



AUSTRALIAN HOTELS & HOSPITALITY ASSOCIATION
Inc.
ABN 79 948 978 376

29 May 2007

Mr Damian Drum MLC
Chair
Rural and Regional Committee
Parliament House
Spring Street
MELBOURNE VIC 3002

Dear Mr Drum

Parliamentary Inquiry into Rural and Regional Tourism

The Australian Hotels Association (Victoria) welcomes the opportunity to provide a submission to the Rural and Regional Committee's Parliamentary Inquiry into Rural and Regional Tourism.

1. Australian Hotels Association (Victoria)

The overarching objective of the Australian Hotels Association (Victoria) is to effectively contribute to the establishment and maintenance of an economic and social environment that fosters the business success of hotels and pubs.

AHA (Vic) is the pre-eminent Victorian hospitality industry association representing the rights and interests of its members to state, federal and local government, other relevant parties and the community. AHA (Vic) provides industry leadership, lobbies on members' behalf and promotes best practice in hotel management, with a commitment to effective communication with members. AHA (Vic) actively contributes to the development and growth of tourism and tourism-related industries.

Within the diverse Victorian hospitality industry, AHA (Vic) membership incorporates CBD, metropolitan, regional and rural hotels and pubs, accommodation hotels, resorts and similar businesses.

The ongoing strategic objectives of AHA (Vic) are to:

- Protect, promote and advance the interests and rights of members;
- Uphold and promote the quality, integrity and reputation of the hotel industry;

- Provide timely, effective, relevant and value adding services to members;
- Develop and maintain value-adding partnerships with key industry stakeholders to the benefit of members and such partners, and
- As an organisation achieve best practice in administration within the industry association sector.

2. AHA (Vic) Submission

AHA (Vic) is of the view that pubs and hotels located in rural and regional areas are an integral part of the tourism sector. A typical country pub is the social gathering point for its local community as well as an important tourism destination for visitors to an area. It is the view of AHA (Vic) that regional tourism initiatives should have a considerable emphasis on involving programs which include the pub and hotel sector.

AHA (Vic) welcomed the announcements contained in the 2007-08 Victorian Budget in relation to increased funding for tourism initiatives. With an overall tourism and major events budget of \$66 million, there were specific funding allocations aimed at boosting regional tourism and local events over the next four years.

Budget documentation indicated funding for projects to encourage visitors to take driving holidays to experience Victoria's spectacular natural assets, including funding to raise the profile of areas such as the Great Ocean Road, Phillip Island, the Grampians, Victoria's High Country and Gippsland.

AHA (Vic) believes that the importance of direct airline flights into Melbourne should not be underestimated from a Victorian tourism perspective. We are aware that international visitors make up seven percent of Victoria's tourism market, but they generate 25 percent of total expenditure. Information supplied by Tourism Victoria indicates that international visitors spend a total of about \$7 million per day, generating 43,000 jobs. These statistics stress the need to create easy access into Victoria for international tourists rather than landing in Sydney and arranging connecting flights. We believe that direct flights deliver cheaper fares, minimise delays for passengers and provide choice, access and certainty for business and tourist travellers.

The hotel industry plays an important role in realizing the potential for growth in the Victorian tourism market. We are the vital infrastructure for building Victoria's reputation as a worthwhile place to spend leisure time and money. A positive hospitality and accommodation experience promotes repeat visits and helps generate the right impression in a competitive tourism market within Australia.

AHA (Vic) is aware of recent data indicating backpackers injected \$2.8 billion into the Australian economy last year, and typically backpackers are inclined to visit regional areas as part of the tourism experience.

The ongoing development of business events tourism poses terrific opportunities for the Victorian hotel industry. Major business conferences being hosted in Victoria attract many thousands of delegates (potential tourists).

Typically, attendees contribute to our local economy by staying in hotels, visit local attractions, experience local pubs and come back soon with their friends and families.

We have no doubt that the construction of the new Convention Centre in the Southbank precinct which can host 5000 people will boost our capacity to attract major business conferences to Victoria, with a subsequent benefit to regional tourist operators from flow on tourist activities.

The above information is provided to assist your Committee in its deliberations.

Yours sincerely,

Brian Kearney
Chief Executive Officer