

VICTORIAN VISITOR ECONOMY REVIEW

TTF SUBMISSION

Recommendations for a comprehensive strategy for the visitor economy in Victoria

MARCH 2015



Tourism & Transport Forum

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Executive Summary

Tourism plays a critical role in the Victorian economy, supporting 69,690 businesses¹, directly and indirectly employing 203,000 people and accounting for 7 per cent of state employment². In partnership with the private sector, strategic investment by the Victorian government in tourism marketing, major events, business events and infrastructure provide a foundation for the growth of Victoria's visitor economy. Over the past five years, growth in international visitor arrivals to Victoria averaged 7.1 per cent, outstripping every other state and the national average of 4 per cent³.

Victoria has built a strong brand identity that has remained consistent over time and regardless of the government of the day. This has enabled the state to capitalise on its strengths in major events, conferences, food and wine, sport and cultural attractions, with Melbourne recognised as a national leader in these areas. Public and private investment in visitor economy infrastructure has also enabled Victoria to facilitate growth of the industry.

However, Victoria's domestic and international competitors are strengthening their strategic focus on the economic development potential of the visitor economy and are matching this with a greater commitment to supporting the industry through an efficient and effective regulatory and legislative framework, as well as the provision of public funding for tourism marketing and infrastructure. Victoria cannot rest on its laurels while its competitors gain traction and market share in the visitor economy. It needs to regain its momentum and accelerate visitor expenditure growth further if the state is to achieve its stated objectives and maintain the competitive advantage it has strived to gain over the last two decades.

TTF would therefore like to congratulate the Victorian government on undertaking the Victorian Visitor Economy Review, the first of its kind in almost 20 years. The Review is timely, needed and appropriate, and has the potential to refocus Victoria's visitor economy strategy and reengage government and industry towards achievement of the 2020 overnight visitor expenditure target.

TTF also supports the Review's terms of reference, which clearly aim to identify the growth prospects for the Victorian visitor economy and examine how to better leverage them, consider the strategies and management practices being utilised by other competitors, and then recommend the most effective governance and funding arrangements to help the tourism and events industry in Victoria to succeed. TTF has structured its submission following a similar format, first outlining the importance of Victoria's visitor economy; recommending ways in which Victoria can leverage and improve its visitor economy by focusing on strategies to grow demand for travel, boost visitor economy infrastructure investment, improve the industry's competitiveness, and enhance the visitor transport experience; identifying the actions of some of Victoria's key competitors; and finally suggesting principles that should be considered by the government in determining its governance structures and funding models for organisations involved in the visitor economy.

The Victorian government now has the opportunity to reinvigorate the visitor economy through the Review and build on the state's success by delivering certainty for destination promotion, business events funding, building its major events calendar, investing in crucial visitor infrastructure and ensuring a competitive business environment. The government has an ambitious visitor expenditure target that must be matched by policy and funding commitments and a partnership approach between government and the tourism industry. The Victorian government should work towards a strategic policy approach that ensures Victoria continues to lead the nation in making the most of the opportunities offered by the growing visitor economy.

¹ TTF Victorian Tourism Business Count & Employment Atlas, 2014

² Tourism Research Australia, *State Tourism Satellite Accounts 2012-13*, 2014

³ Tourism Research Australia, *International and National Visitor Surveys*, June 2014 editions

Recommendations

GROWING DEMAND FOR TRAVEL	
Destination promotion	
	<ul style="list-style-type: none">– Continue to provide funding for tourism marketing and destination promotion.– Develop and fund strategies that improve visitor dispersal to regional Victoria.– Provide ongoing funding commitment to the delivery of the <i>China Tourism Strategy</i>.
Attracting air services	
	<ul style="list-style-type: none">– Continue to invest in cooperative marketing campaigns with domestic and international airlines.– Airline attraction funding should be reinstated at levels committed to in previous Budgets to ensure Melbourne is able to appropriately attract new international air services in the future.
Support the growth of new routes to Avalon Airport	
	<ul style="list-style-type: none">– Remove Avalon Airport from the classification as a Melbourne airport under bilateral air service agreements.– Revise the infrastructure and border agency staffing requirements for airports receiving international services.– Continue to advocate for changes to federal policies around air access that create unnecessary additional barriers to Avalon Airport attracting international services.– Continue to build awareness of the airport among residents of Geelong and Melbourne as well as promotion of the airport's proximity to the Great Ocean Road and western Victoria in the NSW market.
Developing the business events sector	
	<ul style="list-style-type: none">– Continue to support the growth and development of the business events sector in Melbourne and regional Victoria.– Provide sufficient funding to the Melbourne Convention Bureau to continue to leverage the Melbourne Convention and Exhibition Centre and for incentive bids to maximise the government's investment in these facilities.
Building the major events calendar	
	<ul style="list-style-type: none">– Confirm the funding envelope for the Victorian Major Events Company to enable it to plan for events and remain competitive with other events destinations.– Continue to build the major events calendar in Melbourne and regional Victoria.
Supporting cultural tourism	
	<ul style="list-style-type: none">– Maintain a competitive level of investment for Victoria's arts and cultural institutions, performing arts companies and other creative industries.– Recognise the importance of arts and cultural visitors to Victoria by supporting the work of Creative Victoria.
BOOSTING VISITOR ECONOMY INFRASTRUCTURE	
Expanding the Melbourne Convention and Exhibition Centre	
	<ul style="list-style-type: none">– Commit to the expansion of the Melbourne Convention and Exhibition Centre as a matter of priority.– Support the expansion of the Melbourne Convention and Exhibition Centre with adequate funding.
Enhancing nature-based tourism	
	<ul style="list-style-type: none">– Implement supportive legislative and regulatory frameworks that encourage strategic public investment in critical visitor infrastructure in and around parks.– Proactively consider opportunities for public-private partnerships to leverage private sector investment in new product and experiences within parks and other Crown Land.– Ensure the provision of a stable, efficient planning framework that fosters responsible use of natural assets, ideally with a dedicated point of facilitation within the government.– Work towards improved certainty of land use, inter-agency cooperation and long-term lease arrangements to facilitate private investment.– Provide sufficient funding for Parks Victoria to develop park infrastructure, and undertake marketing and conservation.
Developing Victoria's alpine resorts	
	<ul style="list-style-type: none">– Continue to support public and private sector investment in infrastructure to build and diversify alpine winter products and experiences.– Continue to provide funding support for marketing activities focused on Victoria's alpine resorts.– Support the construction of an additional new water storage facility at Mt Buller Resort to provide a higher level of security of water resources.– Provide a funding commitment for the first stage of the development of the Falls Creek International Altitude Sports Training Facility, the visitor centre at Rocky Valley Lake and provide a timetable for future stages.– Consider the development of trails for iconic multi-day walks, cycling and four-wheel drives, including a new multi-day walking experience between Falls Creek and Mt Hotham.

IMPROVING THE INDUSTRY'S COMPETITIVENESS

Tourist Refund Scheme

- Continue to support the privatisation of the Tourist Refund Scheme administration to deliver benefits to visitors, retailers, duty-free operators and the broader Victorian visitor economy.
- Engage with Treasury departments and Treasurers in other jurisdictions to align their support for privatisation of the Scheme.

ENHANCING THE VISITOR TRAVEL EXPERIENCE

Developing a tourism and transport strategy for Victoria

- Commit to the development of a tourism and transport strategy for Victoria that considers a broad range of issues including signage, the availability of multi-lingual information, ticket products and critical road and public transport infrastructure.

Improving land transport links to Melbourne Airport

- Complete the widening of the Tullamarine Freeway to reduce significant road congestion.
- Commit to the provision of a dedicated Skybus lane.
- Re-route the orbital bus network to improve bus reliability and coverage.
- Commit to reserving a rail corridor and construction of the direct link by 2025.

Redesign the visitor myki product to make it easier to use and better value

- Investigate, develop and provide a better value and easier to use visitor myki product, distinct from the standard commuter product and specifically designed to address the needs of short-term visitors.

GOVERNANCE AND FUNDING PRINCIPLES

Continued whole of government commitment

- Due to the prevalence of the ‘free rider problem’, the multi-faceted nature of the industry with multiple touch points within governments and across the three levels of government, is it vital to ensure a whole of government commitment to supporting and growing the visitor economy.

Clear objectives and understanding

- Organisations should be led by well-defined, strategic objectives that are set by a clear government economic development agenda.
- Government needs to recognise and acknowledge the importance of the visitor economy as an economic driver.
- Return on government investment should be considered using a triple bottom line approach.
- Need to achieve a balanced approach to supply and demand investment.

Focus on greater coordination

- Governance models should leverage the state’s competitive strengths while mitigating its weaknesses.
- Recognise the value of having specialised government-funded visitor economy organisations that are commercially-minded and relatively independent.
- The establishment of a Cabinet Visitor Economy Sub-Committee might be one mechanism to achieve greater coordination.

Market-driven industry requiring flexibility

- Maintain a level of operating flexibility to efficiently act on an identified possible competitive advantage.
- Recognise that visitor economy organisations operate in a different environment to other typical government departments and agencies.
- Refrain from placing the same funding restrictions and assessment processes for government advertising on visitor economy organisations.

Strategic and consultative decision-making

- Decisions should be strategic and based on research, industry expertise, best practice examples, and remain at arm’s length of personal and political agendas.
- Organisations should operate in a commercial environment, at arm’s length of government and with the oversight of an independent, industry-oriented and expert board.
- Encourage, if not mandate, broad industry consultation on key decisions and policy initiatives.

Commitment to implementation, evaluation and reporting

- Mandate regular evaluation and reporting on the implementation of strategies and achievement of set objectives.

