



CANBERRA
BUSINESS COUNCIL

MEDIA RELEASE

Tourism on guard as economic conditions tighten

The revelations this week that the North Queensland Tourism industry is on the verge of a major crisis is a timely reminder to all states and territories to be alarmed and alert according to the Chair of the Canberra Business Council's Tourism Sport's and Arts Taskforce David Marshall.

Mr Marshall said 'Canberra and the region's tourism sector may well be impacted by increasing fuel costs, the potential withdrawal of airline services, higher interest rates and the tightening economy over the next 12 months'.

The Taskforce will be urging the ACT Government to consider increasing Australian Capital Tourism's marketing budget as part of any initiatives that will be announced as the ACT October election draws closer.

'The Australian Tourism Export Council has likened this current dilemma similar to the conditions facing operators after 9/11' Mr Marshall said. He went on to implore governments to actively support the industry in its time of need: 'It is imperative all Governments monitor the impact these significant changes in the economic climate are having on the tourism industry, and explore ways of assisting those businesses who may be financially hurt by any downturn'.

Mr Marshall also urged the tourism industry to partner with Government in finding solutions to any slowing of visitor numbers to the National Capital and wider region.

Also the Tourism Sports and Arts Taskforce were heartened to hear the Federal Government's Public Accounts Committee will investigate the impact of the Government's Razor gang on Canberra.

The Canberra Business Council felt the cuts imposed on the National Institutions in particular, in the one-off extra- efficiency dividend, was too harsh: 'Expecting tightly run institutions to find an additional 3.25% saving in operating costs meant a scaling back of travelling exhibitions, tourism marketing and promotional expenditure and other visitor related activities' Mr Marshall said. 'At a time when Australia is facing growing competition from overseas destinations, and Canberra is fighting to retain and grow its share of the static domestic tourism market, any further reduction in marketing and promotional activity by our national icons would be devastating'.

The Taskforce will be meeting with ACT Government officials next week to discuss the potential downturn facing the tourism industry.

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