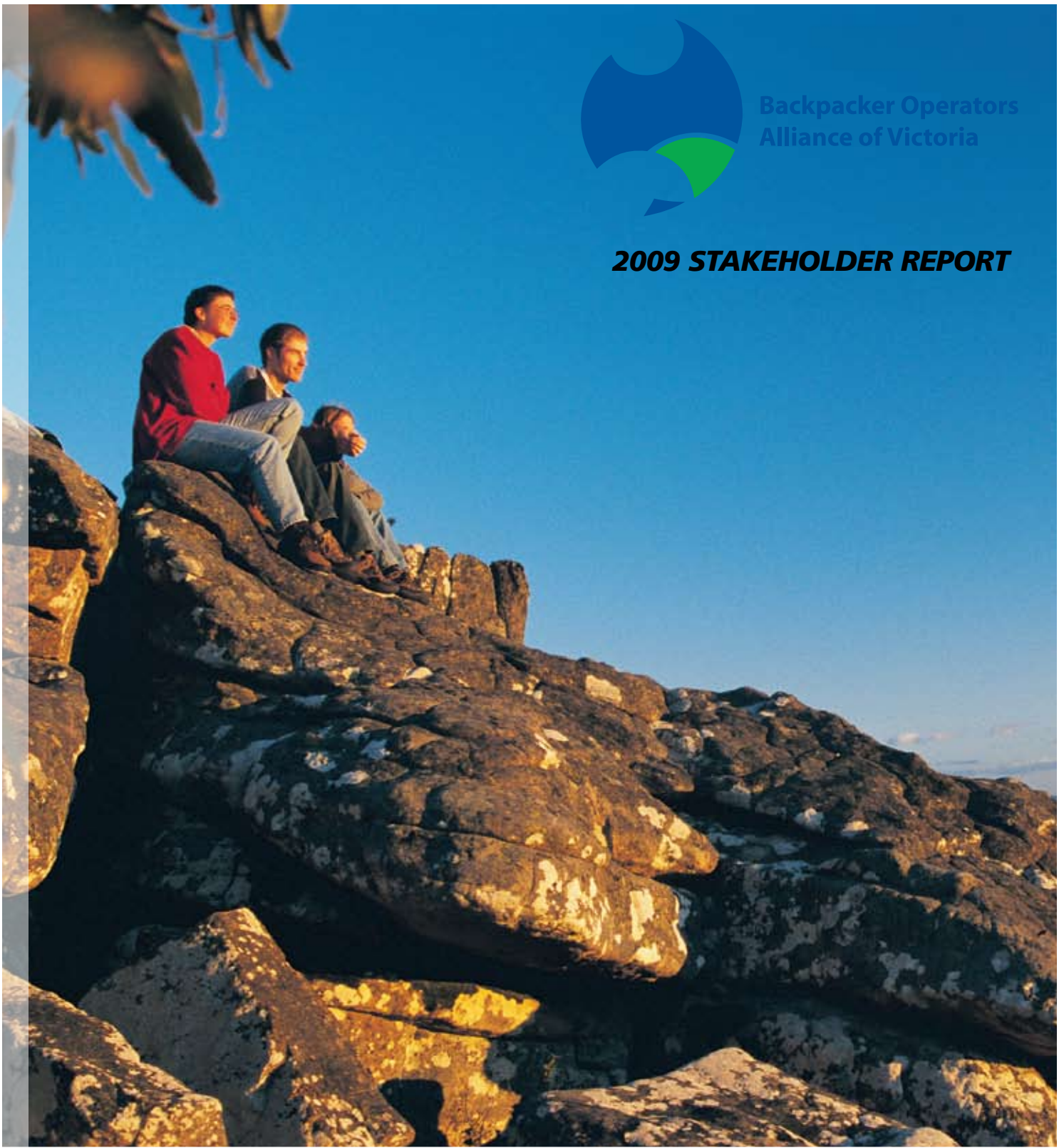




Backpacker Operators
Alliance of Victoria

2009 STAKEHOLDER REPORT



The peak body for backpacking operators in Victoria

vecci
INVIGORATING BUSINESS



Message from the Chair



David Fitzpatrick
BOAV Chair
Appointed
January 2007

This year, the Backpacker Operators Alliance of Victoria (BOAV) continued its work on behalf of the backpacking industry, coordinating a cohesive approach and representing the interests of our members with a united voice. In doing so, BOAV maintains the profile of backpacking and highlights the important role it plays within Victoria's tourism industry with key government stakeholders, the media and affiliated industries.