Importance of Victoria's Visitor Economy

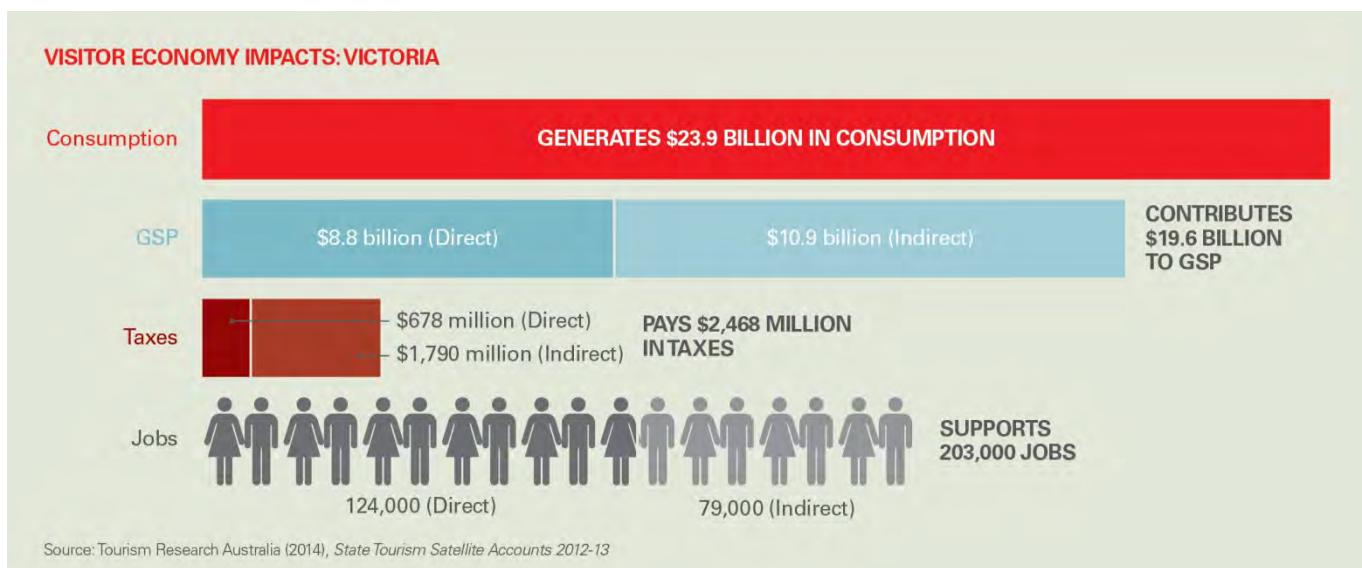
Tourism plays a critical role in the Victorian economy, supporting 69,690 businesses⁴, directly and indirectly employing 203,000 people and accounting for 7.0 per cent of state employment⁵. In partnership with the private sector, strategic investment by the Victorian government in tourism marketing, major events and infrastructure provide a foundation for the growth of Victoria's visitor economy. Over the past five years, growth in international visitor arrivals to Victoria averaged 7.1 per cent, outstripping every other state and territory in Australia, as well as the national average of 4 per cent⁶.

Tourism Victoria, through its Jigsaw campaign, has built a strong brand identity that has remained consistent over time and regardless of the government of the day. This has enabled the state to capitalise on its strengths in major events, conferences, food and wine, sport and cultural attractions, with Melbourne recognised as a national leader in these areas. Public and private investment in visitor economy infrastructure, including the Melbourne Convention and Exhibition Centre, the development of Crown Melbourne, and the increased capacity at Melbourne Airport, has enabled Victoria to facilitate growth of the industry.

Victoria's recent history demonstrates that the visitor economy thrives through long-term partnerships between government and the private sector. Sustained investment and commitment to this approach will be necessary to achieve the state's long-term ambitions of doubling overnight visitor expenditure by 2020.

The visitor economy is critical to Victoria

The last 20 years have witnessed a profound transformation in the Victorian economy. While traditional manufacturing has continued its long-term decline and the mining boom has been largely absent from the state, tourism provides an ongoing path to prosperity. Tourism now plays a central role in the Victorian economy, directly and indirectly contributing \$19.6 billion to gross state product and supporting over 203,000 jobs, 124,000 of these directly, and 69,690 businesses. Taxation revenue generated by tourism reached \$2.5 billion in 2012-13, or \$1,137 for each Victorian resident.



⁴ TTF Victorian Tourism Business Count & Employment Atlas, 2014

⁵ Tourism Research Australia, *State Tourism Satellite Accounts 2012-13*, 2014

⁶ Tourism Research Australia, *International and National Visitor Surveys*, June 2014 editions

Along with other knowledge and experiential services, a successful visitor economy will help to drive broad-based economic growth and create employment opportunities across Victoria. To support this growth, the Victorian government must ensure that policy and budgetary settings are calibrated to foster those industries with the greatest potential to create prosperity and jobs for the future.

In its ground-breaking report *Positioning for prosperity? Catching the next wave*, Deloitte Access Economics identifies tourism as one of the five growth sectors that can drive Australia's future economic growth and have the potential to collectively add \$250 billion to the Australian economy over the next 20 years⁷. The report notes that the intersection of global opportunity and national advantage is crucial to prosperity – and that Australian tourism is well positioned to be part of the next wave of wealth creation with the right public policy settings.

Among the drivers of demand for Australian tourism are our proximity to Asia, natural assets, positive perceptions of safety, and English and other language skills, aviation access, and international education.

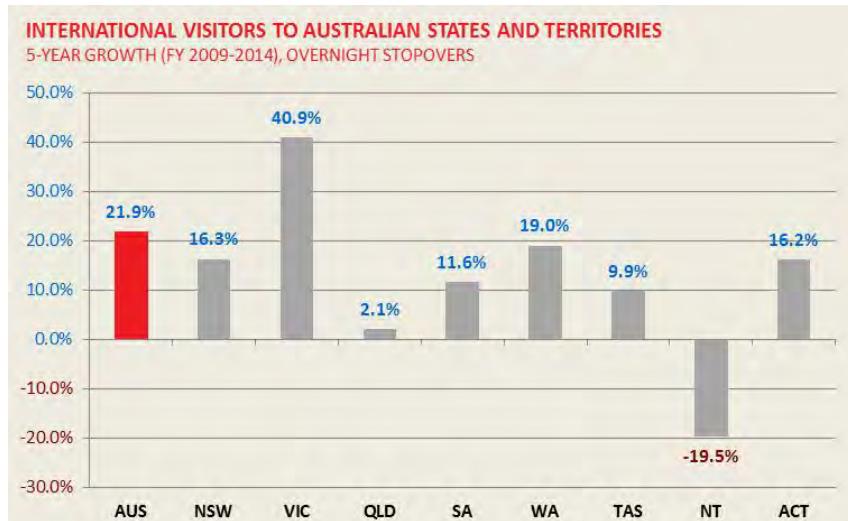
With global industry output forecast to grow at more than 4 per cent a year, outstripping global GDP growth of 3.4 per cent per year⁸, global tourism will more than double in size over the next two decades. In particular, with the number of Chinese citizens taking overseas trips expected to reach 100 million by 2015, tourism can convert the opportunities into income and jobs throughout the state⁹.

The World Travel and Tourism Council recently released two new reports highlighting the economic impact of the travel and tourism sector in 184 countries for 2015. The reports show that travel and tourism generated US\$7.6 trillion (10 per cent of global GDP) and 277 million jobs (1 in 11 jobs) to the global economy in 2014¹⁰. Its growth of 3.6 per cent was faster than the wider economy and out-performed growth in the majority of leading sectors in 2014. The reports also showed travel and tourism's contribution to world GDP grew for the fifth consecutive year, helped especially by strong demand from international travellers¹¹. Travel and Tourism forecasts over the next ten years also look extremely favourable, with predicted growth rates that continue to be higher than growth rates in other sectors.

The 2020 Tourism Strategy recognises the importance of engagement with international growth markets. Victoria's China Tourism Strategy was launched in May 2012, acknowledging the increasing opportunities China provides in growing Victoria's visitor economy. Tourism industry leaders have also joined government ministers on recent trade missions to China, India and Indonesia.

Victoria has outperformed other destinations in recent years, as evidenced by the 41 per cent increase in international visitors over the past five years, against average national growth of 22 per cent. However, Victoria's total overnight visitor expenditure is still only \$15.9 million.

Assuming annual growth continues at the same average pace as the past 5 years, for the next 6 years (until financial year ending June 2020), Victoria will only achieve total overnight visitor spending of \$20.5 million, falling short of its \$24.7 million 2020 target.



⁷ Deloitte, *Positioning for prosperity? Catching the next wave*, 2013.

⁸ ibid

⁹ ibid

¹⁰ World Travel and Tourism Council, 2015 Economic Impact Annual Update Summary

¹¹ World Travel and Tourism Council, World Economic Impact 2015 Report



China has already overtaken New Zealand as the largest market for international overnight visits to Victoria, with visitors from China making up a larger proportion of Victoria's visitor market than in any other Australian state or territory¹². To continue to build on this success, the Victorian government must provide ongoing funding to expand the Open Up to More campaign.

Tourism Research Australia recently released a report on the visitation trends around free and independent travellers (FITs) from China¹³. This report found that 45 per cent of leisure visitors from China were FITs and of these, 35 per cent entered Australia via Melbourne – compared to 45 per cent via Sydney.

When examining age groups, Sydney was the more popular gateway for younger cohorts (20 per cent versus 14 per cent for Melbourne). But Melbourne was more popular for 35 to 44 year olds and 45 to 59 year olds. Almost half of all travellers to Melbourne were aged 45 to 59 years old compared to this age group making up 40 per cent of all travellers to Sydney.

There was a lower regional dispersal rate for those arriving through Melbourne, compared to Sydney. Over half of Melbourne gateway visitors did not disperse beyond Melbourne. This figure was 47 per cent for Sydney. Two-thirds of holiday visitors and 44 per cent of VFR visitors arriving in Sydney dispersed beyond their city of arrival. However, the proportions were slightly smaller for holiday visitors arriving in Melbourne (64 per cent), while only around one third (32 per cent) of VFR visitors arriving in Melbourne dispersed. This data indicates that there is an opportunity for Victoria to increase the use of Melbourne as a gateway centre and also increase the dispersal of Chinese FITs into regional areas during their holidays.

