

▶ **HMAA
UPDATE**

December 2010

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WELCOME TO YOUR LATEST HMAA NEWSLETTER

As 2010 draws to a close, a new era in Victoria commences, with the Coalition forming government after the State Election on 27 November. We look forward to working with Premier Ted Baillieu and the new Minister for Tourism and Major Events, Louise Asher, to continue to improve the regulatory and operating environment for the tourism and events industry and foster much-needed tourism infrastructure investment. In particular, we look forward to details surrounding the new Government's plan for a rail link to Avalon, as well as a feasibility study for a rail link to Melbourne Airport. We are also keen to see the Coalition publicly commit to extending the Melbourne Exhibition Centre, which will see this world class business events and convention precinct realise its full potential.

It has been a busy and eventful year and whilst we are moving into the peak season for many operators, we trust that you will have some time to relax with family and friends and enjoy the festive season, reflect on the year that was and recharge the batteries for 2011.

**Regards,
Todd Blake
GM Tourism and Events**

HAPPY FESTIVE SEASON!

The VECCI Tourism & Events office will be closed from lunchtime on Friday 24 December and will re-open on Tuesday 4 January 2011. Thank you for your support and contribution in 2010. Best wishes for the festive season and we look forward to seeing you all in 2011.

LATEST NEWS

TOURISM AND EVENTS INDUSTRY CHRISTMAS PARTY WRAP

On Wednesday 24 November, Tourism Alliance hosted the annual Tourism and Events Industry Christmas party.

Held at Studio 3 at Crown, guests enjoyed drinks and canapés while networking with fellow colleagues. Guests had the opportunity to hear from Tourism Alliance Chair, Matt Noble, and the Honourable Minister for Tourism and Major Events, Tim Holding.

Some fantastic prizes were also given away on the night thanks to Crown and Cricket Australia for their generous contributions.

Tourism Alliance would also like to thank their sponsors, the City of Melbourne and Destination Melbourne, for their support of this event.

To see some of the images from the evening, please log onto Tourism Alliance website www.tourismalliance.com.au.

NEW TEAM MEMBER

We are pleased to welcome **Mariella Mejia** to the VECCI Tourism & Events team as Event Coordinator.

Mariella joins us from ICMS where she was a conference administrator. In this role she coordinated, developed and executed conferences and events and managed new sponsorship acquisition. Previously Mariella held positions with John Wiley & Sons and Expohire Australia.



BUSINESS INFORMATION AND OPPORTUNITIES

STUDENT SUMMIT 2011 - FRIDAY 25 MARCH 2011

The Tourism Alliance Victoria third annual Student Summit will be held on Friday 25 March 2011 at the Melbourne Convention and Exhibition Centre. The Summit has been timed to coincide with the 2011 National Careers & Employment Expo, offering tourism, events and hospitality students a complete industry experience in the one day at the one venue.

National Careers & Employment Expo - *be seen. be professional. be employed.*

The National Careers & Employment Expo communicates recruitment and career choice messages to employers, industry, educators and students around Australia.

The National Careers & Employment Expo is much more than a general careers event, playing a major role for many employers and industries in the recruitment of employees, graduates, apprentices and trainees. For students, the Expo is at the forefront of showcasing courses and potential career paths.

Align your company's support with these combined events by sponsoring the Student Summit or exhibiting at the National Careers & Employment Expo.

For sponsorship opportunities contact:

Mariella Mejia
Tourism Alliance Victoria
mmejia@vecci.org.au
03 8662 5217

For exhibition opportunities contact:

Chris Hill
EOC Group
c.hill@eoc.com.au
03 8646 6237

For more information visit the Tourism Alliance website www.tourismalliance.com.au.

EXPERIENCE+ TRAINING ASSISTANCE FOR MATURE AGE WORKERS

Applications are now open for employers (or small business owners) to apply for Experience+ Training grants of \$4,950 (including GST).