Our vital industry deserves support in policy and legislative decision making through all tiers of Australian government due to its overall value to our economy.

In order for BOAV to continue to provide leadership and direction for the sustained growth of the accommodation businesses, our business plan has been revised to serve as essentially a road map for our sector.

Over 2009 BOAV was also successful in getting key messages on behalf of the sector into the media, with articles and joint releases with HMAA, VTIC and VEIC.

As you read on, you will see that BOAV has plenty of reasons to acknowledge the results achieved in 2009.

We look forward to working with you again in 2010.

A handwritten signature in black ink, appearing to read 'DFitzpatrick'.

David Fitzpatrick

Chair, Backpacker Operators Alliance of Victoria

BOAV – the peak body for backpacking operators in Victoria

Backpacker tourism is a significant industry in Victoria representing seventeen per cent of all international visitors to the state. 2008 saw 251,000 backpacker visitors travel to Victoria, accounting for 5.9 million visitor nights. Backpackers stayed an average of 23.6 nights, highlighting the extensive tourist opportunities available to backpackers across the state.

In 2008, approximately 174,000 international visitors to Victoria stayed overnight in backpackers/hostel accommodation, accounting for 2 million visitor nights. The largest source market of backpackers to Victoria was the United Kingdom with 22 per cent or an estimated 54,500 visitors in 2008. Other important markets included Germany (est. 27,200), Other Europe (est. 69,100) and Asia excluding Japan (est. 38,400).

Youth arrivals represent a third of international arrivals to Australia (32 per cent) with USA, France, UK, India, Singapore and Germany representing countries with the strongest growth in youth arrivals in 08/09. Countries experiencing steady decline in youth arrivals in the last three years include Japan and Korea. The internet was the principal information source used prior to arrival in Australia, a figure which has more than doubled over the last five years.

Source: Tourism Victoria, Backpacker Tourism: Market Profile Year Ending December 2008 and Tourism Australia Youth market Travel Trends 2009

BOAV ROLE

The Backpacker Operators Alliance of Victoria (BOAV) stands to improve the profile and viability of member businesses and the broader backpacker industry, through support and advocacy.

BOAV MISSION

- To establish a quality-driven cohesive industry.
- To establish benchmarks for the industry that will lead to improved services and experience for backpackers.
- To facilitate an improved national and global reputation for Victoria as a backpacker destination.

BOAV goals and achievements 2009

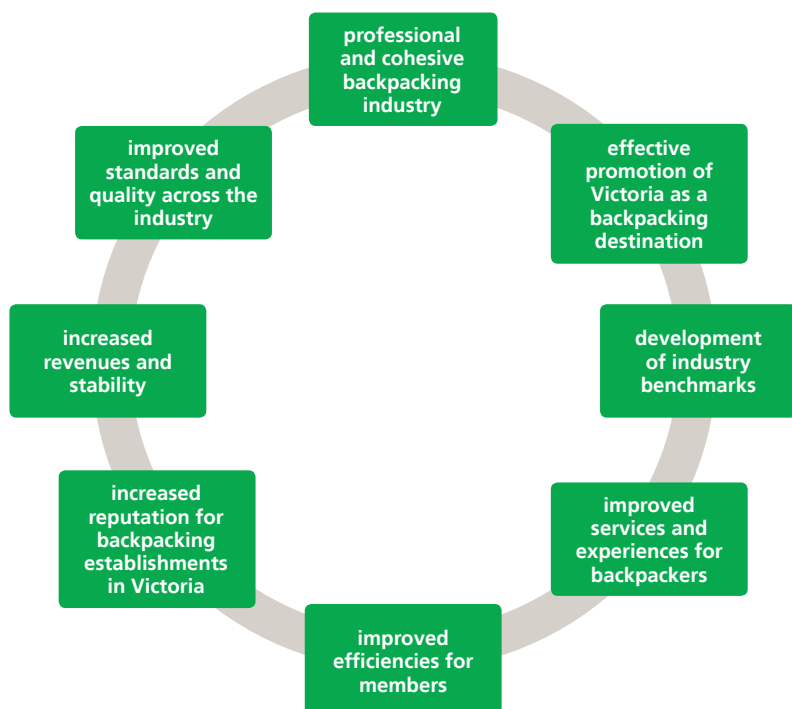
Goals

- reduce the regulatory burdens on backpacker businesses.
- lobby for changes to implication of Liquor Control Reform Act 1998.
- increase BOAV membership.
- to review building regulations and ensure the quality of the industry.