Much of the international visitation growth has been driven by leisure travel – reinforcing the need for increased resourcing of tourism marketing. Over the past five years, Victoria received an additional 594,000 international visitors (representing growth of 41 per cent), 87 per cent of whom arrived on holidays or were visiting friends or relatives. The international education segment has also performed well, growing 16 per cent in visitor volume over the same period.



¹² Ibid.

¹³ Tourism Research Australia, *Dispersal of Chinese Free and Independent Leisure Visitors in Australia*, 2015

Fortunately, Victoria is well positioned to take advantage of the coming opportunities. Research undertaken for the NSW Visitor Economy Taskforce report found that out of all states, potential domestic visitors associate Victoria the most with ‘food and wine’, ‘festivals’, ‘arts and culture’, ‘sporting events’, ‘shopping’, and its reputation as being ‘progressive’¹⁴. Victoria was also strongly associated with ‘nightlife’, ‘history and heritage’, ‘family holidays’ and ‘short breaks’.

In partnership with successive state governments, the tourism industry has worked hard to achieve Victoria’s status as a preferred destination for domestic and international travellers. Innovative destination marketing, strategic investment in visitor infrastructure, and credible economic, regulatory and planning policies have given the tourism industry the confidence to invest in new tourism product, building the hotel rooms and increasing aviation capacity needed to support a growing visitor economy and to fulfil tourism’s potential as an economic development strategy for the state. Tourism Victoria should continue to be appropriately resourced to be able to continue to market the state domestically and to a burgeoning group of international visitors.

Victoria’s visitor economy policy context

In 2009, the Tourism Ministers’ Meeting endorsed the 2020 Tourism Industry Potential goal for Australian tourism to increase overnight visitor expenditure from \$70 billion in 2009 to between \$115 billion and \$140 billion in 2020¹⁵. This industry growth potential was developed by Tourism Australia and is driven by anticipated growth in international tourism from key source markets such as China.

In July 2013, Victoria’s 2020 Tourism Strategy was released. In line with the national approach, the strategy aims to grow overnight tourism expenditure to \$24.7 billion by 2020, requiring an annual growth rate of 6.6 per cent from 2009 to 2020. The strategy provides a clear vision for:

- Victoria to be a leading tourism destination in the Asia Pacific region
- Tourism to be a leading contributor to the Victorian economy
- Victoria to provide a range of experiences and an environment that supports the aspirations and culture of strong growth economies, such as China, India and Indonesia.

The Victorian Regional Tourism Strategy has identified the challenge of reducing regional Victoria’s dependence on traditional markets and of increasing international dispersal by making destinations outside Melbourne more accessible, attractive and relevant for Asian visitors.

TTF understands that the review of Regional Tourism Boards and Destination Management Plans in regional Victoria was provided to government in December 2014. TTF recommends that the outcomes of this review be shared with the industry for comment prior to being considered as part of the current Victorian Visitor Economy Review, in a way that does not cause any potential delay to the Review delivery.

Through the Visitor Economy Review, the Victorian government now has the opportunity and the capacity to build on the state’s success by delivering certainty for destination promotion, business events funding, building its major events calendar, investing in crucial visitor infrastructure and ensuring a competitive business environment. Strategies that commit to ambitious targets need to be matched by policy and funding commitments and a partnership approach between government, key agencies and the tourism industry. The government should work towards a policy approach that ensures Victoria continues to lead the nation in making the most of the opportunities presented by the growing visitor economy.

¹⁴ NSW Visitor Economy Taskforce, Final Report of the NSW Visitor Economy Taskforce, 2012

¹⁵ Tourism Australia and Department of Resources, Energy and Tourism, *2020 Tourism Industry Potential*, 2010

Leveraging and improving Victoria's Visitor Economy

Victoria is already recognised as a best practice leader in a number of areas of the visitor economy, including major events, sport, arts and culture, and destination branding. It is also well positioned to take advantage of the growth opportunities and trends in the global and national visitor economy. Australia's location in the Asia-Pacific presents Victoria with an unparalleled opportunity to benefit from the structural shift occurring in the global economy. The burgeoning middle class in Asia will continue to provide potential visitors and their increasing buying power makes them a key market for Victorian goods and services, including food and wine, nature-based experiences, education, health and technology. Tourism can provide an entrée to future relationships which can benefit the Victorian economy, creating jobs, supporting regional development and driving sustainable industry.

However, given the intense competition for the domestic and international tourism and events dollar, the Victorian government cannot afford to become complacent and needs to maintain a strong, coordinated focus on preserving and growing its competitive advantages.

To maximise the benefits from the visitor economy, TTF recommends that the Victorian government focuses on strategies that aim to:

- Grow demand for travel
- Boost visitor economy infrastructure
- Improve the industry's competitiveness
- Enhance the visitor travel experience

Growing demand for travel

a. Destination promotion

Successive Victorian governments and the tourism industry have worked hard over the past two decades to build the state's visitor economy. The highly effective and strategic approach to destination promotion has been crucial to the state's success at building awareness of Melbourne and Victoria as visitor destinations.

Victoria recently marked the 20th anniversary of the highly successful Jigsaw destination campaign, Australia's longest running and most successful destination marketing campaign. Now in its eleventh iteration, the campaign has enabled the state to build its brand both in Australia and overseas and to capture a significant share of domestic and international tourist markets. In 2013-14, Victoria welcomed 2 million international visitors and 19.6 million domestic overnight visitors, generating 107.4 million visitor nights.

Destination promotion by a single agency such as Tourism Victoria, in conjunction with private sector partners, provides consistent messaging to prospective visitors and contributes to building the value of Victoria's brand. Recent research indicates that an additional \$1 million in marketing expenditure at a national level generates an additional \$14 million in total inbound economic value¹⁶. The inability of private sector operators to fully capture the benefits of destination marketing for their organisation results in an underinvestment in marketing activities and a loss of potential economic value to the state, underpinning the need for continuing government support for tourism marketing.

¹⁶ Dwyer et al, *Destination Marketing of Australia: Return on Investment*, 2013

The long-term success of Tourism Victoria's campaign has contributed to the establishment of Melbourne as the most popular city destination for interstate visitors, having overtaken Sydney in 2006. Melbourne now receives almost 30 per cent of all interstate visitors¹⁷. In terms of all overnight visitors, 38 per cent of overnight stays in Victoria happened in Melbourne in the year to June 2014, compared to 33 per cent of all overnight stays in NSW happening in Sydney. This indicates that NSW has a slight advantage over Victoria in terms of regional dispersal and spreading the visitor economy dollar beyond metropolitan destinations. The announcement by the federal government that Tourism Australia will no longer undertake domestic tourism marketing activities has further bolstered the need for increased investment by the Victorian government to ensure that Tourism Victoria is sufficiently resourced to continue effectively promoting the state.

The role played by Tourism Victoria in developing and maintaining the Jigsaw campaign to build the state's brand is a world-leading example of the importance of consistent, well-funded destination promotion. Ongoing and consistent investment in destination promotion will be crucial to achieving the 2020 goal.

According to a report completed by Deloitte Access Economics for Tourism Victoria, tourism plays a particularly important role in the economies of regional Victoria, accounting for more than 35 per cent of gross regional product (GRP) in Phillip Island, and Daylesford and Macedon Ranges, and more than 20 per cent of GRP in Victoria's High Country and the Grampians. In 2011-12, tourism was worth \$10.9 billion in economic value add to regional Victoria and either directly or indirectly supported 109,000 jobs, or 12.8 per cent of total regional employment¹⁸.

Victoria's Regional Tourism Strategy puts in place a framework to supporting regional tourism growth and addresses the challenges of regional Victoria's dependence on traditional markets that are much more likely to disperse than the emerging markets. It does this by suggesting ways destinations outside Melbourne can be made more accessible, attractive and relevant for Asian visitors. This is particularly relevant given the latest findings of Tourism Research Australia¹⁹ of the lower regional dispersal rate of Asian visitors arriving through Melbourne, compared to Sydney.

Given the reliance of regional Victoria on the visitor economy, it is important to develop and adequately fund the delivery of strategies that improve dispersal rates to regional Victoria targeted at intrastate, interstate and international visitors. These strategies should consider the entire visitor experience, including the transport links and services from Melbourne to regional destinations, as well as the visitor products and experiences available in regional Victoria. Supporting the implementation of the Regional Tourism Strategy with funding commitments is crucial to its long-term effectiveness and helping to drive greater regional dispersal.

The China Tourism Strategy also seeks to aggressively grow overnight visitor expenditure by Chinese visitors by more than 11 per cent per year to the end of the decade, delivering \$2 billion in additional annual visitor expenditure. This would lead to an increase in GSP of \$18.2 billion over the period 2011-2020 and create 41,700 jobs in Victoria²⁰. Ongoing funding for the effective implementation of the strategy will be critical to achieving this objective.

Beyond China, other emerging markets, in particular the key growth markets of India and Indonesia, will also be important to achieving the growth targets in the 2020 Tourism Strategy. On a market segment basis, targeting high-yielding visitors will enable the government to achieve the greatest return on marketing investment.

An ongoing commitment to properly resourcing destination promotion programs, for both Melbourne and regional Victoria, will allow Tourism Victoria to not only build on the long-term Jigsaw campaign, but also expand its activities in growth markets and be crucial to growing awareness of Melbourne and Victoria as preferred destinations. Without this, Victoria risks losing market share to other destinations, both in Australia and overseas.

¹⁷ Tourism Research Australia, International and National Visitor Surveys, June 2014

¹⁸ Deloitte Access Economics, Value of Tourism to Victoria's Regions 2011-12, *Tourism Victoria*, 2013

¹⁹ Tourism Research Australia, *Dispersal of Chinese Free and Independent Leisure Visitors in Australia*, 2015

²⁰ Victoria's China Tourism Strategy, 2012

b. Attracting air services

Victoria was the first state to recognise the value of an interventionist approach to airline attraction. The industry continues to support Victoria's whole-of-government approach to airline attraction and route facilitation, providing consistent and reliable growth in visitation to the state. Destination marketing support, along with traffic expectations and airport costs, is a key factor in deciding new international airline routes particularly for carriers considering international services to Melbourne. In deciding to fly to a new destination, an airline can expect costs of around \$1 million per week until efficiencies of scale are realised and revenues stabilised. Typically airlines price lead in post-launch phase of route expansion, placing downward pressure on yields. Cooperative marketing funded by the state government can help offset these costs and grow Victoria's reputation more quickly than would otherwise be the case.

