



CANBERRA
BUSINESS COUNCIL



Tourism: a valuable investment

By Chris Faulks
Chief Executive Officer

UPCOMING EVENTS

Connect with the Brumbies

An opportunity to network with the local business community, CBC members and the CA Brumbies Brumbies Rugby Offices, Austin St, Griffith
5.30pm – 7.30pm
Thursday 28 January 2010

February 2010 – Outlook 2020

With Guest Speaker Geoff Zippel – Better Place – Electric Cars
Hotel Realm, Barton
12.30pm – 2.00pm
Thursday 25 February 2010

Employment and OHS Workshop

Detailed discussion on OH&S policies and your business
Meyer Vandenberg, Level 5, 1 Farrell Place, Canberra
7.30am – 9.00am
Wednesday 24 February 2010

Principal Members

Actew Corporation, ActewAGL, Bank West, Bega Cheese, Bluestar Printing Group, Clayton Utz, Cre8ive, Ernst & Young, eWay, Health for Industry, Hindmarsh, HolisTech, KPMG, Master Builders Association, National Australia Bank, National Museum of Australia, NEC Australia, Staging Connections, The Village Building Co, Thyssen Krupp Marine Systems Australia

Affiliated with



As is so often the case at this time of year, we set a New Year's resolution for ourselves in order to improve some aspect of our lives and thus live up to our full potential.

In that spirit, this year Canberra Business Council calls upon the ACT Government to resolve to work harder in supporting the tourism industry in the ACT.

The importance of tourism to the economy has been highlighted in a recent report by the Sustainable Tourism Cooperative Research Centre entitled *The Economic Contribution of Tourism to Australian States and Territories 2007-08*.

The report confirms that tourism provides a range of benefits to the ACT economy, including over \$730 million in direct contributions, and another \$557 million in indirect contributions, not to mention \$170 million in direct and indirect net taxation revenue.

Tourism in the ACT makes up more than 5.5% of our Gross State Product (GSP) and employs over 13,000 people.

In many ways this is not surprising; you would expect tourism to be a major contributor to the ACT economy given the National Capital is home to a range of renowned tourist attractions. Questacon, the National Science and Technology Centre, had almost 420,000 visitors in 2008-09 and over 300,000 people visited the Floriade spring flower festival last year.

There is no better example of the potential of cultural and tourism events than the National Gallery of Australia's blockbuster Masterpieces from Paris exhibition, tipped to exceed 250,000 visitors by April. Not only will this exhibition attract visitors to the gallery, but it will also bring more people into our cafes and restaurants, our hotels, our taxis and buses, and our shopping centres. The positive economic return of this for business in the ACT is estimated at \$58 million.

The Masterpieces from Paris exhibition was brought to Canberra through funding by the Australian Government and the ACT Government, who contributed \$500,000, and shows how investments in unique, once-in-a-lifetime cultural experiences can have a very significant impact on the local economy.

More broadly, Tourism Research Australia data shows that a total of 159,000 international visitors came to the ACT in 2008-09, and in terms of visitor nights spent in the region, 56% of these were for educational purposes.

Interstate visitors formed the bulk of our tourist numbers in 2008-09, with 1.4 million day visitors and 1.9 million overnight visitors from within Australia, of which 81% of visitor nights were for recreational purposes.

Clearly a combination of our award-winning national attractions, world-class educational institutions, and a variety of accommodation, and high quality restaurants and cafes all play their part in making the ACT a desirable destination for both domestic and foreign visitors.

However upon closer examination, tourism's contribution of 5.5% to the ACT economy is well below the national average of 6.3% of GSP.

Of all the jurisdictions, only WA lags behind the ACT in terms of its tourism contribution; tourism provides over 6.5% of NSW's GSP for example, and in the Northern Territory over 11%. This provides evidence that the ACT, despite being better positioned than most other states in terms of desirable tourism assets, is not achieving its potential.

Worse still, the data shows that tourism's contribution to the ACT economy has been in decline since 2006-07.¹

In particular, the economic downturn in 2008-09 impacted on the industry's ability to maintain its significant contribution, due to higher unemployment and the strong Australian dollar.

Now is the time for the ACT Government to step in and further bolster the Territory's tourism industry. To that end, Canberra Business Council and its kindred organisations are committed to working with the ACT Government to achieve strategic investment in our valuable tourism industry.

Many times when we set a New Year's resolution, we eventually fall short of our goal and regret that we did not try harder.

When it comes to investing in the tourism industry in 2010, this is one resolution that we do not have the luxury of breaking. ■

¹ Sustainable Tourism Cooperative Research Centre *The Economic Contribution of Tourism to Australian States and Territories 2007-08*