Experience+ Training allows businesses to retain valuable skills and experience in the workplace. It provides quality training (at the Certificate III level or above) for mature age workers (aged 55 years or over) so they can gain the skills to successfully mentor and supervise apprentices or trainees.

Experience+ Training is delivered by the Australian Government and is one component of the Experience+ initiative, aimed at helping mature age Australians to remain engaged in the workforce and to share their knowledge and experience with younger workers.

For more information, visit the [Training Packages @ Work website](#).

FREE BUSHFIRE MATERIALS AVAILABLE SOON

In preparation for the 2010-2011 fire season, Tourism Victoria is currently revising last year's bushfire materials to enhance the current information available.

Developed in collaboration with the CFA and Department of Sustainability and Environment, Tourism Victoria's suite of free materials inform visitors of the importance of bushfire safety.

A brochure, *Bushfire Safety Advice for Travellers*, provides important tips for staying, camping, hiking and driving in fire-prone areas. It also provides advice on Neighbourhood Safe Places, the new Total Fire Ban districts across the State and other bushfire safety initiatives relevant to visitors.

Other free initiatives include key tags, fridge magnets, fact sheets for hotel compendiums, Total Fire Ban signs for Visitor Information Centres and door hangers for accommodation providers.

CASHING IN ON CARBON

A new guide will help Victorian businesses cut costs and increase their competitive advantage as Victoria transitions to a low carbon economy.

[Cashing in on Carbon: A Climate Change guide for Victorian Businesses](#) provides practical tips for businesses, large or small, on ways to reduce their impact on the environment while achieving significant savings and boosting profitability.

The guide outlines key actions businesses can take to reduce emissions – from building a low carbon workplace culture to purchasing green power and offsetting emissions. It also provides information on how companies can develop effective strategies to capture new markets in a low carbon world, and raise their profile as a low emissions business.

To find out more about smart and simple ways of improving your bottom line and your environmental performance, visit tourism.vic.gov.au.

ROYAL BRUNEI TO LAND AT MELBOURNE AIRPORT

Royal Brunei Airlines will commence direct flights between Melbourne and the Brunei capital, Bandar Seri Begawan, from 29 March 2011. The four times a week service will provide 118,000 seats between Victoria and Brunei each year.

DEAL OF THE DAY: SHORT-TERM DISCOUNT MARKETING

Marketing via social media is growing in popularity, with businesses now actively engaging with Facebook and Twitter to reach their customers. Another rising trend is "Deal of the Day" where companies such as Jump On It offer customers "[a new discount deal every day](#)" from a wide range of businesses, including restaurants, hairdressers, adventure rides, health clubs and more. Based on the successful US business [Groupon](#), if a pre-determined number of customers take up the deal, a group discount is negotiated. If there aren't enough takers, the deal is off and no one pays."

From a business perspective, there are a few key points to be aware of before launching into a Deal of the Day type of promotion. [This article](#) provides a good overview.

INDUSTRY NEWS

AUSTRALIAN TOURISM DIRECTIONS CONFERENCE 2010

Minister for Tourism, Martin Ferguson AM MP, officially opened the first ever Australian Tourism Directions Conference at Parliament House in Canberra on Monday. The conference, hosted by Tourism Australia and the Department of Resources, Energy and Tourism, assessed the current position of Australian tourism, as well as future challenges and opportunities for the industry.

A new strategic approach aimed at doubling overnight expenditure for Australia's tourism industry, from \$70 billion to as much as \$140 billion by 2020, was unveiled at the inaugural event. [Download the document](#).



The conference will be held again in mid 2011.

[Download the presentations](#).

[Read Tourism Australia's press release](#).

TIMESHARE BOOM DESPITE GFC

The holiday ownership industry's regulatory body, Australian Timeshare Holiday Ownership Council, has reported the findings of its latest research project that shows robust growth and encouraging trends that Australians are embracing the concept of holiday ownership, along with all its benefits.

ATHOC commissioned AEC Group Ltd to conduct the research, comparing 2005 results with 2009, and found some impressive stats to report after surveying across the 78 participating properties.