In the 2013-14 budget, airline attraction was removed as a specific line item, although \$2 million was committed over the forward four years to grow international markets. However, TTF understands that funds are made available with \$24 million additional funding over the forward estimates to increase regional tourism, grow international markets and maximise the potential of the growing China market. The funding will provide \$2 million to each of the three programs over the next four years. There is, however, a symbolic value associated with having an airline attraction fund, as a sign to the global aviation market that Victoria is actively courting new air services.

TTF recommends that airline attraction funding should be reinstated at levels committed to in previous budgets to ensure Melbourne is able to appropriately attract new international services in the future.

c. Support the growth of new routes to Avalon Airport

The Victorian government has supported the growth of air services to Avalon airport outside Geelong. The government has worked with Jetstar Airways, the airport's sole airline, to ensure its service to Sydney continues and that conditions are right for future expansion to the services and those of other airlines. Work needs to continue building up awareness of the airport among residents of Geelong and western Melbourne suburbs as well as promotion of the airport's proximity to the Great Ocean Road and western Victoria in the NSW market.

Additionally, the Victorian government needs to continue to advocate for changes to federal policies around air access that create unnecessary additional barriers to Avalon attracting international services. One means of achieving this is by removing Avalon from the classification as a Melbourne airport under bilateral air services agreements. Where capacity is constrained at the four major gateway airports, there remains incentive for non-constrained airports to offer landing slots for new entrant airlines. While TTF believes the biggest gains will be made in negotiating new bilaterals with those key Asian markets nearing or at capacity, if Avalon were available as an interim solution, it could provide an alternative for those international carriers investigating greater Melbourne access. The former federal government set a precedent to this effect with the 2013 Philippines air services agreement.

Another mechanism is to revise the infrastructure and border agency staffing requirements for airports receiving international services. Despite a stated position by the former government in its 2009 National Aviation White Paper: Flight Path to the Future to encourage international services from regional airports, aspiring domestic airports such as Avalon face the dual hurdle of high infrastructure costs and high border agency staffing costs. Interoperable walls, pioneered at Adelaide and the Gold Coast airports have reduced terminal design costs and paved the way for international trials at the Sunshine Coast. However, the Airports Act still proscribes almost 100 infrastructure requirements for international airports. Additionally, as the Sunshine Coast trials have demonstrated the processing of occasional flights from a low-risk, known origin such as New Zealand, is possible with a far smaller team of border officers than the relevant legislation requires.

With advances in mobile technology, TTF believes a team of four or five Australian Customs and Border Protection officers could process trans-Tasman flights, having been delegated responsibility for quarantine checks from the Department of Agriculture.

Together these two reforms could assist in making Avalon more attractive to either a foreign airline or an Australian airline wishing to offer trans-Tasman services to the Geelong area.

d. Developing the business events sector

The number of international conferences being held globally is increasing²¹. In the past ten years, there has been an average growth in international meetings of 5 per cent each year. This has been coupled with an increase in delegate numbers, with attendance figures rising by an average of 4 per cent each year in the last ten years. The number of international meetings being held in the Asia-Pacific region has also increased by 63 per cent since 2004 and delegate numbers by 49 per cent.

Research shows that international conference delegates stay in Australia for an average of 8.3 nights, representing an additional 2.5 nights of travel before or after the conference²². Further, the research found that 26 per cent of all delegates are accompanied by either a friend or relative on their trip to Melbourne, and 56 per cent of all delegates visit regional Victoria and/or other parts of Australia, making them a very lucrative visitor segment.

Victoria has been successful in developing its business events sector based on the Melbourne Convention Bureau providing a strong public-private partnership approach, and foresight and investment by successive governments in business events infrastructure such as the Melbourne Convention and Exhibition Centre (MCEC).

Melbourne has a number of significant advantages that position it increasingly well in the competition for major international convention and exhibitions. As currently the largest convention centre in Australia, the MCEC affords the state a competitive advantage in hosting meetings, incentives, conferences and exhibitions.

In 2011-12, the Melbourne Convention Bureau secured 210 international and national business events, generating more than \$361 million in economic activity for Victoria²³. The city was ranked first in Australia in 2011 and second in 2012 by the International Congress and Convention Association's Country and City Ranking Report 2011. At a regional level, Melbourne has ranked between 9th and 12th in Asia Pacific and the Middle East over the past five years.

Business events bring significant benefits to the state, with some \$1.2 billion in economic activity being generated annually. Major international conventions and exhibitions position Victoria as a global destination for investment and play an important role in driving increased trade, innovation and knowledge sharing across industries such as higher education, health sciences and biotechnology and advanced manufacturing, areas where Melbourne and Victoria hold a competitive advantage. They can also be a key tool in supporting the strategic policy objectives of government by showcasing Victoria's competitive advantages to a global audience.

Business events are also enormous drivers of visitation. Large-scale international conventions like the Diabetes Congress 2013 with more than 10,000 delegates and AIDS 2014 with nearly 14,000 delegates, generate huge dividends for the state. Business events visitors to Victoria are high-yielding, spending on average \$1,019 per day²⁴. The state also hosted more than 7,000 corporate incentive travel delegates who all visited regional Victoria as part of their itineraries, helping to disperse these benefits to regional destinations.

For a relatively small investment in the Melbourne Convention Bureau, government and the broader community are able to leverage significant benefits through an effective public-private partnership approach. However, Melbourne faces an increasingly competitive environment in the coming decade, with the development of the new International Convention Centre Sydney and ongoing investment in business events by regional competitors such as Hong Kong, Singapore and Kuala Lumpur. The business events sector is highly competitive, due to the potential return from high-

²¹ International Congress and Convention Association (ICCA): Global Experts in International Association Meetings

²² Melbourne Convention Delegate Study, 2013

²³ Melbourne Convention Bureau, Annual Report, 2012

²⁴ Melbourne Convention Delegate Study, 2013

yield delegates filling hotels and venues in low periods, while long lead times for winning major international business events require certainty in funding support.

To successfully compete for significant international business events will require the continuation of a long term strategic approach, building local partnerships and continuing to develop Melbourne's global reputation as an outstanding destination for business events. The Melbourne Convention Bureau must have sufficient funding to continue to leverage the world class facilities at MCEC and also for incentive bids to maximise the government's investment in these facilities.

e. Building the major events calendar

Crucial to the success of the Victorian visitor economy has been the development of a highly regarded portfolio of major events. Victoria has earned a reputation as the major events capital of Australia, building a highly regarded portfolio of Australia's major sporting and cultural events, including the Australian Open, Melbourne Fashion Festival, Formula 1 Australian Grand Prix and the Melbourne Cup Carnival.

This has been supported by major investments in cultural and sporting infrastructure such as Melbourne and Olympic Parks, the Melbourne Cricket Ground redevelopment, Federation Square, the Southbank Cultural Precinct and the Melbourne Museum. The annual events calendar also helps to improve the liveability of Victorian cities, market the state domestically and internationally, and develop deeper community interest in the arts and sport.

The establishment of the Victorian Major Events Company (VMEC) as an independent organisation with a single focus on bidding, developing and securing major events has significantly contributed to the establishment of Melbourne and Victoria's reputation as Australia's events capital. The VMEC is able to operate within and outside government structures to drive results for the Victorian visitor economy. Events developed and secured by the VMEC put Melbourne and Victoria on the world stage, raising its international profile and generating significant economic return for the state.

However, growing competition for major events domestically and internationally means that consistent funding for the VMEC is required to ensure Victoria remains a serious contender in facilitating and developing major events for the state. Confirming the funding envelope for the VMEC allows it to plan for events over the coming years and remain competitive with other Australian and Asia-Pacific events destinations. While the major events industry is increasingly competitive, it is also innovative and exciting, offering great potential for destinations to reinvigorate their visitor economy and achieve broader sectoral and industry development outcomes.

f. Supporting cultural tourism

In the year ending June 2013, there were 1.1 million international and around 2.7 million domestic overnight cultural visitors to Victoria. In addition, around 2.8 million day visitors attended cultural venues and events in Victoria. Cultural visitors represent 58 per cent of all international visitors to the state.

The most popular activity for Victorian international cultural visitors was to visit museums or art galleries (67 per cent), followed by visiting historical or heritage buildings (59 per cent) and attending theatre, concerts or other performing arts activities (23 per cent). The most popular attractions for Victoria's domestic cultural tourists to visit followed a similar pattern, with 46 per cent visiting museums and galleries, 27 per cent visiting historic buildings and monuments, 25 per cent attending the theatre, concerts and performing arts events, and 18 per cent attending festivals, fairs or cultural events.

Most importantly, cultural visitors stay longer and therefore spend more at a destination, making them a lucrative high-yield market for the visitor economy. The average length of stay for cultural international visitors to Victoria in the year ending June 2013 was 27.6 nights, compared to an average of 25 nights for all international visitors to Victoria.

Further, the average length of stay for domestic cultural visitors to Victoria was 4.2 nights, compared to an average of 3.1 nights for all domestic overnight visitors to Victoria.

Victoria, and in particular Melbourne, is known as the arts and cultural capital of Australia. For example, Museum Victoria is regarded as one of the world's leading museums with more ticketed admissions than any other cultural organisation in Australia, and therefore plays a leading role in the state's visitor economy. Museums and galleries form the daily visitor tapestry that complements major and business events, and provides a continuous attraction for visitors helping to fill beds, restaurants, shops and transport seats.

