National Museum, National Archives and Film and Sound Archives, all of which would be substantial tourism drawcards, would create employment during their construction and when they become operational. The committee was advised that a Federal Government commitment to fund the construction of these institutions as well as the refurbishment of the Old Parliament House would, *inter alia*, provide a basis for the expansion of Canberra's tourism industry and create some 12,000 jobs.¹⁰

Investment in Infrastructure

3.12 Existing tourism related investment in the ACT is considerable. The national institutions ranging from the new Parliament House through to the Australian War memorial, the Australian National Gallery and the National Science and Technology Centre are obvious tourist attractions. They require their own infrastructure of car and bus parking and catering outlets. At many points throughout the ACT there are parking, picnic and barbecue facilities, cafes and visitor centres. Infrastructure such as shop fronts and guided walks to enable visitors to enjoy the ACT's attractions are also present.¹¹

3.13 The committee noted views of the NCPA¹² that there is major scope for adding to Canberra's attraction as a tourist and visitor destination at relatively little cost by investing

⁸ Submission no 12, p2

⁹ Submission no 14, pp11,18

¹⁰ Submission no 12, pp5,6

¹¹ Submission no 14, p11

¹² Submission no 12, pp8,9

in infrastructure improvements such as:-

- . clearly defined tourist routes to major tourist attractions with appropriate signage;
- . directional and identification signs for the major national institutions and principal attractions like the Australian National Gallery;
- . readily available parking;
- . providing alternatives to car travel;
- . rejuvenating poorly landscaped and seriously neglected parts of the Central National Area (ie Parliamentary Triangle area) of Canberra, including the development of Kings park, upgrading of Commonwealth Park, and landscaping of the Parliamentary Zone; and
- . landscape and lighting upgrading on Anzac Parade.

3.14 A number of submissions to the committee called for significant infrastructure developments such as an international airport, an improved high speed rail service to Canberra, and the upgrading of arterial roads leading to Canberra.

3.15 It was put to the committee that if Canberra is to become a regional "hub" of tourism it needs a transit centre where all transport forms can come to and go from. A rail line could be brought into the city, and the airport linked to the city by light rail. It was suggested that the airport's navigational equipment be upgraded to overcome the delays presently caused by fog in winter. This would enable skiers to fly into Canberra and then take a coach to the snowfields.¹³

3.16 The committee was cautioned about the downside aspects of tourism especially where insufficient consideration is given to social and environmental factors. The Conservation Council of the South-East Region and Canberra recognised the economic and cultural contribution made by tourism, but said these can be overstated, a view supported by the National Parks Association of the ACT. The Council noted the adverse

¹³ Submission no 19, p2

environmental and social impacts of mass tourism and the potential conflict between mass tourism and conservation.¹⁴ Another view was that particular events, such as motor road races, have incurred the ACT in huge and sometimes partially hidden monetary and community expense.¹⁵

3.17 The committee is sensitive to these issues and takes the view that all tourism infrastructure and developments should have due regard to social, community and environmental implications. The committee considers that there is in fact a potential for encouraging ecological tourism in the ACT and it supports the thrust of recommendations by the 1991 report of the Ecologically Sustainable Development Working Group on Tourism as they relate to the protection of the environment.¹⁶

Conclusions

3.18 The committee suggests that the Government:-

- (a) consult urgently with the Federal Government on action to rejuvenate the Parliamentary Triangle area of Canberra;
- (b) request the Federal Government to upgrade as necessary identification and signage for which it is responsible;
- (c) in consultation with NSW regional authorities review all road, directional and institution identification signage relative to assisting visitors to the ACT and the region, and upgrade these as necessary; and
- (d) review the adequacy of, and take action to improve where necessary, car and bus parking adjacent to tourism attractions.

3.19 The committee suggests that the Tourism Commission in consultation with the industry and appropriate conservation and environment authorities examine the potential for ecological tourism and the implications of this for the ACT natural environment.

¹⁴ Submission no 16, introduction & pp1,4,5

¹⁵ Submission no 10, p1

¹⁶ Submission no 26, p6

4. POTENTIAL FOR EXPANDING TOURISM

4.1 There was no shortage of ideas and views available to the committee as to how to attract visitors to Canberra.

Proposals included developing Canberra's unique identity as the national capital, promoting its cultural life, the arts and festivals, focusing upon special events and themes such as sport, promoting environmental attractions such as the Namadgi National Park, co-ordinating activities and planning so as to make Canberra and the region a year round tourist destination and more actively seeking overseas and domestic tourists.

Attractions

4.2 It is clear to the committee that Canberra's status as the national capital, the home of the Federal Parliament and the centre for the major national institutions are the major attractions for most overseas and domestic visitors. Virtually all submissions referred to this aspect in one way or another.

4.3 The Canberra Visitors Survey by the Tourism Commission showed that over the two years prior to 1992, the most popular attractions in the ACT were Parliament House, the Australian War Memorial, the Australian National Gallery and Telecom Tower. Substantial numbers also visited the High Court, National Library, Botanic gardens, The Mint, Regatta Point, the Science and Technology Centre and the various embassies.¹⁷

4.4 While the benefits accruing to the ACT and region tourism industry from Canberra's national status are considerable, the committee considers that additional rewards will be gained by broadening the appeal and focus as to what Canberra and the region have to offer the visitor and holiday maker. For example, it seems to be known to relatively few that the ACT and region offers the largest variety of fresh and saltwater recreational fishing within a two hour drive than anywhere else in Australia, a fact which the ACT Sport and Recreational Fishing Council claimed is not being promoted by ACT and region tourism bodies.¹⁸

¹⁷ Submission no 21, Research Addendum, p16

¹⁸ Submission no 4, p2

4.5 It was put to the committee that tourists are attracted by things that are different, to new cultural experiences, and that if Canberra is to be a truly successful tourist destination, it needs to develop and promote its own identity, that which makes it different from other places. The extension of this view was that Canberra's cultural life should complement the constructed and the natural environments. Thus, the development of a strong local identity through Floriade and the success of the Canberra Raiders rugby league football team.¹⁹ As an extension of this view, it was suggested to the committee that tourism packages built around special events presented in the ACT and incorporating other Canberra region attractions should be developed.²⁰

ACT and Region Co-operation

4.6 From its familiarisation visits and discussions with tourism operators in the SE Region, the committee considers that substantial scope exists for the ACT and the region to exploit the opportunities which arise throughout the year to capitalise on the huge market available to the region. Some eight million Australians live within a day's motoring of any part of the region. The region encompasses the sophistication of the national capital, the snowfields, south coast beaches and national parks.