Despite the effects of the GFC on the tourism industry in general, sales of holiday ownerships were up 55 per cent to \$205.4 million, with indirect economic benefit in Australia estimated to be more than a billion dollars across the board in 2009. The three major players, Accor Vacation Club, Classic Holidays and Wyndham Vacations Resorts Asia Pacific, all battled tough economic conditions but emerged stronger, albeit leaner, in some cases. [Read more](#).

PET HOTELS

The Sniff Dog Hotel offers high-end accommodation, grooming, training and daycare for canine companions. Features include elevated beds with fleece bedding, multi-hour play sessions and complimentary baths after a four-night stay.



All hotel guests are monitored 24/7, and an indoor play park features dirt-free K9 grass and custom playmate matching based on temperament. Further information can be found at the [Sniff Dog Hotel website](#).

BRANSON WANTS 4½-STAR CHAIN IN AUSTRALIA

Sir Richard Branson's Virgin Group has announced a serious intent to become involved in hotels in Australia.

In September, Virgin went into a partnership with investors Alberto Beeck and Diego Lowenstein in the US to buy up to \$500 million worth of properties over the next three years for a new high-end hotel venture.

The partnership will see Virgin Hotels operate as a third-party manager, with bricks-and-mortar owners. Virgin is seeking hotel sites in New York, San Francisco, Miami, Boston and Los Angeles, and plans to later expand globally.

The group also has a 51 per cent share in Virgin Atlantic Airways which plans to establish a joint facility at Sydney Airport. [Read more...](#)



SHERATON BACK IN MELBOURNE

The Sheraton brand will be back in Melbourne from 2013.

Starwood Hotels & Resorts has signed an agreement with Golden Age Development Group to operate a 170-room Sheraton Melbourne as part of a development on the site of Melbourne's Naval and Military Club.

The development combines the Sheraton hotel, upmarket un-branded residences and boutique retail.

The Sheraton Melbourne will be located on Little Collins Street between Spring Street and Exhibition Street within a 31-storey 'wavilinear' building.

The Golden Age Development Group is a privately-owned Melbourne based property development company.

AWARD MODERNISATION: HOSPITALITY INDUSTRY (GENERAL) AWARD

It is vital that employers understand the complexities of employing staff in the current industrial landscape. The Australian Industrial Relations Commission has undertaken an Award Modernisation process and created Modern Awards for various industries.

VECCI's Award Modernisation workshops will help employers comply with Award entitlements, and help you understand your minimum obligations for the workplace relations regulations that has been in place since 1 January 2010. For more information or to register [click here](#).

MAKING VICTORIAN TOURISM MORE ACCESSIBLE

Tourism Victoria's Accessible Tourism Plan 2010-2013 has been developed to encourage a consistent approach to accessible tourism issues.

The plan recognises the social responsibility of providing accessible tourism and aims to encourage businesses to see the economic and social benefits of offering accessible tourism product.

[Download the plan](#) at Tourism Victoria's corporate website.

SURVEY ASKS 'WHAT NEXT FOR BOOKING ENGINES?'

More than 160 international hotel chains have been analysed in order to improve the quality and the efficiency of the services provided by hotel booking engines. The research aims to help hotel managers find new solutions to improve and increase the business.

What are booking engines' main functionalities? How can booking engines sound as welcoming as the voice of a receptionist?

The present study investigates the contents and functionalities of the main hotel chains' worldwide booking engines. Measuring the interactivity of reservation systems and selecting relevant practices from 162 hotel chains, it helps to understand how to design or improve a booking engine. Results show a quite low degree of engagement with prospective customers and suggest a human-like interaction system may be the next step in this area; a booking engine should move from being just an inventory management system to becoming a recommendation system.