The reach of museums and galleries also extends far beyond leisure and cultural visitor market segments. For example, thousands of university students and their families, many of whom are international students and their visiting friends and relatives from overseas, attend their graduation ceremonies at the Royal Exhibition Building administered by Museum Victoria. There is an opportunity to build on this education experience by further developing philanthropic opportunities with local and international alumni networks to profile the Royal Exhibition Building as a conference and event venue in interstate and international markets, and convert the education visitor into a cultural visitor. The \$20 million federal government grant which will open up access to the Royal Exhibition Building's iconic dome by 2017 will contribute to growing demand from local and international visitors.

However, the government cannot afford to become content with other hubs such as Sydney, Canberra and Brisbane strongly vying for high-yield arts and cultural visitors through increased government investment, in an effort to emulate the success of cultural Victoria. Victorian cultural institutions risk losing visitors and market share if the government does not increase funding for arts and cultural institutions, performing arts companies and other creative industries, and maintain this competitive level of investment moving forward.

Boosting visitor economy infrastructure investment

a. Expanding the Melbourne Convention and Exhibition Centre

The expansion of the existing exhibition space at the Melbourne Convention and Exhibition Centre (MCEC) is the single most important visitor economy infrastructure need in Victoria. Recognised internationally as a leading destination for international association conferences and congresses, Melbourne's global reputation benefits from its outstanding convention and exhibition facilities. Much of the business transacted within the MCEC is closely aligned to key strategic outcomes designated by the Victorian government, including medical, scientific, education, and trade, contributing not only to the visitor economy, but the broader economic development of the state.

However, MCEC's exhibition facilities are facing serious constraints that are impacting its ability to secure new business worth tens of millions of dollars each year for Victoria. The Melbourne Exhibition Centre must be expanded to accommodate the growing number of large-scale international conventions that now require exhibition space as part of their event.

The MCEC generated \$555 million in economic benefit to Victoria in 2013-14²⁵. In 2012-13, more than 1,100 events were held in the centre, including 21 international conventions attracting 31,079 delegates and 66 national conventions attracting 45,730 delegates²⁶. However, over the same period, the centre turned away almost 20 per cent of new business because of a lack of available space.

The proposed expansion is particularly important given the significant recent infrastructure investment that has been made in Sydney, Adelaide and Brisbane, and the ongoing investment in convention infrastructure in cities throughout Asia.

²⁵ Business Events Council of Australia and Ernst & Young, The Value of Business Events to Australia, February 2015

²⁶ Melbourne Convention and Exhibition Centre Annual Report 2013-14

Upon completion, the new International Convention Centre Sydney will overtake MCEC as Australia's largest centre for business events. By expanding the Exhibition Centre, Melbourne can maintain its world-class meeting and exhibition facilities and build on its reputation as a global leader for business events. Maintaining the status quo, without government investment, will inevitably result in the MCEC experiencing deteriorating revenues due to the loss of market share, and more importantly, the loss of its number one mantle in the region.

b. Enhancing nature-based tourism

Victoria's international brand appeal is greatly enhanced by natural assets under the management of Parks Victoria including the Victorian Alps, Great Ocean Road, the Gippsland region and Point Nepean. In 2012-14, Victoria hosted 9 million international and domestic travellers who participated in nature-based activities including visiting national parks, botanical gardens and wildlife parks. In addition to 20 per cent of domestic overnight travellers and 8 per cent of day trippers, this includes 70 per cent of international visitors to the state, making the nature-based sector particularly important for the state's tourism exports.

Visitors who engage in nature-based tourism tend to generate higher yield and stay longer: international nature-based visitors, for example, spend 17 per cent more and stay 22 per cent longer than the average international visitor²⁷. With three of Australia's iconic National Landscapes situated within Victoria, the state is well-positioned to capitalise on the economic benefits of nature-based tourism. Beyond this, tourism also contributes to broader environmental and social outcomes, providing funding sources and points of engagement for Victoria's natural and indigenous heritage.

A study by Tourism Australia found consumers from some of Australia's key inbound markets viewed Australia's world-class beauty and natural environment as the third most important factor in selecting a holiday destination, behind only safety and value for money. However, capitalising on the potential benefits of nature-based tourism requires a supportive legislative framework and strategic public investment in critical visitor infrastructure.

There is an opportunity for government co-investment to leverage private sector investment in new product and experiences within parks and other suitable Crown land, including attractions, iconic eco-accommodation and adaptive re-use of built heritage, and work currently underway in this field must be allowed to continue. Government should be taking proactive steps to encourage private sector investment in and around parks.

To deliver quality tourism projects that drive high-yield visitation, the industry requires coordination of planning and regulatory reform, ideally with a dedicated point of facilitation within the government, including improved certainty of land use, inter-agency cooperation and long-term lease arrangements to facilitate private investment.

TTF has strongly supported the previous government's positive response to the recommendations of the Victorian Competition and Efficiency Commission's inquiry into tourism, allowing environmentally sensitive, private sector tourism investment in national parks. As a result of policy reforms to allow leases in national parks of up to 99 years, the Victorian government will be able to better leverage its investment in key visitor infrastructure in national parks by developing public-private partnerships at those sites.

Funding for Parks Victoria, including for visitor infrastructure in national parks, is critical in supporting regional dispersal, repeat visitation and economic activity in local communities. Significant projects, such as the Point Nepean National Park Quarantine Station, the Mt Buffalo Chalet redevelopment and the Shipwreck Coast Master Plan can provide sensible, sustainable interactions with the natural environment while providing visitors with an improved experience, encouraging them to stay longer and spend more.

Given the long-term nature of such projects, investors need certainty that the planning framework will not be subject to frequent change. Industry strongly supports a stable, predictable planning framework that fosters the responsible

²⁷ TTF analysis of Tourism Research Australia, International and National Visitor Surveys, June 2014

use of natural assets to further grow jobs and bolster local regional economies. It is also crucial to provide funding to upgrade existing built infrastructure at key sites in response to growing numbers of international visitors and their specific needs. Without sufficient funding for park infrastructure, marketing and conservation, local businesses in regions dependent on nature-based tourism will become unsustainable, affecting the economic viability of many of these destinations.

c. Developing Victoria's alpine resorts

Alpine resorts are the key economic drivers for the local communities in which they operate and are critical to the regions' economic sustainability. They are also key assets in helping to drive domestic and international regional disbursement. The alpine industry is growing with average Australian skier days increasing 1.3 per cent when comparing the last 5 year and 10 year skier day averages²⁸. Further, snowmaking has increased skier days three-fold in low snow years, and the visitor profile of participants indicates that alpine resorts are attracting new, younger visitors which will assist in underpinning sustainable long term visitation²⁹.

As each resort is different and unique, government investment should contribute to building each viable resort's competitive advantage rather than replicating investment across resorts. For example, resorts located close to Melbourne and easily accessible as day trip or short stay destinations, such as Mt Buller and Lake Mountain, are better positioned to take advantage of this market and this competitive advantage should be leveraged by those resorts.

A potential key strategic focus area for resorts is how to increase low snow visitation to offset revenue losses in low natural snow years. One means of achieving this is to drive new market segments by shifting away from a pure resort business model to a more holistic visitor attraction business model. For some resorts, this means investing in and building facilities and product to create attractions that attract new market segments. Development of attraction product at resorts should, however, be separate from the central resort hubs to avoid overcrowding and negative effects on ski visitors. Investment in new infrastructure will also ensure these new market segments build on overall resort visitation in both low and high natural snow years rather than simply substituting markets.

The Alpine Resorts Strategic Plan 2012 has provided the framework and vision for the alpine resorts to assist in growing Victoria's visitor economy. Growth is supported by the co-operative marketing program, undertaken by the Victorian government and alpine resorts. The Alpine Resorts Coordinating Council and Tourism Victoria also developed the Alpine Resorts Strategic Marketing Plan 2014-2018, with a baseline commitment of \$3.75 million to fund marketing activities in the plan over five years, including \$1.25 million from the Victorian government through Tourism Victoria.

Central to achieving the objectives in the strategic plan is public and private sector investment in infrastructure to continue to build and diversify the alpine winter products and experiences. Each of Victoria's alpine resorts are developing master plans to ensure that infrastructure investments support long term growth in the visitor economy during both the winter and green seasons. These plans should be considered as part of this Review.

A key pillar is a focus on the economic engine of winter, which contributed \$647 million to Gross State Product (GSP) and 6,000 jobs to Victoria's economy in 2012. Snow security is increasingly a challenge, with the growing reliance on snow-making reinforcing the need for government investment in providing basic underground infrastructure, such as water and power, in partnership with the lift companies that provide snow guns and other equipment. TTF supports the construction of an additional new water storage facility to provide a higher level of security of water resources available to the Mt Buller Resort.

²⁸ ASAA Skier day report

²⁹ Roy Morgan Australia research estimates Australian resorts are less reliance on Baby Boomers than international resorts. Australian ski market segments are Baby Boomers (10%), Generation X (26%), Generation Y (46%), and Generation Z (17%). This means that 60% of Australian ski participants are under 35 years of age.

While the green season is in its infancy, it is still worth \$94 million to GSP and supports 1,000 jobs. Some resorts are naturally better positioned to exploit the summer market due their proximity to other visitor attractions and experiences, such as the Rocky Valley Lake in the case of Falls Creek Alpine Resort. The Falls Creek Alpine Resort also has the unique natural environment and purpose-built facilities to allow for elite training at high altitude. Facilities catering to international and local elite athletes would provide year-round visitation to the Victorian Alps, addressing issues of seasonal demand which affect the area. Industry is seeking a commitment for funding for the first stage of the development of the Falls Creek International Altitude Sports Training Facility and providing a timetable for future stages. Such a facility would act as an internationally-competitive site for athletic training and entrench the region's reputation among the wellness and lifestyle visitor segments.

A component of the training centre facility would be a visitor centre at Rocky Valley Lake, as identified in the Greater Alpine Draft Management Plan, which was released for public comment in 2014. It is important to ensure this investment results in a well-serviced central hub for information and engagement, allowing greater opportunities to deliver educational and interpretative experiences by acting as the gateway to the surrounding areas. A similar initiative at other resorts would likewise benefit visitors and businesses within their respective regions.