4.7 The Tourism Commission is involved with the NSW Tourism Commission in co-operative advertising and the committee noted the view of the Canberra Region Chapter of the Australian Tourism Industry Association that the relationship should be expanded further to develop niche markets within the region, for example specialist air charters based on Canberra Airport and reaching less accessible parts of the region.²¹ The committee was advised that the NSW Tourism Commission considers the ACT part of a NSW region called "Canberra and the Snowy Mountains" and is happy to promote it in this way.²²

¹⁹ Submission no 14, pp4,5

²⁰ Submission no 17, p2

²¹ Submission no 20, pp6,7

²² Submission no 21, p2

4.8 There are close links between Canberra and Queanbeyan. The Canberra Business Council advised the committee that activities in the two cities have a direct bearing on each other and therefore require close co-ordination. It recommended that any joint planning in regard to the tourism industry be conducted with Queanbeyan representation.²³ This point was reinforced by the City of Queanbeyan which called for co-ordination between events in the ACT and region, so that major events do not occur at the same time.

4.9 The committee recognises the efforts being made with co-operative regional marketing. However, from its on site discussions with regional tourism operators and officials it is forced to the view that the region's enormous tourism potential is largely untapped. By not fully exploiting the variety of holiday experiences that can be enjoyed throughout the region in all seasons at marginal additional cost, the ACT and wider region share of the domestic and overseas tourism market appears to be disproportionately less than it should be.

4.10 In view of this, the committee considers that the ACT and NSW Governments should allocate more resources to promoting the ACT and the region to a wider market in Australia and overseas. The committee also considers the ACT and NSW Governments and Shires within the SE region should give more attention to promoting the ease of travel within the region by upgrading signage and indicating alternative routes through the region to both Sydney and Melbourne. **Representation in Other States and Overseas**

4.11 For budgetary reasons and to maintain funding for the Tourism Commission's marketing activities, the Commission closed its offices in Melbourne and Sydney during 1991/92. The Commission advised the committee that it has developed much closer relationships with both the NSW Tourism Commission

²³ Submission no 15, p2

and the Australian Tourism Commission and that as it is never likely to be in a position to open offices overseas or interstate, it makes sense to work closely with these bodies.²⁴ The committee would not disagree with the sentiment, but it noted some reservations as to the wisdom of the Commission being obliged to withdraw from its former Melbourne and Sydney offices for financial reasons.

4.12 From its discussions with tourism marketers in other States, and particularly in Brisbane, it is clear to the committee that while the ACT is treated fairly by the NSW Tourism Commission and is a drawcard for tourism in NSW, it is an add-on in promoting tours and visits to the region. The committee considers there is substantial potential for the ACT to be marketed both as part of the SE Region and as a tourist destination in its own right by the ACT industry and the Tourism Commission.

4.13 Australia received some 2.214 million international visitors in 1990, and the ACT attracted around 177,000, representing 8 per cent of the total. The main sources of visitors to the ACT were Asia 22 per cent, UK and Ireland 21 per cent, US and Canada 20 per cent and Europe 18 per cent.²⁵

4.14 While these figures indicate the Commission's international marketing priorities, the Commission advised the committee that it does not have the financial capacity to undertake its own international promotion. The Commission advised that its close relationship with the NSW and Australian Tourism Commissions enables it to participate in co-operative projects. In addition, the Commission plans a comprehensive campaign aimed at Australian based inbound tour operators.²⁶

4.15 It was put to the committee by the Canberra Region Chapter of the Australian Tourism Industry Association that as international arrivals will rise by 11 per cent for the rest of the decade, and domestic tourism will grow by under 2 per cent, the Tourism Commission should put greater emphasis on

²⁴ Submission no 21, pp2,3

²⁵ ACT Tourism Commission, *Marketing Strategy 1992/94*, p6

²⁶ Submission no 21, p8

the international market, and in particular South East Asia. The Chapter acknowledged the Commission's budgetary limitations and called for a targeted approach and participation in co-operative marketing suggested by the Australian Tourism Commission.²⁷

4.16 A number of submissions to the committee argued for separate ACT tourism representation overseas. There was support for North America, New Zealand, Singapore, Japan and Korea as countries worthy of an ACT industry presence. A typical argument in support was that in 1990 only 13 per cent of North American visitors spent at least one night in the ACT. It was argued that while Tourism Commission attendance at trade shows was good, it was a patchy and insufficient exposure to the market.²⁸

4.17 The committee found limited understanding of the costs of maintaining a Tourism Commission representative in one overseas post let alone the costs for a presence in several. Also lacking was any indication as to how the costs would be funded.

4.18 Having regard to budgetary constraints, the committee considers it appropriate that the Tourism Commission continue the current co-operative arrangements between the Commission and its NSW and Australian counterparts in attracting international visitors. This should, in the committee's view, be supplemented with high quality promotional material on the ACT and region and attendance by Commission and industry representatives at relevant trade shows.

4.19 The committee supports a more intensive program, funded jointly by the Government and industry, targeted at inbound tour operators to include Canberra and the region in international visitors itineraries.

4.20 The committee also considers that the Tourism Commission should reassess the viability of having ACT tourism representatives in Sydney and Melbourne. This could be done,

²⁷ Submission no 20, p4

²⁸ Submission no 7, pp8,9

in the committee's opinion, at reasonable additional cost by contracting the NSW Tourism Commission to staff and provide promotional space for an ACT presence in its offices. The committee suggests that additional funding be provided to the Tourism Commission for this purpose based on a cost benefit analysis.

Conclusions

4.21 The committee considers that:-

- (a) more needs to be done by the ACT and NSW Governments and the region Shires in marketing the region as an area to visit and in terms promoting the region as an alternative route between Sydney and Melbourne;
- (b) funding be provided, if it can be demonstrated it is cost effective, for the Tourism Commission to be directly represented in Sydney and Melbourne;
- (c) the Tourism Commission should maintain its current representational arrangements with the NSW, Australian and other Tourism Commissions, subject to the arrangement proposed in (b) above; and
- (d) the inbound tour operators should be the target of more intensive promotion.

