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Regional tourism needs urgent Government attention if it is to deliver jobs and prosperity

With the start today of the Australian Regional Tourism Convention in Margaret River, Tourism Accommodation Australia (TAA) has identified productivity and infrastructure development as key areas that need to be addressed by the industry and Government if new regional hotels and resorts are to be viable in the future.

Managing Director of TAA, Rodger Powell, said that in many parts of regional Australia, hotel operators had experienced flat or even negative growth over the past five years, with the national and global economic downturn and the persistently high Australian dollar affecting demand in a large number of regional and resort destinations. Conversely, costs have continued to grow, seriously affecting the bottom line for many hotel operations.

“Regional hotel operators have had the double impact of reduced demand and higher costs, and while it was thought earlier this year that the fall in the Australian dollar would provide relief for the industry, recent months have shown that the dollar has stubbornly refused to fall to the anticipated US\$0.80c mark,” said Mr Powell. “As a result, the gap between outbound departures and inbound arrivals has grown, and it continues to be a disincentive to domestic tourism.

“The flat demand has been exacerbated by rising costs. Hotel operators would welcome an urgent end to the carbon tax as it has been a key driver of increased costs, but the industry also wants to see greater flexibility in workplace conditions to increase productivity. These changes would benefit both employers and employees and are particularly relevant in regional locations, where access to appropriately qualified staff is more difficult. We need to ensure that Government policies encourage a far more inclusive participation rate, and that comes through greater flexibility of workplace conditions.

“It has been encouraging to see State and regional tourism organisations embrace events as a means of driving greater domestic and international demand. It is essential that States invest in such demand generators as well as provide assistance for tourism-related infrastructure development. This could be in the form of development assistance for convention facilities, upgrading civic areas, publicly owned tourism attractions, addressing transport and parking issues, and investing in pitches for major conventions, meetings and events.

“The Queensland Government deserves praise for identifying regional resort areas for integrated casinos, aiming to win a greater share of the rapidly growing Asian market. This market has enormous potential, with estimates that up to two billion extra people will enter Asia’s middle classes by 2030, and will be looking for quality tourist destinations and facilities that are a relatively short direct flight from home.

“Such initiatives are to be applauded, as are operators who invest in upgrading and refreshing their own product, but this is difficult when demand is flat and costs are increasing. By developing demand drivers, Governments can increase cash-flow, which in turn can be re-invested into upgrading product.”

Mr Powell said that by developing or supporting major sporting, cultural and community events, such as sporting events progressive State and regional tourism organisations had given a great economic boost to their local communities.

“State and regional governments can also develop tourism infrastructure such as cycle and walking trails, upgrade beach and foreshore facilities, add parking areas, and de-regulate restrictions that restrain businesses from serving the needs of visitors,” said Mr Powell. “Most of these measures are relatively straightforward and inexpensive to implement, but can significantly advance tourism in regional areas.”

Mr Powell said that it was encouraging that the Federal Government had agreed to a freeze on the passenger movement charge, but there were many other areas that could be addressed to both stimulate demand and restrain costs for hotel and resort operators.

“Attracting, retaining and training staff in regional areas is a serious issue and will require increasing attention if we are to raise service standards in these traditionally high-cost areas. International travellers are very interested in outback and regional Australia, but they also demand high standards, and that can only come through training and development.”

Mr Powell said that organisations like TAA were looking forward to working with the new Federal Government as well as State and regional authorities to enhance the Australian hospitality sector.

Tourism Accommodation Australia (TAA) represents the interests of the 24 Australian Accommodation Chains and over 800 individual members in the Hotel, Serviced Apartment, Integrated Resort, Motel and Vacation Ownership sectors. Servicing owners, operators, managers, franchises and other industry stakeholders, TAA is a division of the Australian Hotels Association, a federally registered organisation of employers representing hotels since 1836.

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