Trails for iconic multi-day walks, cycling and four-wheel drives serve as crucial demand drivers for the key experience seeker segment who want more immersive experiences in nature. A new multi-day walking experience between Falls Creek and Mt Hotham would be a key demand-driving infrastructure investment, tapping into existing visitor markets at both alpine resorts and providing the potential for low-impact accommodation and guided tour options along the way.

Improving the industry's competitiveness

a. Tourist Refund Scheme

Australia's retail offering is a key attraction for international visitors, particularly those from the growing Asian visitor markets. Victoria stands to benefit greatly from increasing tourism shopping, with Melbourne widely-regarded as Australia's retail shopping capital. As mentioned earlier in this submission, Victoria has seen over 40 per cent growth in the number international visitor arrivals over the past five years – more than double that of any other state or territory. Looking forward, Melbourne Airport forecasts that it will service 64 million passengers annually by 2033³⁰. Given this extraordinary growth, retail shopping by international travellers will undoubtedly be a key part of achieving the yield targets associated with growing overnight visitor expenditure.

To increase competitiveness in this area, Australia needs to reform its Tourist Refund Scheme (TRS) so that it can better leverage retail activity, particularly from high-spending travellers from growing inbound markets such as China. The TRS is the scheme under which departing travellers may be entitled to refunds of Goods and Services Tax (GST) and Wine Equalisation Tax included in the price of goods purchased in Australia and taken out of Australia on departure.

TTF, in partnership with the Australian Federation of Travel Agents and the Victorian Tourism Industry Council, plays a leading role on the Tourism Shopping Reform Group (TSRG). The TSRG believes opening up the TRS to competition between private refund providers would deliver even greater benefits, including promotion of Australia as a shopping destination in key source markets and an improved visitor experience. This is the model adopted very successfully by rival destinations in our region, such as Singapore, and used in more than 40 countries worldwide.

The administrative costs of Australia's TRS are currently funded by state and territory taxpayers under the GST agreement. In other countries, the scheme operates on a user-pays basis. The Australian Customs and Border Protection Service, who administer the existing government-run scheme, has itself highlighted the need for a more

³⁰ Melbourne Airport Master Plan 2013

efficient and streamlined experience for departing international travellers in specific regard to TRS claims³¹. The NSW, WA and ACT governments have written to the Commonwealth to support reform of the TRS to allow competition by private refund operators.

The previous Victorian government had been a lead proponent of changes to the TRS through the GST Administration Subcommittee of the state, territory and commonwealth treasuries. TTF recommends that the Victorian government continues to support the privatisation of TRS administration to deliver benefits to visitors, retailers, duty-free operators and the broader Victorian visitor economy and engages with Treasury departments and Treasurers in other jurisdictions to align their support for the Scheme's privatisation.

Enhance the visitor transport experience

Due to the multiple and varied touch-points of the visitor economy, including transport, planning, environment and heritage, education, trade and investment, it is important to consider the tourism and events sector within a whole-of-government context and not in isolation of other government portfolio areas. This should also be the approach of the Victorian Visitor Economy Review.

Transport, in particular, has a significant impact on the experience of the visitor and the appeal of a destination in many ways. As tourism's very existence depends on accessibility, the relationship between the visitor economy and passenger transport cannot be underestimated.

g. Develop a tourism and transport strategy for Victoria

Ensuring that Victoria's transport network is meeting the needs of visitors is essential to their overall experience and impression of Melbourne and the state. In many international cities, public transport is, of itself, regarded as a part of the visitor brand – be it the red double-deckers of London, the Paris Metro, Hong Kong's Star Ferry or the New York Subway. In Australia, Melbourne's own trams are an icon for the city as are Sydney's ferries.

A good transport system impacts visitors who leave with a better impression and recommend the city to their networks. Easy to use and accessible transport also encourages visitors to travel to locations further afield – both within a city and to non-metropolitan regions.

Melbourne is served by a transport system that is world-class. However, often the needs of visitors are overlooked as government and transport agencies focus almost exclusively on the needs of regular commuters. More can be done to improve services and infrastructure that specifically assist both international and domestic visitors.

TTF believes that considering the needs of visitors, particularly those who do not speak English as their first language, should be ingrained in transport planning and service delivery. As a starting point, the Victorian government should develop a tourism and transport strategy which looks at ways in which the transport system can better serve those visiting the state. Such a strategy needs to address issues ranging from signage, the availability of multi-lingual information, ticket products through to critical road and public transport infrastructure serving highly-frequented tourism attractions and destinations. A Victorian tourism and transport strategy should be led by transport agencies but involve a whole-of-government approach.

h. Improve land transport links to Melbourne Airport

Melbourne Airport is one of Victoria's most important visitor economy assets, contributing \$1.47 billion to the state's economy and directly supporting more than 14,000 jobs³². By 2033, airport passenger movements are expected to more than double and airport-related jobs to grow to 23,000 employees.

³¹ Australian Customs and Border Protection Service, *Blueprint for Reform 2013-2018*

³² Melbourne Airport Master Plan, 2013

However, land transport access is increasingly limiting Melbourne Airport's growth potential. Significant road congestion, poor bus reliability and coverage, as well as the lack of a direct rail link, have all contributed to this fact. If left unchecked, poor landside access represents a real risk of undermining Victoria's key competitive advantage in commercial aviation.

TTF's report *Rapid Buses, Road and Rail* highlights the major projects necessary to improve land transport access to Melbourne Airport. These include completing the widening of the Tullamarine Freeway, provision of a dedicated Skybus lane, rerouting of the orbital bus network and, ultimately, the reservation of a rail corridor and construction of the direct rail link by 2025. These projects are vital to the Victorian economy and should be key priorities.

i. Redesign the visitor *myki* product

Melbourne's *myki* smart card can be a useful tool for visitors to travel on the city's public transport network. However, without a dedicated visitor product, Melbourne is missing out on an opportunity to improve value for visitors and make it easier to use.

The government has introduced a 'Traveller Pack' *myki* that contains a pre-paid card, maps and discount vouchers for attractions. This card, however, is simply a repackaged commuter *myki* and visitors have reported frustration at its complexity. Visitors are forced to try to interpret Melbourne's zonal fare structure and ensure their card has enough credit to cover the cost of their intended journey.

While the government has recently introduced a 'City free tram zone' and simplified Melbourne's fare zones, as well as introduced a larger number of outlets, including convenience retailers, hotel concierges and stations that allow for *myki* top-ups, the system still poses complications for visitors.

TTF is calling for a better value and easier to use visitor product, distinct from the standard commuter product and specifically designed to address the needs of short-term visitors. Such a product should provide visitors with the opportunity to purchase a pre-paid card that would allow unlimited travel on the network for a specified number of days. A dedicated visitor card should retain the feature of the current 'Traveller Pack' that provides visitors with access to a wide range of discounts for attractions. In addition, it should potentially allow them to use the card to pay for entry to these venues. A product that can be used 'out of the box', without the need for visitors to worry about fare structures and top-ups, would greatly enhance the experience for visitors to Melbourne.

Competitor strategies and practices

Competition for the tourism and events dollar nationally and internationally has become fierce, with more destinations and governments realising the potential of the visitor economy for jobs creation and broader economic prosperity. Victoria's competitors are not only leveraging their natural competitive advantages, but are undertaking a variety of initiatives to lift the status of tourism in their jurisdiction and better utilise the opportunities presented by public and private partnerships. The clear theme from each jurisdiction in Australia is that governments are increasingly investing in demand-driving activities, including infrastructure and marketing, to support the growth of the visitor economy.

NSW visitor economy funding commitments

The NSW Government has recognised the need to remain competitive with other jurisdictions in order to meet its objective of making NSW the national leader in tourism and events. The government has made a number of bold election commitments to support the growth of the visitor economy over the next four years in the state, including:

- Increasing tourism funding by an additional \$123.35 million, representing a 25 per cent budget boost, and bringing the total tourism and major events budget to more than \$643 million over four years.
- Creating a \$600 million cultural fund that will deliver upgrades of the Sydney Opera House and the Walsh Bay Arts Precinct as well as \$30 million in additional funding to grow the Western Sydney Arts Precinct.
- Providing Business Events Sydney with an additional \$6 million funding over the next four years.
- Attracting major events to Sydney and regional NSW with an additional \$73 million in funding.
- Supporting a \$115 million upgrade of Sydney's Taronga Zoo and a \$50 million upgrade at Taronga Western Plains Zoo in Dubbo, regional NSW.

In addition, with the new International Convention Centre Sydney (ICC Sydney) opening in December 2016, NSW will become the home to one of the premier integrated convention and exhibition centres in the Asia Pacific. With 35,500 square metres of exhibition space, the ICC Sydney will be the largest exhibition space in Australia, capable of collectively hosting more than 12,000 delegates.

Combined with the development of the new Barangaroo precinct, the redevelopment of the Darling Harbour precinct housing the ICC Sydney, and the redevelopment of the Bays Precinct area including the Sydney Fish Markets, Sydney is on track to greatly improve and regenerate its visitor offering. In light of this, expanding the MCEC must be made a high priority by the Victorian government to ensure the state retains its competitive advantage as a host for meetings, incentives, conferences and exhibitions.

The NSW government has also agreed to develop a combined tourism and transport strategy, which will ensure the needs of visitors to NSW will be core to the future of transport and infrastructure development in the state. Transport for NSW will lead the development of the plan working closely with Destination NSW. This commitment properly recognises the government's acknowledgement of the value of tourism to the NSW economy, and has the potential to transform the visitor experience of Sydney and NSW, encouraging visitors to stay longer, spend more, and make visiting regional destinations cheaper and easier.

Adelaide Convention Centre and Riverbank Precinct

Adelaide Convention Centre in South Australia, with the support of the state government, has embarked on an almost \$400 million expansion to re-affirm the facility's position as one of the world's premier conference centres. The redevelopment will help ensure the Centre remains competitive in a very demanding market and assist in bringing \$4.3 billion worth of tourism and related economic activity to the state over the next two decades.