5. CYCLICAL FACTORS AND CO-ORDINATION OF ACTIVITIES

5.1 Since 1988 the ACT has experienced a significant growth in bed numbers with the majority of the additional beds coming onto the market at about the same time. The industry now has some 43 accommodation houses in the ACT and about 12,000 beds, the rapid increase in serviced apartments during 1991 and 1992 being a feature as has been the case elsewhere in Australia. The committee was advised that there appears to be excess capacity at the 3 star level.²⁹

5.2 It is against this background that the cyclical nature of tourism related events in the ACT is causing concern in the accommodation side of the industry in particular. Fluctuating occupancy rates continue to occur with significant differences depending on property location and the impact that particular special events have on visitor numbers. The major gaps in the Canberra tourism calendar are February and the July-September period. To overcome cyclical slacks in demand during these traditionally low visitation months the accommodation industry suggested a strategic plan incorporating, inter alia, a range of attractions and events.³⁰

Possible Solutions

5.3 The committee notes the view that inventing events may encourage demand for funding from already pressured sources to assist with the establishment of what would be perceived as a Government requested event. This was apparently an outcome of attempts to establish the proposed winter festival.³¹ Nevertheless, the committee considers there is scope for relocating some events to fill gaps in the yearly calendar. The Arts festival, for example, could be held in the winter months.

5.4 A point worth noting is the possibility of "festival burn out" through having something on all the time, although the committee would not see current aspirations by the ACT tourism

²⁹ Submission no 9, p3 & submission no 21, p6

³⁰ Submission no 9, p3

³¹ Submission no 14, p7

community as coming anyway close to having an analogous problem. Nevertheless, the committee's attention was drawn to the fact that, in recent years, the Melbourne City Council had a year round program of events which has now been abandoned as the pressure of constant activity was untenable. The Bicentenary celebrations were put forward as another example of this phenomenon.³²

5.5 The Canberra Region Chapter of the Australian Tourist Industry Association suggested to the committee that an Events Unit was needed to find means by which tourism troughs during the the year could be filled, and said it should initially be part of the Tourism Commission, but eventually be independent. The Association said effort should be made to attract those events that can be repeated every year.³³ The Tourism Commission advised the committee that it is committed to the promotion of Canberra as a special events destination through an events unit which will promote new events in the same way as it does for Floriade and the Canberra Festival.³⁴

5.6 The committee notes that provision has been made in the Commission's 1992/93 budget for setting up an Events Unit within the Commission. The committee sees the Events Unit as having a major role in developing the tourism calendar and, in this regard, notes that it is already showing results.³⁵ Not the least of its functions should, in the committee's opinion, be also to liaise with the ethnic community to ensure that Canberra can provide adequate and appropriate interpreting facilities and is able to meet other specialised needs of community organised visits.

5.7 The committee was reminded that ACT sporting and recreational facilities are of such a standard that there is potential for bidding and attaining major one-off sporting/recreational events such as the Australian Masters Games, Golden Oldies Rugby Union Festivals and the World

³² *ibid*, p6

³³ Submission no 20, p5

³⁴ Submission no 21, p8

³⁵ Chief Minister, **Ministerial Statement to the legislative Assembly, 21 October 1992**, Hansard p2836

Orienteering Championships. The committee was advised that the first three events have a potential economic value of \$12m-\$17m.³⁶ An example of what can be done is the Canberra Fishing Festival which will be held over 10 days in January 1993.³⁷

5.8 It was put to the committee that the number of sports that consistently fail to recognise that their event is not just for participants but also suitable for spouses and spectators is high, and this oversight results in considerable loss of potential tourism.³⁸ However, the committee notes efforts by representatives of the ACT Australian Football League to have an Australian Football League team based in Canberra and considers that the ultimate success of these efforts will be of substantial benefit to the ACT community in terms of visitor numbers for home games.

5.9 There appears to be scope for altering the timing of some existing events so that they take place during periods of low accommodation demand, subject always to relevant factors such as likely weather conditions at a particular time. The right timing would help to flatten out the cyclical troughs and increase the length of stays, such as either side of major festivals rather than within them.

5.10 The committee is not attracted to Government involvement in creating events in the absence of a natural demand or reason for them, especially where this would make demands on the public purse. It notes the significant degree of indirect and administrative support given by the Government to the tourism, sport and other event based activities through its various agencies, but considers that, for the most part, the organisation of events is a commercial activity which should be the responsibility of the private sector.

5.11 However, this is not to say that Government ought not to encourage viable events, use its good offices in helping to attract them to the ACT or facilitate the organisation of events. Indeed, the committee recognises that seeding funds

³⁶ Submission no 14, p14

³⁷ Transcript, public hearing 30 July 1992, p29

³⁸ Submission no 14, p14

are an essential part of attracting events. In the absence of any financial support from Government it seems likely that the ACT would lose new events and probably existing events.

CONCLUSIONS

5.12 The committee proposes that:-

- (a) the Tourism Commission Events Unit be resourced to find means by which some existing events and new events can be held during periods of current low accommodation demand;
- (b) necessary financial assistance provided by the ACT Government be co-ordinated by the Tourism Commission's Events Unit and that the Unit also facilitate administrative arrangements and municipal services associated with staging events; and
- (c) the Events Unit be resourced to provide interpreting and other services specific to the encouragement of organised visits to Canberra by ethnic community groups.

6 FUNDING FOR PROMOTION AND MARKETING

6.1 In late 1991, the Government decided not to continue a special purpose payment of \$1m which had been an addition to the budget since 1988, but required the Commission to maintain its marketing effort. As indicated earlier, this led to the closure of the Tourism Commission's Melbourne and Sydney offices, an action not wholly welcomed by the ACT tourism industry, and the rationalisation of its staffing and other overheads. The committee was advised that the Commission's staff numbers will be reduced from 62 to around 40, that the Government will maintain the value of the Commission's funding in real terms and that it would add \$380,000 to enable the establishment of an events and development capability within the Commission.³⁹ As noted earlier in paragraph 5.6, funding for the Tourism Development Unit was subsequently provided in the 1992-93 budget.

6.2 The Commission outlaid \$1.756m in 1991-92 on marketing activities which included around \$0.5m from commissions on sales of accommodation and from co-operative marketing ventures. These funds were used for marketing activities.⁴⁰ However, the thrust of most representations to the committee was that this is not an adequate level of promotional and marketing expenditure for a highly competitive industry. A particular view by the Canberra Business Council was that where public funds are spent on tourism promotion there should be a return to the local economy for the dollar invested, and that funding should be based on meeting specified conditions. The Council stated that the need for funding for marketing and promotion could be defined as a result of a co-ordinated plan established by both government and industry.⁴¹ The committee is satisfied that this requirement is adequately covered by existing Tourism Commission procedures.

