



FRAMEWORK FOR RECOVERY OF THE VISITOR ECONOMY

2020-21



ACT
Government

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Acknowledgement of Country

We acknowledge and respect the continuing contribution of the Traditional Custodians of this region, the Ngunnawal Peoples, and all Aboriginal and Torres Strait Islander communities in the ACT.

The ACT Government and community partners are committed to self-determination as the guiding principle in the delivery of programs and services and are working in partnership with Aboriginal and Torres Strait Islander communities to address matters that are important to them.

Chief Minister's message

The combined effect of bushfires and the COVID-19 public health emergency have resulted in a dramatic drop in the number of visitors to Canberra, decimating the tourism industry and the businesses that support the sector and resulting in the loss of thousands of jobs.

As the Territory emerges from the COVID-19 crisis, rebuilding our tourism industry will be a key pillar of economic recovery. Investment in tourism and events is directly related to sustainable outcomes for the local economy, created by spending in hotels, restaurants, retail, attractions, and many other businesses. It will support jobs growth, particularly for young people in the hospitality sector.

This document provides a pathway forward for both government and industry to focus recovery activity in the areas that will make the biggest difference. We continue to face great uncertainty and navigate the challenges of keeping our community safe while supporting our economy to thrive.

It's a starting point on the road to recovery. From here, government will work closely with industry to identify new and innovative solutions to get our visitor economy back on track. This includes ways that businesses can create partnerships, as well as how government can support the ACT tourism sector face its biggest challenge.



Andrew Barr MLA
ACT Chief Minister
September 2020

The purpose of the framework

In 2019, the ACT had a thriving \$2.5 billion visitor economy. Since then, international visitation ceased and domestic visitation to Canberra has slowed.

The restrictions enforced to stop the spread of COVID-19 have had a devastating impact on the tourism, hospitality and events sector and the businesses that support it, with widespread postponement and cancellation of major, business and community events. This framework sets out the focus areas for activity to attract visitors, increase spend in local businesses, drive overnight stays, and support local employment. This framework is the first step in a process to set aspirational, short-term targets for rebuilding our visitor economy.

OUR PRIORITY
IS KEEPING
CANBERRANS
EMPLOYED AND
ENCOURAGING
SPEND IN LOCAL
BUSINESSES





The visitor economy in 2019

The size of our visitor economy peaked in 2019, when the total value of overnight visitor expenditure was \$2.59 billion for the year ending September 2019. That year, the ACT hosted 3.1 million domestic and 271,000 international overnight visitors. Around that time, tourism as an industry employed 18,500 people in the ACT, representing 8.1 per cent of the Territory's total workforce.

CANBERRA'S
VISITOR
ECONOMY IS
A CENTRAL
ECONOMIC PILLAR
OF OUR CITY'S
GROWTH

Recent impacts



VISITATION

The size of our visitor economy peaked in September 2019, when the total value of overnight visitor expenditure was \$2.59 billion.

In the year ending March 2020, the value had dropped to \$2.33 billion. Total domestic overnight visitors fell to 3.0 million and international overnight visitors fell to 230,000.

EMPLOYMENT

Before the bushfires and the pandemic, the ACT had one of the strongest labour markets in the nation. In July 2020, ABS payroll data showed a 6.3 per cent fall in ACT jobs overall, but the impact was more severely felt in accommodation and food services, with a 23.3 per cent decrease in jobs.

AVIATION

In 2019, Canberra International Airport had 14 international services per week, low-cost carrier connections to Melbourne and Brisbane and an extensive domestic services network. At August 2020, the airport was servicing two per cent of 2019 flight capacity.

COMMERCIAL ACCOMMODATION

Prior to the bushfires and the pandemic, the ACT's hotel occupancy rates were consistently higher than the national average.

For the year ending September 2019, average commercial hotel occupancy in the ACT was 77.5 per cent. This dropped to just 23.1 per cent in the three months to June 2020.

EVENTS

Widespread event cancellations have put businesses within the events sector at risk, while significantly impacting capacity to generate tourism and economic benefits. In 2019-20, Floriade and Enlighten alone generated \$49 million for the Territory, while events supported under the Major Event Fund specifically attracted over 100,000 visitors from interstate or overseas and provided \$51 million in direct economic benefit.

INTERNATIONAL STUDENTS

Canberra's tertiary education sector is valued at over \$3.3 billion, supporting 20,000 jobs and over 62,000 students. In 2019, around 19,000 international students studied at Canberra tertiary institutions, contributing over \$1 billion in export income. Education and tourism are strongly linked — education visitors accounted for \$369 million (61 per cent) of the \$605 million of international visitor expenditure in 2019.