In the past two decades, the Convention Centre has hosted thousands of events and generated more than \$1 billion in direct economic benefit to the state. However, capacity restraints have meant the Centre has in recent years lost hosting opportunities interstate and overseas.

The redevelopment program is being delivered in two stages. The first stage – the Centre's West Building – is now complete and was opened to the public in February 2015 with a week-long program of business, arts and free community events marking its official opening.

Stage Two of the redevelopment will replace the existing Plenary Building (home of the first Convention Centre in Australia in 1987) with a multi-purpose, state-of-the-art facility with plenary capacity of up to 3,500 seats. Increasing plenary hall capacity from 2,500 to 3,500 delegates will enable the Centre to bid for more than 500 additional national and international events which have previously been out of its reach. Work on stage two is well underway and will continue in 2015, with completion scheduled in 2017.

The Riverbank Precinct, in which the Centre is located, is also rapidly evolving into a new hub for Adelaide which incorporates new research, health and medical centres, educational institutions, sport, entertainment, and event facilities.

The state government has committed \$180 million to redeveloping Adelaide's Festival Plaza precinct, with the other \$430 million coming from Walker Corporation, which includes \$40 million towards the public works of the plaza. The redevelopment will include a premium office building, two levels of cafes, restaurants and retail behind Parliament House, a new underground car park and a complete redesign of the current Hajak Plaza.

The project is set to create about 2,500 construction jobs and 400 ongoing jobs and should be finished within about three years. The development complements other government-funded facilities such as the Adelaide Oval, Adelaide Convention Centre and plans to improve the Festival Centre experience.

Queensland visitor economy policy changes

The new government in Queensland, elected in February 2015, has taken a reinvigorated stance towards the visitor economy and its holistic consideration of tourism and events within the broader economic development agenda for the state.

Tourism is a critical economic driver for Queensland, contributing \$23 billion to gross state product each year. The state is in a prime position to leverage off the Commonwealth Games in 2018 to position itself as a key visitor destination in Australia and the Asia Pacific.

For a state dependent on tourism, adequate long-term funding is necessary to ensure Queensland remains competitive not only with other Australian states and territories, but also with international destinations. Honouring its pre-election commitments, the government has allocated the tourism portfolio to a senior member of the Cabinet, and provided a four year guarantee for tourism funding in addition to a \$40 million funding boost for Tourism Events Queensland over its four-year parliamentary term. Over \$100 million has also been pledged to protect the Great Barrier Reef, which is one of Queensland's leading tourist attractions. These are positive changes that will support the industry and encourage growth of the visitor economy.

The new government also ruled out the introduction of a bed tax, which was welcome news for the industry. Tourism in Queensland already makes a substantial contribution to taxation revenue, with some \$2.6 billion generated by visitor expenditure each year. Adding new taxes would further drive up costs for visitors and make Queensland less competitive, threatening investment in the sector.

The new Queensland tourism minister, the Hon. Kate Jones, has also committed to establishing a Tourism Cabinet Sub-Committee to bring together different areas of government to focus on tourism. The sub-committee will consist of Minister Jones, the Queensland Deputy Premier, the Hon. Jackie Trad and Queensland Treasurer, the Hon. Curtis Pitt, and be formed to discuss large tourism projects, such as the \$8.15 billion Aquis mega-resort proposed for Cairns, and help streamline the application and development process through multi-government agencies. The creation of a tourism investment facilitation Cabinet committee that combines the key portfolio areas of treasury, employment, infrastructure, planning, trade, local government, transport, tourism as well as Aboriginal and Torres Strait Islander partnerships, is a very positive step for the visitor economy in Queensland and clearly shows the government's commitment to supporting investment in the sector.

In 2012, the Queensland government confirmed an allocation of \$8 million over four years for a dedicated airline attraction fund to help get more direct flights into Queensland from key international source markets. The new government has further added to this, by allocating additional funding to attract new direct flights to Tropical North Queensland, namely Cairns and Townsville airports. Combined with the announcement of the development of a cohesive tourism and transport strategy, this is another welcome policy initiative by the government that benefits both residents and visitors.

Perth Stadium

Construction of the Perth Stadium in Western Australia commenced in December 2014 and will take three years to complete. The 42-metre high, five-level structure will be open in time for the start of the 2018 AFL season. The new stadium is expected to cost \$820.7 million to build, with \$81.7 million being set aside for a sports precinct, and \$16 million allocated for project management. The Western Australia government is providing 60 per cent of the funding during the construction stage with the remainder to be funded through a 25-year finance package.

The focus is on delivering a venue that puts 'fans first'. The Stadium will utilise innovative design techniques and state of the art technology, ensuring an unrivalled spectator experience. Roof coverage will be available for more than 85 per cent of the stadium's seats, LED lights will show home sports team colours, there will be two big video screens, over 1000 televisions, and 70 food outlets. The venue will be capable of hosting AFL, rugby, football, cricket and entertainment events, and will initially have a 60,000 seat capacity.

Transport is a big focus of the stadium construction, with public transport facilities being delivered to transport 83 per cent of a capacity crowd within one hour of an event finishing. Stadium Station will be the second largest in Perth, with a train leaving every two minutes, and special event shuttle buses will take spectators past 40,000 car bays in the city.

The design of the sporting and recreation precinct, which will surround parts of the stadium, will feature Dreamtime stories and will have three distinct recreational spaces. The western section of the precinct will house an amphitheatre, two children's playgrounds, picnic areas and a boardwalk, while the community sporting oval to the north will be available for public use on non-event days, as well as providing event-day parking.

The new Perth Stadium and Sports Precinct, alongside other local major developments, are set to enhance Perth's reputation as a world class city.

Northern Territory Cruise Market

The cruise ship market has grown in popularity globally and is a high yield market for the Northern Territory. Darwin attracts large international cruise ships, as well as offering reliable, efficient turn-around facilities for small expedition cruise ships during the dry season months of April through to September. The small expedition cruise ship market shows great potential for the NT as cruise lines look to explore the Kimberley region between Darwin and Broome, and the remote coastline between Darwin and Cairns.

The cruise ship sector currently contributes approximately \$66.8 million to the NT economy annually, with the bulk of this direct expenditure being operational expenses of \$57.5 million, while direct passenger and crew expenditure is approximately \$9.2 million.

To better realise the potential growth of the cruise market and to build on the Northern Territory Ten Year Cruise Vision 2004, Tourism NT in partnership with major stakeholders in the NT's cruise sector including Darwin Port Corporation, NT Department of Business, Tourism Top End, Darwin Waterfront, and private tour operators, has developed a draft Cruise Sector Activation Plan 2015-2020. The draft plan recently closed for public comment.

The plan outlines key areas of focus to grow the cruise sector and maximise the benefits for all Territorians, particularly focused on cruise ship attraction, infrastructure and facilities, and experience development. It also outlines core activities that will deliver real outcomes from the cruise sector in the NT, contributing to the strategic goals of Tourism Vision 2020: Northern Territory's Strategy for Growth.

Tasmania nature-based tourism

Tasmania's natural environment is one of its greatest assets and visitor attractors. The Tasmanian Wilderness World Heritage Area covers 1.4 million hectares – almost a fifth of the total area of Tasmania – and there are 19 national parks and more than 800 reserves.

Tasmania is unlocking its Wilderness World Heritage Area as well as our National Parks and Reserves to allow new tourism experiences that are complemented by sensitive and appropriate tourism infrastructure. The government is looking for developments which broaden the range of experiences on offer in the state by improving access for tourists while maintaining the integrity of the natural areas. We want to give more Tasmanians and visitors the opportunity to experience our unique, world class wilderness areas.

A total of 25 eco-tourism projects, distributed across all regions of Tasmania, have proceeded to Stage Two of the government's expression of interest process. Together they represent the greatest influx of tourism projects ever put forward in Tasmania. The government is building on the state's competitive strengths and its goal to transform Tasmania into the environmental tourism capital of the world, creating jobs for Tasmanians and helping reach a target of 1.5 million visitors a year by 2020.

Ministerial allocation of tourism portfolio

A positive trend has emerged across state and territory governments in Australia, where the tourism and events portfolio is being allocated to senior Cabinet ministers. This is not only raising the profile of the visitor economy in each jurisdiction, but also goes towards reinforcing a government's commitment to tourism and events for industry stakeholders. With the exception of Queensland and South Australia, the tourism portfolio currently rests with:

- Mr Andrew Barr MLA, the ACT's Chief Minister, Treasurer, Minister for Economic Development, and Minister for Urban Renewal
- The Hon. Adam Giles, the NT's Chief Minister
- Mr Will Hodgman, Tasmania's Premier, Minister for Hospitality and Events, Minister for Sport and Recreation, and Minister for Aboriginal Affairs
- The Hon. Dr Kim Hames MLA, WA's Deputy Premier and Minister for Health

In Queensland, the tourism and major events portfolio rests with the Hon. Kate Jones, a senior member of the Cabinet and Minister for Education, Small Business and the Commonwealth Games. In South Australia, the Hon. Leon Bignell MP is Minister for Tourism as well as Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Recreation and Sport, and Minister for Racing.

Governance and funding principles

There are a variety of governance and institutional arrangements and funding models implemented across state and territory jurisdictions in Australia that have their own merits and setbacks. While it is important to utilise structures that benefit a jurisdiction and reflect its unique intricacies, there are a number of overarching governance and funding principles that are considered best practice by industry and assist in supporting and growing the visitor economy. The below principles should be considered as part of the Victorian Visitor Economy Review, as effective governance and funding factors that can help facilitate industry growth and success.

Continued whole of government commitment

Federal, state and territory government tourism organisations deliver marketing, information provision and other activities in a way that cannot be replicated by a single private sector organisation. The majority of private sector organisations that undertake similar activities do so to promote their specific product or experience, with just a few delivering campaigns that promote a wider destination or include a larger number of visitor attractions.