³⁹ Submission no 21, pp1,2

⁴⁰ *ibid*, p3

⁴¹ Submission no 15, pp3,5

Who Should Pay and How

6.3 While the committee found a general acceptance that tourism has to be marketed like any other commodity, there were widely differing views as to how it should be done. A common theme was that Government should do more to assist the industry and proposals included tax allowances, special land prices, rates incentives, special depreciation allowances,⁴² and the waiver or reduction of standard fees and charges for Government services associated with new events during their formative stages.⁴³ In regard to this latter suggestion, the committee notes that many of Canberra's attractions including the national parks are available free to visitors and tour operators or are subsidised by the public as in the case of Floriade.

6.4 The Tourism Commission advised the committee that State, Territory and Local Governments are exploring ways of involving the industry in providing some of the funds associated with promoting tourism, including bed taxes, levies on hotel bills, taxes on airline and coach tickets, franchise fees and levies on commercial rates. However, the committee was cautioned that if the ACT were to be the only jurisdiction to put any one of these into place the industry would become dispirited and would not cooperate.⁴⁴

6.5 The committee is aware that some Shires impose a tourism levy on all commercial rates, and this may well be an appropriate basis for the ACT. The rationale for such a levy is that tourism benefits all businesses directly and indirectly. This view was not supported by the ACT Chamber of Commerce and Industry which advised the committee that the general business community should not have to pay higher taxes to support the promotion of just one sector of industry, namely the tourist industry. The Chamber argued that the Government must either limit itself to promoting Canberra for a host of reasons or support other industry groups whose aims

⁴² Submission no 6, p2

⁴³ Submission no 14, p8

⁴⁴ Transcript, op cit, p63

are as worthy in developing the ACT economy.⁴⁵ The committee notes too that NSW businesses which gain from the promotion activities of the ACT Tourism Commission would not be required to contribute to any tourism specific levies or taxes directed towards ACT businesses.

6.6 Other levies and taxes target specific activities and it can be argued they unfairly discriminate in favour of other commercial activities which also benefit from increased tourism. A case in point is the 5 per cent tourism levy on hotel room rates which applies in the Northern Territory but which is to be abandoned.

6.7 The Canberra Region Chapter of the Australian Tourism Industry Association advised the committee that it did not favour a bed tax or other impost on the tourism industry, but that if a levy was contemplated it should be involved in the design of any system. The Chapter expressed its opposition to any levies imposed only in the ACT.⁴⁶ This view was supported by the Tourism Commission which advised the committee that ACT specific tourism levies and taxes would put the industry in an awkward position vis a vis industry operators across the border in Queanbeyan, Goulburn and elsewhere, although the committee notes that at least one NSW shire in the region imposes a tourism rating levy on all businesses. The Commission advised that the industry should be closely involved in any contemplation of tourism specific levies and taxes.⁴⁷

Industry Self Help

6.8 The Committee recognises the difficulties inherent in developing strategies which will be acceptable to most if not all the operators in the tourism industry given that it comprises many enterprises of greatly differing strengths and size, and where they have differing objectives and expectations. The degree of diversity within the industry presents difficulty for the Tourism Commission in developing marketing campaigns based upon financial support from the

⁴⁵ Submission no 11, p3

⁴⁶ Submission no 20, p3

⁴⁷ Transcript, op cit, p63

industry. A relatively small motel operator drew the committee's attention to the inequity of small and large hotel/motels being asked to contribute the same amount for marketing campaigns, and said that if establishments were required to contribute on a proportional basis then more of them would be willing to enter promotional activities.⁴⁸

6.9 Nevertheless, the committee noted that the Canberra Region Chapter of the Australian Tourism Industry Association was satisfied with the high level of co-operation within the industry and the Government, although it advised the committee that it would like to see the Commission move towards greater emphasis on packaging ACT products in association with industry operators. The Chapter pointed out that during 1991/92 the industry contributed \$200,000 in co-operative marketing ventures to the promotion of Canberra as well as a greater contribution in terms of free of charge and subsidised services for familiarisation of interstate travel industry staff and visiting journalists.⁴⁹

6.10 The committee welcomes the industry efforts, but notes that there appears to be considerable potential for the transport sector of the industry, including Murrays, Aerial Taxis and ACTION to promote Canberra and the ACT to greater effect. The committee notes that the large hotel operators are able to fund their own specific promotions but in doing so confer a benefit on the wider ACT industry by publicising the ACT.⁵⁰

6.11 However, the committee sees substantial scope for more purpose directed co-operative marketing ventures. It understands the Tourism Commission has been getting good results from targetting the North Shore, Northern Beaches and Eastern Suburbs areas of Sydney and urges that efforts directed to these areas continue. The committee also considers that the Sydney Western Suburbs market of probably some three million people within a three hour drive of

⁴⁸ Submission no 23, pp1,2

⁴⁹ Submission no 20, pp3,6

⁵⁰ Transcript, op cit, p3

Canberra is worth targetting by the 3 star accommodation sector of the industry, possibly by joint Commission/industry funded packages.

Conclusions

6.12 The committee:-

- (a) considers it important that the industry maintain, and be encouraged to increase, its direct financial and indirect assistance to promoting Canberra;
- (b) calls for co-operative industry/Tourism Commission marketing targeted at the Sydney market; and
- (c) suggests the Government explore, in consultation with ACT industry and commerce, options for funding an expanded tourism promotion and marketing campaign.

7. BARRIERS TO ACT AND REGION TOURISM

7.1 Despite its premier location and multiplicity of attractions within the most populous region of Australia and adjacent to the principal ports of entry and communication, the Canberra and the region tourism industry has to contend with significant institutional and structural disabilities. The existence of these barriers disadvantages not only SE region tourism but also the earning capacity of the Australian industry. The barriers mean that overseas visitors are denied the opportunity of convenient access to world class tourist destinations in the region and because of this will spend less in Australia and put unnecessary pressures on tourism facilities in other States. They mean that inbound tourism operators have little incentive to include the region in tour programs.

