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10 January 2008



OC08-005

Hon John Stanhope MLA
Chief Minister and Treasurer
Australian Capital Territory
GPO Box 1020
CANBERRA ACT 2601

cc: Hon John Hargreaves MLA, Minister for Territory and Municipal Services
Hon Andrew Barr MLA, Minister for Tourism, Sport and Recreation

Dear Chief Minister

TTF Australia (Tourism & Transport Forum) wishes to advise you of its key priorities for funding in the upcoming 2008-09 ACT Budget.

TTF is a national member-funded CEO forum, advocating the public policy interests of the 200 most prestigious corporations and institutions in the Australian transport, property, tourism and infrastructure sectors.

Attached is a summary document outlining TTF Australia's priorities for attention in this year's Budget. While several of these priorities represent long-term objectives, and may not be suitable for immediate funding, we hope that they can inform your Government's future directions and budget planning.

Please do not hesitate to contact TTF should you require any further information. Our General Manager – Public Affairs and Research, Olivia Wirth, can be contacted on 02 9240 2028 or owirth@tff.org.au.

Regards

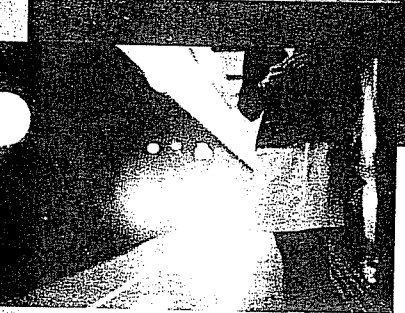
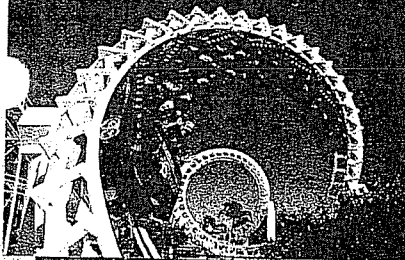
CHRISTOPHER BROWN
Managing Director

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TTF Australia (Tourism & Transport Forum)

**SUBMISSION TO THE
ACT BUDGET**


January 2008



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TTF 
AUSTRALIA
Tourism & Transport Forum

Executive Summary

TTF's key budget priorities are:

- Returning the ACT tourism budget to 2004-2005 levels of \$20.5 million in order to expand the marketing activities of **Australian Capital Tourism**;
- Further budget commitments of \$300, 000 per annum over three years for **major events** to deliver on the outcomes of the Events audit;
- Investing \$3 million over the next two years in the development of a **refreshed marketing campaign**, building on the successful 'See for Yourself' campaign; and
- upgrading the consumer site of the **Australian Capital Tourism website** (www.visitcanberra.com.au), to make the site more interactive and consumer driven.

Priorities for Tourism and Major Events

Introduction

Tourism represents a \$1.4 billion industry to the ACT economy. In 2006, international visitors spent \$202 million on tourism, an increase of 30.3% on 2005 figures. Domestic overnight visitors also increased in 2006, with domestic overnight visitors spending \$494 per visit on average - an increase of 20.5%. While these numbers seem strong, it should be noted that visitor numbers have not grown significantly over the same period, with international visitors only increasing by 1.8% and domestic overnight trips actually decreasing by 6% on 2005 levels. ACT is succeeding in growing the yield per visitor – but failing to generate significant growth in visitor numbers. Strategic government investment can maximise the benefits of tourism to the ACT economy – achieving both growth in total visitor numbers and increasing visitor yield.

TTF Australia is concerned with the lack of funding and the successive decreases in the ACT tourism budgets which have occurred over the period 2005-2007. While other competing jurisdictions have dramatically increased their funding for tourism in real terms (45% and 44% for Western Australia and Victoria respectively), the ACT's allocation has declined by 7%¹. Along with a renewed funding commitment, existing tourism programs need to be reviewed to account for changing domestic travel trends, labour and skills shortages, and a lack of private investment. In particular, TTF recommends that the highly successful 'See for Yourself' marketing campaign should be updated, the Visit Canberra website should be upgraded, and further support should be given to the development of a sustainable events program.

1. Tourism Marketing

Destination Marketing through Australian Capital Tourism is crucial to the prosperity of the ACT tourism industry. At most state levels there exists a degree of market failure in the promotion of destinations as the private sector cannot take responsibility for creating demand for the state as a destination. The ACT Government has a responsibility to build demand for tourism, and to ensure that all elements of the tourism industry are coordinated to maximise and realise potential opportunities.

It is important that the Government invest in ACT Tourism Marketing for the following reasons:

- There is a direct relationship between tourism marketing spend and visitor expenditure;
- Successful tourism marketing will solidify the image of the destination and will assist in changing awareness of the destination in to actual intention to travel;
- Tourism Marketing helps differentiate the destination from competing and neighbouring destinations; and

¹ Tourism Business Alliance, Submission to the Review of Tourism New South Sales, August 2007, p6

- Marketing provides the destination with the ability to encourage the 'right' type of travellers to the destination that are most likely spend more and visit longer whilst they are there.

The ACT tourism budget should be returned to 2004-2005 levels of \$20.5 million in order to expand the marketing activities of Australian Capital Tourism.

2. Development of the Events Acquisition Strategy

TTF Australia commends the ACT Government's funding of \$225, 000 for the development of a three-year tourism event attraction strategy. This will place the ACT in contention to develop a viable events sector into the future. While the appropriation will help fund an audit of current capabilities and opportunities, further funding commitments are required in order to develop the sector beyond the initial Event Acquisition Strategy.

Further budget commitments of \$300, 000 per annum over three years should be made available in order to fund appropriate bidding and promotion activities to make sure the ACT can deliver on the outcomes of the Events audit.

3. Destination image and intention to visit: revitalising current tourism campaigns

The existing 'See for Yourself' campaign from Australian Capital Tourism has provided an alternative light in which to view the state's tourism sector. Visitor numbers, however, are now riding on the tail end of a campaign instigated well over a year ago, which is nearing the end of its life cycle. A refreshed 'See for Yourself Mk2' campaign will be needed to continue the momentum.

TTF Australia urges the Government to provide additional funding to support the development of a new Tourism Marketing campaign or extensions of the existing campaign to reinvigorate interest in what Canberra has to offer.

\$3 million should be allocated over the next two years for the development of a refreshed marketing campaign and/or to continue the investment in the current campaign.

4. Internet marketing

Consumers are increasingly time poor and are using the internet to search and decide where to travel. To this end, tourism web sites are becoming a vital component of integrated destination marketing campaigns. A well-designed web site can go beyond traditional forms of marketing by introducing interactive elements that engage directly with the user. While the development of the Visit Canberra site has been a positive step, ACT has lagged behind other jurisdictions development of website infrastructure in support of their campaign and key destinations.

Further funding should be provided to upgrade the consumer site of the Australian Capital Tourism website (www.visitcanberra.com.au), to make the site more interactive and consumer driven.