Achievements

- worked with local councils and industry associations such as HMAA to develop position papers for State and Federal governments. BOAV is now represented on a national working party examining the issue.
- developed a series of factsheets that inform and educate the industry on issues including bed bugs, 'green' travelling, swine flu and taxation.

A vision for the backpacker segment in Victoria



BOAV State Budget Submission

Each year VECI, together with all tourism and events members, prepares a State Budget submission and engages in discussions with the Treasurer and other Government Ministers to progress our key recommendations on behalf of members. In addition to sections on taxation, infrastructure, skills, sustainability and regional Victoria, the 2009-10 submission contained a focused section outlining the needs of the tourism and events industry.

The key recommendations for the 2009-10 State Budget Submission included:

- The maintenance of core funding for Tourism Victoria and tourism specific funding for other relevant agencies.
- A special cooperative marketing funding allocation to encourage Victorian and interstate workers to take their leave in Victoria.
- Ongoing support for the attraction and retention of major sporting, cultural and business events, as well as significant regional events.
- The implementation of the Nature-Based Tourism Strategy including ongoing commitment to infrastructure projects and promotion of Victoria as a destination rich in nature-based experiences.
- Support for the marketing of Victoria's tourism assets and major events to international growth markets to maximise returns on industry investment and ensure a sustainable future for the sector.
- The expansion of the Melbourne Exhibition Centre to support increased opportunities for business events, as well as support for the development of business events facilities outside the metropolitan area.
- The upgrade of significant attractions and venue infrastructure, including Melbourne and Olympic Park, in order to retain the world-class reputation such facilities currently hold, and continue to ensure the success of high-profile events such as the Australian Open.
- The development of a State-wide awareness program to prepare tourism businesses for a national emissions trading scheme.

- Increased funding for tourism and events related training. This must include a focus on meeting the needs of international growth markets (including improved language and cultural skills), as well as support for the Tourism Excellence program, facilitated by Tourism Victoria.

As a result of the economic downturn, constrained Government finances and other Government commitments, there was limited funding provided to the tourism and events sector in the 2009-10 State Budget. However some achievements made include:

2009-10 State Government Outcomes

\$10 million tourism package to encourage tourists to visit regions economically affected by the bushfires.

The tourism and events industry also stands to benefit from a range of other initiatives including:

\$38.5 million over four years to establish four new National Parks on the Murray River.

\$14 million over four years to transform the former Port Nepean defence site into a nationally significant heritage park.

\$6 million over four years to improve facilities, trails and recreation opportunities in urban parks.

\$4 million over two years to improve piers, jetties and other facilities around Port Phillip and Westernport Bays.

\$5 million to continue planning the redevelopment of the Melbourne and Olympic Park Precinct.

Unfortunately, no funding for the Melbourne Exhibition Centre expansion was announced.

The tourism and events industry also has the opportunity to benefit from the infrastructure, industry development, education and training initiatives.

State Budget Submission 2010-11

In late 2009 to early 2010, BOAV together with VTIC and VECI will prepare a submission for the 2010-11 State Budget, which will seek to reinforce issues of significance to the tourism and events industry, including, but not limited to:

- Investment in strategic marketing for international, interstate and intrastate markets.
- Priority commitment to facilitate and build natural icon infrastructure projects and promotion of Victoria as a destination rich in nature-based experiences.
- Extension of the Melbourne Exhibition Centre (MEC).
- Increased support for the attraction and retention of major sporting, cultural and business events, as well as significant regional events.
- Ongoing funding for State Government tourism programs to further promote and expand the uptake of business excellence practices.

VECI will meet with the Treasurer and other Government Ministers in early 2010 to discuss and pursue the recommendations on behalf of BOAV members.

BOAV Policy Statements and Submissions

Numerous issues have arisen over the year of interest to BOAV members including; fire sprinkler regulations and rights and responsibilities around holding backpacker passports, as well ongoing concerns around unregulated accommodation and employment operators and the potential impact on Victoria as a backpacker destination.

In addition, BOAV members have benefited from the policy and advocacy work driven by VECCI, VTIC, VEIC and HMAA. Submissions, media and other advocacy activities undertaken by the broader VECCI tourism and events councils and associations are prepared on behalf of all tourism and events members, and take into account the needs and concerns of BOAV members.

Submissions

Liquor Control Reform Regulations

VECCI, VTIC and HMAA made a submission on behalf of all tourism and events members in response to the proposed changes to the liquor licensing fee structure (Liquor Control Reform Regulations 2009 Regulatory Impact Statement). The submission was complemented by a variety of media releases and other communications.