Direct International Flights

7.2 Canberra does not have an international airport. This means that all international visitors to the region must arrive at Melbourne or Sydney. Apart from the inconvenience this causes intending visitors to Canberra, it is a disincentive for those who would like to visit the region. The Canberra Visitors and Convention Bureau (CVCB) advised the committee that one of the weaknesses of Canberra as a convention destination is that there are no direct international arrivals, resulting in the high cost of access from overseas.⁵¹

7.3 The committee was advised that the Australian Tourism Commission anticipated an 11% cumulative growth in international arrivals between now and the year 2000. This growth exemplifies the problem faced by Canberra and the region in getting a fair share of the visitor traffic by the lack of an international airport. The ACT Tourism Commission advised the committee that the problem is amplified by the fact that international airlines give overseas arrivals a free sector from Sydney to Melbourne thus discouraging tour wholesalers from including Canberra in itineraries. The

⁵¹ Submission no 22, p8

Commission advised that to overcome the problem wholesalers would have to be subsidised for the Canberra sector or Canberra would need an international airport.⁵²

7.4 In the meantime, the committee was informed, the Commission is pursuing overseas charter operators with a view to getting some flights through Canberra. The Canberra Region Chapter of the Australian Tourism Industry Association also urged a strategy to attract as many international charter flights as possible.⁵³

7.5 The committee considers it an urgent priority for Canberra to have better access to international visitors. At present Customs and Immigration clearing facilities are provided on an as needs basis by Sydney based personnel at a cost of some \$7,000 for each charter flight to Canberra. This not inconsiderable cost in itself is likely to be a disincentive for maintaining charter flights on a regular basis and the committee would wish to see this penalty removed. It is something of a catch 22 situation. Regular flights are needed to justify the provision of permanent Customs and Immigration facilities, while regular flights are likely to depend on the provision of these services. Already there are indications that Australia's domestic carriers could be attracted to using Canberra as a port for flights to and from New Zealand.

7.6 In the short term, the committee proposes that the ACT Government, as a matter of urgency, hold discussions with the Federal Government with a view to obtaining agreement for Customs and Immigration facilities to be provided at Canberra airport on a permanent basis to meet charter flights. As a longer term objective, the committee proposes that provision of these facilities be a precursor to Federal Government agreement to upgrade the airport to international status.

Domestic Airfare Structures

7.7 A related matter concerns domestic airfare structures which penalise those passengers who break their journey

⁵² Submission no 21, p6

⁵³ *ibid*, & Submission no 20, p4

between, say, Melbourne and Sydney in order to overnight in Canberra. As presently structured, breaking travel in this way requires the traveller to purchase two sector fares at greater cost than would be the case for a journey Melbourne-Sydney which lands at Canberra en route.⁵⁴ The committee considers the Government is in a morally and materially strong position to argue the benefits to the airlines of removing the fare disability forthwith.

Other Transport Issues

7.8 The committee received a number of requests for action to improve road and rail access to Canberra and between it and the SE Region. Roads identified as impediments to the flow of visitor traffic are the Kings Highway to Bateman's Bay, the Canberra/Tumut road, and the Canberra/Adaminaby road. The delay in completing the Federal Highway upgrade is also seen as an impediment.⁵⁵ The committee was reminded that over 74 per cent of visitors travelled by private vehicle and 11 per cent by bus.⁵⁶

7.9 There was also support for improved rail services between Canberra and Sydney in particular, as well as the development of a fast train link between Canberra, Sydney and Melbourne.⁵⁷

7.10 The committee proposes that the ACT Government initiate discussion with the Federal and NSW Governments to establish a basis for addressing the road and rail disabilities affecting the ACT as a matter of urgency.

Conclusions

7.11 The committee proposes that the Government:-

- (a) hold discussions with the Federal Government as a matter of urgency to obtain provide permanent Customs and Immigration facilities at Canberra airport;

⁵⁴ Submission no 21, p5

⁵⁵ Submission no 4, p3 & submission no 20, p6

⁵⁶ Submission no 7, p4

⁵⁷ Submissions 21, p3; 20, p6 & 6, p2

- (b) initiate discussions with the Federal Government to upgrade Canberra airport to international status;
- (c) negotiate more reasonable fare structures for Canberra stop-overs;
- (d) seek NSW Government agreement for an improved rail service between Sydney and Canberra; and
- (e) seek from the Federal and NSW Governments a basis for upgrading road links to the ACT.

8. ACT TOURISM COMMISSION

8.1 The existing and possible future structures of the Tourism Commission attracted a considerable amount of comment from the industry. The committee was informed that for some years the industry has considered that a statutory authority should deliver tourism programs as is the case in most States, and that some in the industry assumed a statutory authority would be free of Government controls on its promotional spending.⁵⁸

8.2 It appears that a statutory body would alleviate fears that the Tourism Commission will be absorbed within an area of the ACT administration which is not wholly dedicated to advancing tourism in the ACT. There is a view that the Commission is already under bureaucratic control; that it lacks delegated power to do its job and is basically a tourist advisory board.⁵⁹ It was asserted that the changes in leadership and staffing structures of the Commission over the last six years had done little to create a stable environment to promote and market Canberra efficiently.⁶⁰

8.3 The Canberra Region Chapter of the Australian Tourism Industry Association informed the committee that there is a need to clearly recognise that the future role of the Commission is to concentrate its efforts on marketing the Canberra region within Australia and increasingly more in the international arena. It suggested an eight member Commission Board comprising local and international marketing expertise.⁶¹ The committee was presented with variations of this theme, for example, that the Commission Board include a representative of peak community groups.

8.4 The dual role of the Commission in both marketing the ACT and servicing the visitor was questioned on the basis that the

⁵⁸ Submission no 21, p2

⁵⁹ Transcript, op cit, p2

⁶⁰ Submission no 7, p1

⁶¹ Submission no 20, pp2,3

dual role was not successful and as the servicing function was given less attention and resources than it deserved.⁶²

8.5 There must be some doubt as to whether statutory status alone would improve the functioning of the Commission. The real issue must inevitably be the extent of funding to be provided by the budget, how funds are to be spent and the contribution to be made by the tourism and other industries benefiting from tourism. The committee noted the Commission's view that the Government could not be expected to fund the Commission without heeding the effect on the ACT's economy, or the value of tourism expenditures to the ACT community. The Commission advised the committee that the Northern Territory has abolished its Commission and returned to administering its tourism programs through public service channels.⁶³

8.6 The committee has reservations as to whether the Commission Board as presently structured adequately provides for the strategic planning and vision which is necessary to ensure that the ACT industry gains a much greater share of the international tourism market as well as developing its potential as a destination for the domestic market. In this regard, while the committee does not consider that the Commission would necessarily function any more effectively than at present by being taken off-budget, it sees merit in it acquiring greater global marketing expertise.