Government tourism organisations also play a key, overarching and impartial role in destination development through marketing, public relations and research that benefits the industry and economy as a whole. This could not be provided by a single private sector organisation as their vested interest would first and foremost be in developing their own product. This is referred to as a ‘free rider problem’ as organisations only want to contribute to marketing that promotes their segment of the tourism industry, resulting in a lack of dedication to the common good.

The visitor economy by its very nature is multi-faceted, involving a range of small, medium and large businesses along with public amenities such as roads, parks, beaches and reserves. It encompasses a range of activities undertaken by visitors and includes a number of touch points across government, both economic and interactions with communities and environments. Due to the visitor economy’s multiple government touch points, it is important to consider the industry from a whole of government perspective.

Government tourism organisations are also able to better coordinate with other government departments and agencies in their jurisdiction that impact, or are impacted by, the visitor economy. As some of these activities are also coordinated across all states and territories in partnership with the Federal and local governments, government tourism organisations are able to work across all three levels of government to ensure a cross-government framework that is conducive to the industry’s growth.

Continued whole of government commitment to supporting and growing the visitor economy is, therefore, vital.

Clear objectives and understanding

Governance and institutional structures and arrangements, as well as funding models, should be based on clearly defined objectives that are set by a clear government economic development agenda. Consistent with the national long term tourism strategy, Victoria’s aim is to grow overnight tourism expenditure to \$24.7 billion by 2020. Achievement of this objective should be clearly defined as key strategic outcomes and actions, guiding the structure and funding allocation nominated by the Victorian government for departments and agencies that are charged with responsibility for either meeting or contributing to this target.

Reaching this goal will have a significant impact on the Victorian economy and should not be underestimated. By 2020-21 it is estimated that tourism will contribute approximately \$34 billion to Victoria's Gross State Product, both directly and indirectly, and generate an estimated total of 310,000 jobs³³. It is therefore important that not only the Victorian

³³ Estimates based on modelling undertaken for Tourism Victoria by Deloitte Access Economics, 2012

government has a clear objective that it strives to achieve, but that it understands the value and benefit for the state that will eventuate from the achievement of that objective. Further, the Victorian government needs to recognise the importance of the visitor economy as an economic driver and jobs creator.

The current fiscal environment faced by governments across the country means there is a stronger focus on investing taxpayer funds in initiatives that result in the greatest return on investment, with the best economic outcomes for the jurisdiction. However, given the extensive reach of the visitor economy and particularly the reliance of regional destinations on tourism and events, it is important to consider the return achieved from a holistic perspective – taking into account the triple bottom line of the visitor economy: social, environmental and financial. This is particularly important for initiatives in regional destinations, where the return on investment may not be as high as investment in metropolitan destinations, however the social and community impact may be more significant. While it is important to ensure tourism and event investment is strategic and delivers the best economic impact for the state, it is as important to ensure this return on investment agenda does not jeopardise development of non-metropolitan destinations.

Due to the supply and demand nature of the visitor economy, it is also important for the government to achieve a balanced allocation of resources for both demand-driving activities, such as tourism marketing, and also support for supply-side investment in the sector, such as visitor infrastructure. A balanced approach to investment will ensure a strong and sustainable visitor economy, and contribute to the government's achievement of its 2020 tourism objective.

Focus on greater coordination

It is important to recognise that there is no perfect framework or 'one size fits all' approach to the governance of organisations with responsibility for tourism, major events and business events. The impetus to creating a governance model should be to leverage the jurisdiction's unique competitive strengths while mitigating its weaknesses.

TTF strongly supports having specialised government-funded visitor economy organisations that are commercially-minded and relatively independent. They bring expertise in their specific field, are able to remain agile and flexible to take advantage of opportunities, yet have a clear modus operandi as economic development drivers working within a government framework to achieve set strategic objectives.

It has been identified that greater coordination, cooperation, and collaboration between the various organisations, as well as across government portfolios, would assist in better leveraging and cross-promoting the opportunities presented by tourism marketing, major events, business events and regional initiatives. Focusing on greater coordination between the key players in the Victorian visitor economy would also enable the industry to be represented to government by a group of champions that together are better able to advocate for the industry and leverage their collective, coordinated voice.

There are a number of mechanisms that can be implemented to achieve greater coordination, collaboration and cohesion across organisations. One mechanism might be the establishment of a Cabinet Visitor Economy Sub-Committee with high-level government representation, including the Premier, Deputy Premier, Treasurer and relevant Ministers. This mechanism would assist in achieving a number of outcomes, including:

- Raising the profile of the visitor economy in Cabinet and achieving high-level government buy-in
- Ensuring a whole of government approach to growing the industry and achievement of agreed objectives
- Engaging all Ministers on a broad, state-wide visitor economy agenda, lessening the likelihood of investment decisions being impacted by individual agendas or issues, or by the strength of individual Ministerial advocacy
- All organisations working towards the same set of government objectives and policy outcomes, and striving to ensure better return on government investment as well as a focus on the triple bottom line
- Breaking down the structural barriers of organisations operating within their own silos

- Ensuring better return on government investment

Irrespective of the mechanism chosen to ensure greater coordination across organisations in the visitor economy space within Victoria, it is imperative that the focus of this mechanism is strategic, strives to achieve the objectives set by the government, has a whole of government approach, includes industry representation, and is able to provide the flexibility needed to operate in a commercially competitive environment.

Market-driven industry requiring flexibility

The tourism and events industry is inherently market-driven, based on visitor demands and needs driving the supply of infrastructure and experiences. Due to the industry's nature, the role of government should be to create a political and business environment that is conducive to fostering investor confidence, and facilitate investment and development initiatives that contribute to the achievement of the state's visitor economy, and broader economic objectives. Government should not seek to manipulate market forces, but to create a regulatory and legislative framework that supports and facilitates market-driven investment in infrastructure and experience supply.

The market-driven nature of the industry also means that domestic and international stakeholders are extra-vigilant, dynamic and innovative as they strive to gain a competitive advantage from the opportunities presented by new trends, visitor preferences, partnerships and the latest developments. To remain competitive in this context, it is essential to have a level of operating flexibility that enables a government organisation to efficiently act on an identified possible competitive advantage.

The governance structures and funding arrangements for statutory authorities enable this level of flexibility to respond to demand and take advantage of opportunities, while still having stringent due diligence practices in place to ensure the best return on investment for taxpayer funds. The greater operational flexibility provided to statutory authorities enables them to operate more effectively in an agile and commercially competitive manner.

Irrespective of the governance structure, however, it is also important to recognise that organisations responsible for tourism and events are essentially operating in a very different environment to other 'typical' government departments such as health, education and emergency services and have substantially different uses of taxpayer funds in order to meet their objectives and key performance indicators. While it is essential for tourism agencies to achieve the best return on investment for taxpayer funds, they should not be bound by the same restrictions as other government departments. This predominantly relates to restrictions on the amount of funding spent on government advertising as well as the assessment process for granting expenditure exceeding a certain amount on government advertising. The fact that visitor economy organisations are fundamentally marketing organisations that rely on advertising to help drive demand among visitors needs to be fully recognised in the governance arrangement and funding structures implemented by the Victorian government.

Strategic and consultative decision-making

An extension of the market driven nature of the visitor economy is that decisions should be strategic and based on market research, industry expertise, domestic and international best practice examples, and remain at arm's length of political and individual agendas. This will help to mitigate the potential failure of investment decisions and instil faith in government structures.

It is good governance practice to have organisations operate in a commercial environment at arm's length from government, with the oversight of an independent, business-oriented and expert board. This best-practice structure is currently in place in every state and territory, except the ACT. A formally constituted board provides a clear layer of accountability for the chief executive, gives industry certainty about the rigour of the agency's strategic framework and

encourages investment. Removing this level of governance unnecessarily exposes the decision-making process to the vagaries of the political cycle.

Industry must have certainty that the finite marketing dollars at the disposal of tourism organisations will be spent according to independent and commercially-oriented advice, not the political whim of the Minister or government of the day. This is sound governance and helps to promote industry and taxpayer faith in government structures and decisions. Without a board structure, future investment, and its associated jobs and growth, could be put at risk. TTF therefore strongly supports the maintenance of a board structure for key visitor economy organisations in Victoria.

In a similar vein, effective and efficient governance structures should encourage, if not mandate, broad industry consultation on key decisions and policy initiatives. The government, and its tourism departments or agencies, should leverage the corporate and industry knowledge held by private operators and associations in the visitor economy, to better inform government policies, help identify barriers to investment, and take advantage of competitive advantages or opportunities.

Commitment to implementation, evaluation and reporting

Evaluating the success and progress of implementation of a strategy and reporting this to government and industry is paramount as a sound governance principle. Strategy evaluation is as significant as strategy development, as it sheds light on the efficiency and effectiveness of the comprehensive plans in achieving their desired results. It is also important to assess the continued appropriateness of the current strategy, especially given the dynamic, innovative and competitive nature of the domestic and international visitor economy. Sharing information and knowledge about strategy evaluation is also essential as a means of engaging government and industry, and ensuring buy-in from key stakeholders.

Victoria's Tourism Strategy 2020 was released in July 2013 and built on the 10-year Tourism and Events Industry Strategy from 2006. While an implementation and evaluation plan was to be completed for the Strategy, which was to include an annual review, this has not been undertaken to date.

The Victorian Auditor-General's audit of tourism strategies in December 2013 found that:

- The 2006 strategy had been only partly effective as it did not adequately evaluate the strategy against its priority areas and high-level goals; and
- A potential shortfall of the 2020 Strategy was that it was not informed by a full review of the 2006 strategy's strengths and weaknesses.

To ensure the Victorian Visitor Economy Review does not face these same shortfalls and builds on existing work and initiatives, TTF encourages the Victorian government to undertake a full comprehensive evaluation of the 2020 Strategy, and regularly report back to industry on implementation of the new strategy for the visitor economy. The governance structures implemented by the Victorian government should also mandate regular evaluation and reporting on the implementation of strategies and achievement of set objectives.