Key Recommendations

- We urge caution, to ensure that any proposed changes resulting from this review only enhance, and not diminish, the vibrancy and culture of Melbourne and Victoria which currently attracts visitors and residents alike.
- Acknowledgement is given for good behaviour and proactive initiatives through the use of a credit system.
- The weighting given to venues with opening hours between 11pm and 1am is reduced to reflect a low to medium level of risk.
- A risk factor is applied to packaged licence outlets to reflect their size and compare more equitably with other operators assessed on venue capacity.
- The initial band width of the venue multiplier is increased to 0 – 200 to more accurately reflect normal operating practices.
- An exemption, or other consideration, is given where an operator hosts private functions, which is not their primary business, to reflect the lower level of risk.

- Consideration is given to the specific needs and requirements of individual major events in Victoria.

As a result of community and industry consultation, the government has now refined the fee structure so that large late-night venues will continue to pay the highest fees whilst smaller, earlier closing venues will pay relatively less.

Street Violence

VECCI together with HMMA and its other tourism and events members continue to lobby government for realistic solution to street violence problems that focus on offenders rather than bureaucratic solutions that will damage the vibrancy of the state.

Other advocacy activities, in collaboration with VECCI, VTIC and VEIC:

National Long Term Tourism Strategy

VECCI and VTIC on behalf of all tourism and events members provided strategic input into the national long term tourism strategy, highlighting a number of key issues including the need for:

- greater public-private collaboration,
- creating and converting visitor demand,
- increased funding for marketing, research, industry development, investment facilitation and infrastructure development; and;
- increased focus on skills and standards.

Provincial Victoria; Directions for the Next Decade (VECCI)

Key comments and recommendations include:

- VECCI supports the proposed focus on productivity, sustainability and liveability and recognises that all three are vital for a healthy and prosperous future in provincial Victoria, as well as across the wider state.
- VECCI strongly supports the ongoing efforts by the Victorian Government to reduce the regulatory burden on business.
- We acknowledge the recognition of the tourism industry throughout the discussion paper, and appreciate the vital role that tourism can and does play in supporting industry development and employment opportunities in provincial Victoria.
- We recommend recognising and accelerating support for the valuable role nature-based tourism (and regional tourism generally) will play in realising new competitive advantages in response to climate change, based on business and service excellence and the provision of high quality and high yield products and visitor experiences.

VECCI, VTIC and TAV responded to the 2009 Victorian Bushfires Royal Commission.

2009 Victorian Bushfires Royal Commission

Key comments and recommendations include:

- We acknowledge the many individuals and businesses that have played a vital role in the emergency response and recovery effort. Individuals and businesses alike have been extremely generous with their time, money and resources. Their contributions will undoubtedly assist in the recovery and rebuilding process.
- Businesses are a vital part of any community, providing employment and a wide range of products and services to locals and visitors, in addition to their broader customer base. Tourism and tourism-related businesses, in particular, make a significant contribution to many of the regions affected by the bushfires, providing a range of products and services.
- When coordinating relief, consideration and assistance should also be given to those businesses that have been indirectly impacted by bushfires or other natural disaster, including the loss of customers and associated revenue streams - particularly where no alternative income source is available.
- A balance needs to be struck between providing bushfire relief support and the need to ensure, where possible, a timely and sustainable resumption in “Business as Usual” trading conditions. While we recognise the need, value and benefit of bushfire relief for many directly and indirectly affected parties, there can be unintended consequences for some, particularly local traders, if significant and enduring relief and related support continues, notably in instances where these businesses would normally provide such products and services.
- In the rebuilding process, there must be a balance between the need to establish ‘safe’ structures and the importance

of re-establishing the original and/or natural attractions of the affected area.

- Information regarding bushfire danger must be provided in a timely, accurate and specific manner in order to ensure safety while not causing unnecessary disruption to travel and normal business operations in otherwise safe regions.

Other advocacy activities, in collaboration with VECCI

Victoria Business Relief Fund and Tourism Attractions Bushfire Appeal Day

- VECCI effectively advocated for much needed promotional funding to encourage tourists to visit regions affected by the February bushfires, and established a fund to provide targeted assistance to businesses indirectly impacted by the bushfires who have not been able to access other funds (the VECCI Business Relief Fund).
- VECCI together with the tourism and events industry coordinated the ‘Tourism Attractions Bushfire Appeal Day’ initiative, in which 29 of Victoria’s premier tourism attractions donated their Labour Day takings to the bushfire relief effort, raising in excess of \$108,000.