8.7 Accordingly, the committee suggests several options for the Commission's structure, namely:-

- 1) leave it as it presently is;
- 2) provide for the ACT industry to have a direct stake in funding the Commission through specific tourism taxes or levies and to elect some board members;
- 3) part privatisation of the Commission, with shareholding limited to industry operators and holdings related to their size. These shareholders would elect some board members;

⁶² Submission no 9, p4

⁶³ Submission no 21, p2

- 4) vest the Tourism Commissioner with statutory authority, with powers to undertake major market development projects in consultation with the Government and the peak ACT tourism body.

With regard to all options the committee proposes that the Government establish broad policy objectives for the Commission and appoint the Chief Executive, that with options 2) and 3) the Government retain overall board control or retain a majority shareholding and invite the Australian Tourism Commission to occupy a board position.

Relationship with Canberra Visitor and Convention Bureau

8.8 Responsibility to promote Canberra as a convention and conference centre has been delegated to the Canberra Visitor and Convention Bureau (CVCB) which is an incorporated association. The committee was advised that the Tourism Commission funds the Bureau, to the extent of \$225,000 in 1991/92, and works co-operatively with the Bureau. The Bureau also raises revenue from membership fees and co-operative marketing. The relationship between the two bodies was described by the Commission as excellent.⁶⁴

8.9 The committee was advised that the CVCB has achieved notable recent successes, attracting some \$32m in revenue over the next seven years with a further \$107m subject to bids currently in the system. It is regarded as a cost effective organisation, generating an estimated \$83 in industry revenue for each \$1 it receives.⁶⁵

8.10 To the extent that there are concerns about the available pool of funds for tourism promotion and marketing, the committee noted the view of the Canberra Region Chapter of the Australian Tourism Industry Association that various groups within Government agencies that are responsible for events, festivals, and other marketing of the city be co-located into a single unit either within the Tourism Commission or the Department of the Environment, Land and Planning.⁶⁶

⁶⁴ Submission no 21, p7

⁶⁵ ibid

⁶⁶ Submission no 20, p3

8.11 The committee accepts that there is a case for formally amalgamating the CVCB and the Commission on the grounds of good administration in managing the tourism promotion and marketing dollar. The two bodies share a common strategy and the CVCB receives its principal funding through the Commission. Amalgamation should be possible without the CVCB losing its effectiveness or identity as the principal body responsible for attracting convention business to the ACT. The advantage would be a corporate strengthening of the Commission, a more cost effective use of resources and a broader industry input to and wider recognition of the CVCB role.

8.12 However, the committee notes that the CVCB now relies more heavily upon industry support than previously. This is consistent with the committee's views about industry input to the promotion and marketing of Canberra as a visitor destination and the committee would wish to see industry support of the CVCB encouraged and increase. On balance therefore, the committee considers that by remaining separate from the Commission, the CVCB is likely to operate more economically and be better placed to attract financial support from the private sector.

Conclusions

8.13 The committee suggests that the Government;-

- (1) examine options for the structure of the ACT Tourism Commission to provide it with greater global marketing expertise, the options to include -
 - (a) leave it as it presently is;
 - (b) provide for the ACT tourism industry to directly fund the Commission through specific tourism taxes or levies and for the industry to elect some board members;
 - (c) part privatisation of the Commission with shareholders electing some board members; and

- (d) vesting the ACT Tourism Commissioner with statutory authority with powers to undertake major market development proposals in consultation with the Government and the peak ACT tourism industry body
- (2) retain the CVCB as an entity separate from the Tourism Commission but ensure that its operations are consistent with tourism development policy.

9. PERCEPTIONS ABOUT CANBERRA AND EFFECT ON TOURISM

9.1 Canberra is often identified in the minds of other Australians with some of the negative aspects of the Federal Parliament and its bureaucracy. Perceptions about Canberra and its image are coloured by the media especially when reporting Federal Parliament. Also newspaper and electronic media articles about Canberra are not infrequently critical about Canberra. In view of this, the committee considered it timely to establish if the wider Australian community has difficulty in differentiating between Federal politics, the city and the Canberra people, what effect, if any, this has on Canberra as a tourist destination and how negative perceptions can be countered.

9.2 It is important to recognise that tourists are attracted to diversity and to new cultural experiences. It was put to the committee that in order to be a truly successful tourist destination, Canberra needs to develop and promote its own identity, that which makes it different from other places. In Canberra's case, it not only had to develop its own identity, but it had to overcome one which has been imposed on it by being equated with "the Government" and "the Commonwealth". As such, decisions of the Federal Government have been considered as "Canberra" decisions.⁶⁷

9.3 The committee noted a general community concern about so called "Canberra bashing" and is aware of the recent campaign involving the local media to defend Canberra and promote the community in a more positive light. It notes that many capital cities bear the burden of being seen as the perpetrators of government iniquity or inequity.⁶⁸ Nevertheless, the committee recognises the added burden placed on the tourism industry in countering prejudiced views about Canberra.

Promoting the Canberra Image

9.4 The committee agrees with the view that Canberra's role as the National Capital should not be played down as this is

⁶⁷ Submission no 14, p4

⁶⁸ Submission no 6, p5

the very reason for its existence,⁶⁹ and the national parliament building is a major tourist drawcard in its own right. Indeed, the committee notes the recent national survey by the National Capital Planning Authority (NCPA) found 82 per cent of respondents were proud of the national capital.⁷⁰

9.5 A number of suggestions were put to the committee on retaliatory measures which could be taken against media outlets and journalists who wilfully denigrate Canberra. The committee favours a program of education, both broadly based and purpose directed with a view to establishing positive perceptions or changing existing negative perceptions about Canberra.

9.6 With this in mind, the committee considers there should be more effective encouragement of the media to promote the ACT as a tourist destination. The committee proposes that the Tourism Commission continue and expand as appropriate the visiting journalist's program with financial support by the tourism industry.

9.7 The committee also supports the development of a schools education program on Canberra as the National Capital, noting that the NCPA survey found that 94 per cent of respondents agreed that information about Canberra and the ACT as a visitor destination should be available to schools. This could be done through school project kits developed by the Government in consultation with education groups and the tourism industry and be supplemented through vehicles such as the Rotary Adventure Citizenship program.⁷¹ The committee also sees considerable potential for developing an understanding about Canberra by means of a "Youth Parliament" which could be convened in Canberra, as well as ensuring that the ACT community has the opportunity to become more aware of the work of the Legislative Assembly and its committees.