In August 2020, 30 per cent of the international cohort remained overseas due to travel restrictions, with some continuing to study online.



SMALL BUSINESS

Most tourism businesses in the ACT are small: 93 per cent have 19 employees or less and 42 per cent operate as sole traders. This impacts the ability to reinvest, innovate and respond to quickly changing circumstances.



EDUCATIONAL TOURISM

Each year, more than 160,000 school students from across Australia visit Canberra. The interstate schools market has not operated since March 2020.



COMPETITION FOR DOMESTIC TRAVELLERS

Canberra as a destination is competing against all other states and territories for the attention of domestic travellers.



AVIATION ACCESS

Aviation access routes are critical to support business activity and attract travellers from regions that aren't easily accessible by road. Confidence in travelling by air for business and leisure may take time to rebuild.



PURPOSES OF VISITATION

Traditionally, a strength of Canberra's visitor economy is the range of purposes for visiting — business travel, business events, holidays, study, school trips and visiting friends and relatives. All these activities have been impacted.



LENGTH OF STAY AND SPEND

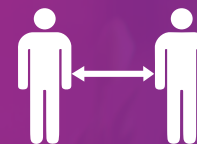
Higher unemployment will impact the use of disposable income, which may impact consumer expenditure on travel and the length of stay in destinations. Changes in workplace culture will impact the frequency and length of business trips.



CONSUMER CONFIDENCE

It is difficult for travellers to plan and take journeys due to the uncertainty of border closures and travel restrictions.

The challenges we face



ONGOING EVENT RESTRICTIONS

Business and leisure events are primary visitation drivers and cannot be planned or delivered with the same confidence, or to the same capacity, as they were before COVID-19.



BUSINESS RESTRICTIONS

Ongoing disruptions are anticipated as governments continue to respond to COVID-19 outbreaks at short notice. The restrictions in place to keep the community safe will affect how businesses can trade.

Our strengths

The Territory is well-placed to support a return to pre-COVID visitation levels. Before the bushfires and the pandemic, our visitor economy was strong, resilient and diverse. The Canberra region has much to offer travellers, for both leisure and business. We will leverage these strengths in recovery.



Traditionally, around 90 per cent of our visitor market is domestic travellers

This is a key strength. The cessation of international flights into Australia will have less impact on Canberra than other destinations.

Of those domestic visitors, around 65 per cent come from NSW

Located close to NSW, and within driving distance of our key visitor markets, Canberra may be impacted less than other Australian destinations.

Canberra is the ideal short break destination

With high-quality experiences on offer, and being located close to populous cities and towns, Canberra is ideally placed for day trips and weekends for those travellers looking to get away on a short break.

The domestic drive market is a key opportunity

It is expected the great Aussie road trip will return in popularity. Around 950,000 people live within a three-hour drive of Canberra, visiting for our experiences, facilities and infrastructure. We are part of a region that offers diverse experiences in a road trip itinerary.

We offer high-quality experiences for visitors

The quality of product in Canberra is high, and visitors can engage in a range of experiences within a short distance.

A diverse calendar of events provides compelling reasons to visit and enhances the profile of the Canberra region.

Major event activity, including blockbuster exhibitions at our cultural attractions, generate year-round interstate visitation. Exhibitions at our cultural attractions are equipped to provide a safe experience to many visitors, and operate over extended periods.

Canberra remains a safe destination

We offer a visitor experience where people can move freely with adequate space, particularly for those travelling by car. Canberra is an attractive destination to those visitors looking to minimise safety risks.

In recovery, industry and government will leverage these strengths as we work towards solutions. This framework is the first in a series of steps to identify opportunities for the tourism sector and set aspirational recovery goals for the visitor economy.



Our community is supportive of local business and tourism

Our research shows that the Canberra community is supportive in actively promoting Canberra as a short break destination, as tourism benefits local business and supports the wider ACT economy.

STEP
1

FRAME THE PRIORITIES

This document outlines four key priority areas for recovery.

STEP
2

CONSULT

We will work with industry to identify other actions to support recovery.

STEP
3

COLLABORATE

We will work with industry on innovative solutions to the challenges facing the tourism sector.

STEP
4

SET TARGETS

We will establish goals for recovery with the development of an action plan.

STEP
5

STRATEGISE

We will resume long-term planning for the visitor economy, with the release of the Tourism 2030 Strategy.

Our priorities

To support the recovery of the ACT visitor economy, we will focus on four key priority areas. These areas are critical to address the widespread downturn impacting our tourism industry.