VECCI Victoria Summit 2009

VECCI made a number of recommendations to assist in strengthening the tourism and events industry including:

- a realignment of Government policy and program settings to more accurately reflect the increasing contribution of the service sector;
- funding for new bay and maritime infrastructure initiatives;
- improved nature-based tourism facilities;

- State Government tourism programs to further promote and expand the uptake of business excellence practices; and
- the extension of the Melbourne Exhibition Centre.

The full Summit recommendations can be found at www.vecci.org.au (VECCI Victoria Summit 2009).

Over 2009, VECCI advocated for policy outcomes of the VECCI Victoria Summit 2007 to be taken up by government including increases in the maximum lease term available for major projects on Crown land from 21 to 65 years.

VTIC Survey of Tourism Performance and Outlook

Each quarter the VTIC Survey of Tourism Performance and Outlook provides a snapshot of tourism and events industry performance and its expectations for the future.

The survey is an important source of up-to-date data specific to Victoria’s tourism and events industry. The findings receive wide media coverage and provide key evidence when representing the interests of the industry to government.

Thank you to everyone who has contributed to the survey over the past year. We appreciate the time taken to provide this vital information. Respondent rates have increased over 2009 and we look forward to achieving wider coverage in 2010.

Previous survey results can be viewed online at www.vtic.com.au



Backpacking Industry Networks

To strengthen networking and communications within the backpacking industry, BOAV continued with its networking series in 2009.

A Taste of Melbourne

FEBRUARY 2009

BOAV welcomed industry professionals from around the country to Melbourne to coincide with the Melbourne Backpacking and Adventure Travel Expo. Valuable industry knowledge and experiences were shared with fellow backpacker and adventure tour operators and industry colleagues in the heart of Melbourne.

BOAV Christmas in July

JULY 2009

BOAV members were taken on a behind the scenes look at a true Melbourne icon, the MCG, including the National Sports Museum.

Go West Tour bus, then took members on a tour of Melbourne's most notorious events, with expert guides. This included the Melbourne City Watch House for an 'arresting experience'. The visit included a look around Old Melbourne Gaol, including where Ned Kelly was hanged.

Members then enjoyed a traditional three course Christmas dinner and drinks at Bertha Brown Bar on Flinders Street.

BOAV Trivia

DECEMBER 2009

To end the year, BOAV celebrated with a challenging trivia event held at Base backpackers in St Kilda. Networking was the order of the night along with some fine competition in trivia teams, a BBQ and a review of BOAV's achievements over 2009.

BOAV Membership Structure

2009 saw a re-structure of the BOAV membership, following a Member Perception Survey. It is expected that this change in membership structure will lead to an increase in the number of members, as the cost to join is lower, which in turn increases our reach across Victoria and the strength of our sectoral representation. It also makes membership more accessible to smaller and regional operators.

The recent Survey results told us that our members join BOAV to get advice and information and to support the industry hence new membership offering will retain the current benefits, but exclude VECCI membership benefits.

Existing members have the option of retaining their current conditions and benefits until the 2011 membership renewal date, after which their membership will transition to the new membership structure.

In addition to exclusive networking opportunities, BOAV members benefit from:

Industry Representation

BOAV provides representation for members to tourism bodies, employee unions, government departments and other parties with an interest in our industry so as to provide satisfactory outcomes to assist businesses achieve their financial goals.

Industrial Relations

The VECCI information hotline provides assistance and advice to members on all employment practices issues, including workplace agreements, wage rates, employee recruitment, counselling and termination.

Membership Benefits

Our services provide money saving opportunities provided by our corporate partners who provide goods and services at discounted prices. Taking advantage of these savings, members will find even more value in their membership.

Information and Training Forums

We provide members with current information on industry trends, products and legislation and liaise with local accredited training providers to provide the most up-to-date courses relevant to our industry and local areas.

Industry Standards and Accreditation

We promote best practice business standards throughout our membership and recognise the need for minimum business standards to be regulated equally, while developing best practice standards for the benefit of members.



IN PARTNERSHIP WITH VECCI

**Victorian Employers' Chamber of
Commerce and Industry**

BOAV member services are supported and delivered through policy, governance and management resources provided by the Victorian Employers' Chamber of Commerce and Industry (VECCI), Victoria's largest and most influential multi-industry representative business organisation.

In addition to BOAV, VECCI supports the Victoria Tourism Industry Council (VTIC), Victoria Events Industry Council (VEIC) and the Hotel Motel and Accommodation Association (HMAA) and Tourism Alliance Victoria (TAV).

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