9.8 Observation and anecdotal evidence indicates that the Canberra community created considerable goodwill with the 30,000 plus visitors attending the Vietnam Memorial dedication

⁶⁹ Submission no 14, p5

⁷⁰ The Canberra Times, 30 September 1992, p3

⁷¹ Submission no 11, p1

in early October this year. This will have left lasting positive impressions about the ACT, and reinforces the view put to the committee that festivals such as the Canberra Festival reinforce Canberra's positive aspects and that they should be promoted.

9.9 The committee also considers there is substantial scope for influencing perceptions about Canberra by engendering within the ACT community pride in the city and what the ACT and region have to offer the visitor. Accordingly, the committee proposes that the Government in co-operation with ACT community and commercial interests develop an appropriate campaign.

Conclusions

9.10 The committee proposes that the Government:-

- (a) examine, in consultation with the NCPA, the feasibility of developing an education program about the ACT for Australia wide use;
- (b) examine the feasibility of developing a "Youth Parliament" to be convened in Canberra;
- (c) in consultation with education groups develop a schools and colleges program about the Legislative Assembly and its committees, and
- (b) in consultation with ACT community and business organisations, develop a program for engendering community pride in Canberra and the ACT.

(paragraph 9.10)

9.11 The committee proposes that the Tourism Commission expand the visiting journalists program with support from ACT industry and commerce.

10. COMMONWEALTH GAMES FOR THE YEAR 2002

10.1 In 2001 Australia will celebrate 100 years of Federation and Canberra will no doubt be a major focus for many of the activities associated with that celebration. The award of the 2002 Commonwealth Games to Canberra would be a fitting culmination of these events. The Games would be an excellent goal towards which all sectors of the community - Government, business and the people could strive.

10.2 By 2002, as is the case now in many respects, Canberra will be ideally placed in terms of infrastructure, facilities, regional population, climate, and ease of movement between prospective sporting venues to host the Games. Canberra already boasts an extensive range of quality sporting facilities which should require little, if any, further development as Games venues.

10.3 A major consideration of importance too, is that the Games would not need to be solely Canberra based. Regional interdependence would allow for certain events to be held outside the ACT, while the benefits would accrue to the region as a whole through demand for accommodation and other services including tourism spin-off. This being the case, the committee considers there is substantial scope for involvement by the NSW Government in any bid by the ACT to hold the 2002 Games.

10.4 The committee, at its public inquiry, noted broad support for the Games bid. However, there was a general concern that the bid be thoroughly researched in terms of accommodation and other infrastructure. The view was put that there is currently an accommodation oversupply and that the provision of additional facilities to meet Games generated demand would need a continuing momentum,⁷² while the accommodation industry cautioned the need for a long term strategic plan that would pick up and carry on after the Games.⁷³ The ACT Chamber of Commerce and Industry supported the bid subject to the

⁷² Transcript, op cit, p7

⁷³ ibid, p76

necessary infrastructure to support it. The Chamber advised the committee that any accommodation limitations could prevent Canberra from hosting the 1999 conference of Rotary International, which would draw some 50,000 people, unless the combined effects of the Games and other events lead to infrastructure being developed to handle these numbers.⁷⁴

10.5 The committee was advised that from a Government perspective the matter would require a feasibility in terms of infrastructure and underwriting the bid. The committee was also advised that consideration of a bid would involve diplomatic issues in view of suggestions that the Third World Commonwealth countries are likely to support another Third World country to host the Games after Malaysia in 1998.⁷⁵

10.6 It was put to the committee that Canberra should not think itself too small to host the 2002 Games, the point being made that this argument was used in relation to the successful Brisbane Games.⁷⁶ It was also suggested that Canberra might be able to tap into the year 2000 Olympic Games if the Sydney bid succeeds by picking up one or two of the Sydney Games activities.⁷⁷ In this regard, the committee fully supports the Sydney Olympic bid.

10.7 The years 1999 through 2002 offer a horizon of substantial tourism potential for Canberra and the region, embracing the centenary of Federation, the possibilities inherent in hosting the Rotary International, linking into the Sydney Olympic Games bid, the Commonwealth Games bid and other international sporting events and conferences. The opportunities are such that the committee considers the Government should undertake a feasibility study into the Commonwealth Games bid and include in the feasibility other major international events which could be attracted to Canberra.

⁷⁴ *ibid*, p12

⁷⁵ *ibid*, p58

⁷⁶ *ibid*, p66

⁷⁷ *ibid*, p72

10.8 The committee appreciates the concerns expressed about Canberra's current ability to accommodate the large numbers who would attend the Commonwealth Games and other large scale events. However, the committee again notes that the dedication of the Vietnam Memorial over the October 1992 long week-end drew more than 30,000 visitors, the largest numbers of visitors ever to the city at any one time. Canberra and nearby NSW centres accommodated these numbers without difficulty. The committee also calls to mind the city's successful hosting of the World Council of Churches Conference in 1991.

10.9 In the normal course the committee would expect a reasonable addition to the ACT and region visitor accommodation infrastructure over the next 10 years and would anticipate no real difficulty in the industry handling the numbers who would attend the 2002 Games. To this end, the committee considers the ACT Government should ensure that additional hotel sites are made available on a regular basis in accordance with expected growth in occupancy rates. This would minimise any adverse impact that major events may have on the local community.

10.10 It would appear to the committee that the best course would be to undertake a feasibility study of the accommodation and other infrastructure demands which would be made on the ACT if it were to host the 2002 Commonwealth Games.

10.11 Such a study should take account of likely developments associated with the expected growth of Canberra over the next 10 years and major events such as the centenary of Federation in 2001. The committee suggests that the Government examine the feasibility of releasing hotel sites in accordance with expected growth in demand at a regular rate in order to preclude excessive development of a boom and bust nature.

Conclusions

10.12 The committee proposes that the Government in conjunction with the private sector:-

(a) undertake a feasibility study into the accommodation and other infrastructure demands associated with Canberra hosting the 2002 Commonwealth Games, the study to include other major events which could be attracted to Canberra towards the end of this decade; and

(b) examine the feasibility of releasing hotel and other public accommodation sites at a rate commensurate with expected growth in tourism demand over the next 10 years.