1 RESTORING MAJOR ACCESS ROUTES

Restoring Canberra's aviation network will be critical as the tourism industry recovers. Future aviation capacity into the Territory will be demand-led and rely on a combination of minimal border restrictions, increased consumer confidence in travelling and perceptions of Canberra as a safe destination. Competition for air capacity will be intense as many destinations seek to support their own recovery.

A key priority of ACT Government will be restoring domestic and international aviation links into Canberra and reducing barriers to visitation by supporting the re-introduction of low-cost carrier flights.

WE WILL:

- Work with Canberra Airport and airlines to recommence major domestic routes, as well as identify new opportunities for regional air routes in Canberra
- Work with federal and state governments on solutions to enable flights to operate safely during restricted travel periods
- Continue to advocate for a 'travel bubble' between the ACT and New Zealand
- Seek opportunities for domestic and international travel bubbles to be established and continue negotiations with other governments to enable this
- Work with federal government and universities to enable the return of international students and visitors
- Seek opportunities to attract domestic school groups to Canberra

2 OFFERING QUALITY EVENTS & EXPERIENCES

Events are proven tourism demand drivers that contribute significantly to the visitor economy, city vibrancy and community pride. Prior to the bushfire crisis and the onset of the COVID-19 pandemic, Canberra's thriving events sector featured a diverse calendar of events that played an important role in generating visitation from key interstate markets. A suite of business events also helped attract delegates from across Australia and overseas.

As visitor markets return to the Canberra region and COVID-19 restrictions ease, investment in major events, business events and community events – in addition to other high quality tourism experiences – will be critical to driving economic recovery.

WE WILL:

- Monitor the ongoing effects of the COVID-19 pandemic to strategically assess ways that major events and community events can be adapted or delivered in new ways
- Continue to develop and enhance online/digital platforms for supporting, promoting and delivering major events and community events
- Support the local events sector with strategic advice and grant funding support as organisers recover from the effects of COVID-19
- Work with our national attractions to deliver major exhibitions that can be staged safely to attract visitation over an extended period
- Develop and support tourism experiences that drive visitation — with a focus on Indigenous tourism, cycle tourism and nature-based tourism experiences
- Work with Tourism Australia and our regional counterparts to support the local industry through partnership programs



3 GROWING SPEND & VISITATION

We will grow demand in key markets with a focus on overnight visitation to support a range of businesses and restore employment. As restrictions ease, Canberra needs to be front of mind for the domestic travel market. Through our marketing activities, we will maximise awareness of Canberra as a destination and highlight our unique points of difference.

Our efforts will be focussed on restoring visitation from key markets, and we will continue to research consumer sentiment in those markets to ensure maximum impact.

WE WILL:

- Launch a new domestic marketing campaign as part of an annual plan of marketing and partnership activity
- Focus on domestic visitation, and launch initiatives to promote Canberra as a drive/ touring destination
- Partner with industry on cooperative marketing projects, in order to support industry and amplify audience reach, including through the Tourism Cooperative Marketing Fund
- Remain agile in our marketing and pivot our efforts to key markets as conditions change
- Continue to monitor the impact of marketing activity through data and consumer research
- Extend campaigns across other investment streams, promoting Canberra under a single brand as a place to study, work, live and invest
- Continue to encourage Canberrans to experience their own city and support local business, and place more emphasis on visiting friends and relatives
- Continue working with ANU and UC on a small-scale pilot to return a group of 350 international students who had already been in Canberra, when it is safe to do so and conditions allow, ahead of safe return pathways being established for newly commencing international students

4 SUPPORTING CANBERRA BUSINESSES

The sustainability and resilience of industry is a key priority. The ACT Government will support businesses and the community by investing more in supporting the ACT economy and jobs. This support will target industries, sectors and people most impacted, including tourism, hospitality, the arts, part-time workers and young people. While doing so, we will maintain the community's confidence in Canberra's resilience by continuing to invest in our health response to the pandemic.

WE WILL:

- Continue to look for mechanisms to reduce overheads for local businesses through stimulus packages, and help small business to easily find what support is available
- Identify innovative solutions to support industry to operate sooner, and safely, e.g. social distancing technology
- Develop and deliver industry development programs, which includes working with local business to develop saleable product for the domestic market
- Continue to consult and share information across the tourism sector through a range of forums and industry bodies
- Continue to support subsidised training places in areas that support the recovery of the ACT's visitor economy
- Support the safe re-opening of Canberra businesses by providing fee-free infection control training



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