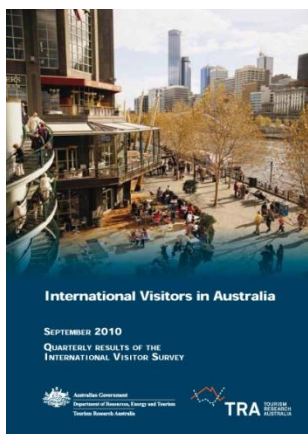
The increasing share requested by intermediating online travel channels may push hotels towards a higher degree of disintermediation, hence investing in their own booking engine. [Read more...](#)

LATEST IN RESEARCH

HOTEL FUTURES QUARTERLY - JUNE 2010

The Hotel Futures Survey for the June 2010 quarter is now available for download. Please click on the link to download your copy of [Hotel Futures Quarterly Report - June 2010](#).

RESULTS OF THE INTERNATIONAL VISITOR SURVEY FOR YEAR ENDING SEPTEMBER 2010



Despite the challenges over the past year, including the ongoing effects of the global financial crisis (GFC), the high Australian dollar and events such as the volcano eruption in Iceland, the number of international visitors to Victoria reached the highest level for the State on record.

In total, Victoria received 1.60 million overnight international visitors (+6.4 per cent) for the year ending September 2010; 1.49 million of these visited Melbourne (up 5.9 per cent year-on-year), the highest recorded number of international visitors on record. International visitor expenditure in Victoria increased 2.4 per cent, to reach \$3.9 billion, outperforming New South Wales, Queensland and the national average.

While there was a small decline (-1.1 per cent) in the number of international visitors visiting regional Victoria, visitor nights in the regions increased by 19.2 per cent to 4.76 million, with the average length of staying increasing to 15.3 nights. This increase in nights was influenced by year-on-year increases by the VFR (+35.0 per cent) and Holiday (+26.0 per cent) segments. However, international overnight expenditure in regional Victoria decreased year-

on-year (-9.9 per cent) to reach \$274 million, well behind New South Wales (+10.2 per cent), the regional average (-3.7 per cent) and slightly behind Queensland (-7.9 per cent). This is of great concern as the increased length of stay is not translating into better yield.

Victoria experienced growth across all the purpose of visit segments. Leisure visitors (Holiday and VFR) to Victoria recorded a year-on-year increase of 4.2 per cent, with both Business (+16.7 per cent) and Education (+6.3 per cent) segments showing the strongest increases. Importantly, for year ending September 2010 compared to year ending September 2009, international overnight visitor expenditure in Victoria increased 6.6 per cent in the Business segment and 4.3 per cent for Education visitors.

The growth for the Business segment (which includes a 42.8 per cent growth for Business Events) indicates a strong recovery from the global economic crisis. This growth can be attributed to most Tier One markets showing strong growth in business visitation: the UK (+44.5 per cent), the USA (+28.6 per cent) and China (+25.2 per cent). Despite this, the UK was the only Tier One market to experience an overall decrease in visitors (-3.2 per cent to 194,400), the lowest UK overnight visitation to Victoria since year ending September 2002 (194,000). This can be attributed in part to the under-performing UK VFR (-13.5 per cent) and to a lesser extent the Holiday (-3.1 per cent) segments.

For the year ending September 2010, international overnight visitation amongst other Tier One markets grew from China (+18.2 per cent), USA (+5.1 per cent) and New Zealand (+4.0 per cent), with China recording its highest ever visitors and nights spent in the State.

[Click here to download the full report.](#)

STATE OF THE INDUSTRY REPORT NOW AVAILABLE

The first ever [State of the Industry](#) report outlining how Australian tourism is currently performing, the challenges it will face and how the industry needs to respond was released in November. The publication, developed by Tourism Research Australia, is available for free [download](#). [Read Senator Sherry's press release](#).

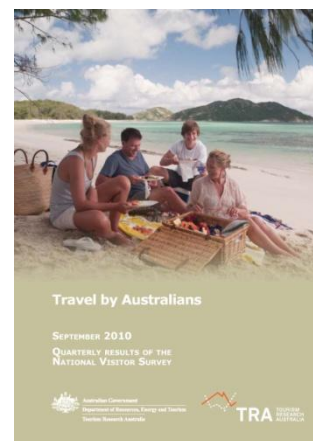
2020 TOURISM INDUSTRY POTENTIAL

The *2020 Tourism Industry Potential* is a rallying call to Australian industry and governments to focus on increased returns from the tourism industry. [Download the document and find out more](#).