11. SUMMARY OF CONCLUSIONS

11.1 That the Government:-

- (a) consult urgently with the Federal Government on action to rejuvenate the Parliamentary Triangle area of Canberra;
- (b) request the Federal Government to upgrade as necessary identification and signage for which it is responsible;
- (c) in consultation with NSW regional authorities review all road, directional and institution identification signage relative to assisting visitors to the ACT and the region, and upgrade these as necessary; and
- (d) review the adequacy of, and take action to improve where necessary, car and bus parking adjacent to tourism attractions.

(paragraph 3.18)

11.2 That the Tourism Commission in consultation with the industry and appropriate conservation and environment authorities examine the potential for ecological tourism and the implications of this for the ACT natural environment.

(paragraph 3.19)

11.3 That:-

- (a) more needs to be done by the ACT and NSW Governments and the region Shires in marketing the region as an area to visit and in terms promoting the region as an alternative route between Sydney and Melbourne;
- (b) funding be provided, if it can be demonstrated it is cost effective, for the Tourism Commission to be directly represented in Sydney and Melbourne;
- (c) the Tourism Commission should maintain its current representational arrangements with the NSW, Australian and other Tourism Commissions, subject to the arrangement proposed in (b) above; and

- (d) the inbound tour operators should be the target of more intensive promotion.

(paragraph 4.21)

11.4 That:-

- (a) the Tourism Commission Events Unit be resourced to find means by which some existing events and new events can be held during periods of current low accommodation demand;
- (b) necessary financial assistance provided by the ACT Government be co-ordinated by the Tourism Commission's Events Unit and that the Unit also facilitate administrative arrangements and municipal services associated with staging events; and
- (c) the Events Unit be resourced to provide interpreting and other services specific to the encouragement of organised visits to Canberra by ethnic community groups.

(paragraph 5.12)

11.5 The committee:-

- (a) considers it important that the industry maintain, and be encouraged to increase, its direct financial and indirect assistance to promoting Canberra;
- (b) calls for co-operative industry/Tourism Commission marketing targeted at the Sydney market; and
- (c) suggests the Government explore, in consultation with ACT industry and commerce, options for funding an expanded tourism promotion and marketing campaign.

(paragraph 6.12)

11.6 That the Government:-

- (a) hold discussions with the Federal Government as a matter of urgency to obtain provide permanent Customs and Immigration facilities at Canberra airport;
- (b) initiate discussions with the Federal Government to upgrade Canberra airport to international status;
- (c) negotiate more reasonable fare structures for Canberra stop-overs;

- (d) seek NSW Government agreement for an improved rail service between Sydney and Canberra; and

- (e) seek from the Federal and NSW Governments a basis for upgrading road links to the ACT.

(paragraph 7.11)

11.7 That the Government:-

- (1) examine options for the structure of the ACT Tourism Commission to provide it with greater global marketing expertise, the options to include -
- (a) leave it as it presently is;
- (b) provide for the ACT tourism industry to directly fund the Commission through specific tourism taxes or levies and for the industry to elect some board members;
- (c) part privatisation of the Commission with shareholders electing some board members; and
- (d) vesting the ACT Tourism Commissioner with statutory authority with powers to undertake major market development proposals in consultation with the Government and the peak ACT tourism industry body
- (2) retain the CVCB as an entity separate from the Tourism Commission but ensure that its operations are consistent with tourism development policy.

(paragraph 8.13)

11.8 That the Government:-

- (a) examine, in consultation with the NCPA, the feasibility of developing an education program about the ACT for Australia wide use;
- (b) examine the feasibility of developing a "Youth Parliament" to be convened in Canberra;
- (c) in consultation with education groups develop a schools and colleges program about the Legislative Assembly and its committees, and

- (b) in consultation with ACT community and business organisations, develop a program for engendering community pride in Canberra and the ACT.

(paragraph 9.10)

- 11.9 That the Tourism Commission expand the visiting journalists program with support from ACT industry and commerce.

(paragraph 9.11)

- 11.10 That the Government in conjunction with the private sector:-

- (a) undertake a feasibility study into the accommodation and other infrastructure demands associated with Canberra hosting the 2002 Commonwealth Games, the study to include other major events which could be attracted to Canberra towards the end of this decade; and
- (b) examine the feasibility of releasing hotel and other public accommodation sites at a rate commensurate with expected growth in tourism demand over the next 10 years

(paragraph 10.12)

Tony De Domenico MLA
Chairman

APPENDIX 1

LIST OF SUBMISSIONS RECEIVED

1. Mrs J Graham
2. Mrs J Dalgleish
3. The Meetings Industry Association of the ACT
4. ACT Sport and Recreational Fishing Council
5. Mr Walter De Angeli
6. Mr Don Allan
7. Canberra Visitors and Attractions Association
8. Canberra Region Campaign Inc
9. Canberra Accommodation Industry Association
10. Mr Brian Barlin
11. ACT Chamber of Commerce and Industry Ltd
12. National Capital Planning Authority
13. Mr N Israel, Pavilion Hotel
14. Department of the Environment, Land and Planning
15. Canberra Business Council
16. Conservation Council of the South-East Region and Canberra
17. Canberra Festival Inc
18. Australian Hotels Association
19. The Ethnic Communities Council of the ACT
20. Canberra Region Chapter, Australian Tourism Industry Association
21. ACT Tourism Commission
22. Canberra Visitors and Convention Centre

23. Australian Representation Services Pty Ltd
24. ACT Cultural Council
25. Mr A C Patrech
26. National Parks Association of the ACT

APPENDIX 2

LIST OF WITNESSES AT PUBLIC HEARING

Mr O Kleinig, Canberra Business Council

Mrs R Nolan, Canberra Business Council

Mr C J Louttit, ACT Chamber of Commerce and Industry

Mr P McKendry, Australian Hotels Association

Ms L Greene, Canberra Visitors and Attractions Association

Mr G Winter, ACT Sport and Recreational Fishing Council

Mrs E Grant, Canberra Festival Inc

Mr R Falconer, Conservation Council of the South-East Region
and Canberra

Mr D Von Behrens, Conservation Council of the South-East
Region and Canberra

Mr G J Fraser, Department of the Environment, Land and
Planning

Mr J R Thwaite, Department of the Environment, Land and
Planning

Ms C A Parsons, Department of the Environment, Land and
Planning

Ms V Wade, Department of the Environment, Land and Planning

Mr P C Davies, Department of the Environment, Land and
Planning

Mr D Lawrance, ACT Tourism Commission

Mr J S Milton, Canberra Region Chapter, Australian Tourism
Industry Association

Mrs S Rogerson, Canberra Accommodation Industry Association

Mr K Young, Canberra Accommodation Industry Association