LATEST RESULTS FROM THE NATIONAL VISITOR SURVEY

Results of the National Visitor Survey for the year ending September 2010 show that domestic overnight travel continues to remain flat or negative. This is in the context of continued strong growth in outbound travel, due to increased competition provided by low cost carriers and the high Australian dollar, and switching from overnight to daytrip travel.

Victoria recorded an increase in visitor nights (+1.1 per cent to 50 million) and expenditure (+2.0 per cent to \$8.6 billion), despite a decrease in domestic overnight visitors (-1.4 per cent to 15.7 million). The increase in expenditure was driven primarily by Melbourne (+4.1 per cent to \$4.7 billion). The growth in interstate overnight visitors to Victoria over recent years has been influenced by growth for Melbourne. For the year ending September 2010 Melbourne received 4.1 million interstate overnight visitors (+1.9 per cent year-on-year) compared to 3.5 million to Sydney (+9.3 per cent year-on-year). Melbourne's continued marketing activity, combined with major events and theatre productions has contributed to the greater number of interstate overnight visitors than Sydney.



Victoria recorded a decrease in intrastate visitors (-2.3 per cent to 10.3 million) and the overall intrastate overnight visitation to and within regional Victoria also decreased 1.8 per cent to 8.3 million overnight visitors. Domestic business visitation to Victoria, both interstate and intrastate, declined over the period (-3.0 per cent and -6.8 per cent respectively) and Sydney is gaining ground (up 10.3 per cent year-on-year), which is of great concern. Although international business visitation is up significantly, we need to hold the domestic business market, too.

Travel trends for all of Australia indicate an increased preference for domestic daytrips with Victoria increasing 6.3 per cent for the year ending September 2010 compared to the same period in 2009, and in line with the national trend. Melbourne was a key driver for the increase, up 11.0 per cent in daytrip visitors, as well as Yarra Valley and Dandenong Ranges (+31.6 per cent), Grampians (+28.0 per cent) and Daylesford and the Macedon Ranges (+18.8 per cent). This reflects a continuing trend over recent years (from year ending September 2006 to 2010) of shifting behaviour from domestic overnight trips to and within Victoria (-2.5 per cent per annum) to domestic daytrips (+5.4 per cent per annum). This presents a significant challenge for the tourism industry, which seeks to increase yield through increased length of stay.

In addition to this, outbound travel by Australians continues its increase, with Overseas Arrivals and Departures data for year ending September 2010 showing 7.0 million residents travelled overseas for short-term visits, a 15.9 per cent increase year-on-year, and an average annual growth of 9.5 per cent per annum from year ending September 2006 to 2010. Discounted airfares and the increasing number of airline services continue to contribute to this strong growth in departure numbers.

[Click here to download the full report.](#)

BUSINESS EVENTS: LATEST INDUSTRY PERFORMANCE

The Business Events (BE) industry is important for Australia, with all BE visitor spending in Australia worth around \$9.7 billion in 2008. BE visitors are also high yielding, spending on average \$234 per night in 2008, compared with \$163 per night for all visitors.

Since the March quarter 2008, supplementary questions regarding BE visitor travel have been included in both the International Visitor Survey (IVS) and the National Visitor Survey (NVS) conducted by Tourism Research Australia (TRA). The latest Business Events report is now available. Importantly, it features the industry's performance during the peak of the Global Financial Crisis (GFC), and in the January to June 2010 period when global economic recovery was under way.

[Click here to download the full report.](#)

WE WELCOME YOUR CONTRIBUTIONS TO THE HMAA NEWSLETTER. TO SHARE YOUR NEWS AND STORIES, EMAIL THEM TO TAMARA at tristevski@vecci.org.au.