

2019-20  
VICTORIAN  
BUDGET  
SUBMISSION

# FUTURE ECONOMY FUTURE JOBS



# Future Economy | Future Jobs

## Executive Summary

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Tourism & Transport Forum Australia (TTF) is the peak industry association for the tourism, transport and aviation sectors, representing major corporates and organisations across Victoria.

Tourism, transport and aviation are all sectors critical to the Victorian economy and TTF welcomes the opportunity to highlight the key priorities for these sectors for consideration and inclusion within the 2019-20 Victorian Budget.

Tourism employs over 214,000 Victorians, contributes \$12.2 billion in Gross State Product (GSP) to the Victorian economy and generates \$31 billion of consumption spending across the State.

There are a further 213,000 Victorians employed in transport related roles and the State has been investing significantly in its transport systems to keep pace with strong general population growth.

There is also a once in a generation accommodation boom taking place across Victoria delivering more than 11,500 new hotel rooms over the next five years as Melbourne continues to attract some of the most prestigious international events and conferences.

Outside Melbourne, emerging regional destinations like Victoria's High Country are growing in popularity, joining longstanding favourites like the Great Ocean Road and its Twelve Apostles, which enjoyed an 8.5 per cent increase in visitation in 2017-18.

However, policymakers must not rest on their laurels and must continue to work closely with the private sector to harness the latest technology and build and improve upon key infrastructure to make destinations easier to visit and move around in, for locals and visitors alike.

Targeted investments will ensure Victorian cities, towns and regions are able to meet the mobility challenges of the future which will allow them to further develop as tourist drawcards.

This first Victorian Budget following the Government's re-election in November is an opportunity to renew support for tourism, transport and aviation so that these job creating sectors are able to keep pushing the State's visitor economy forward.

Margy Osmond  
**Chief Executive**  
**Tourism & Transport Forum**

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## Budget Recommendations

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### 1. Sustained destination marketing funding

Destination marketing agencies like *Visit Victoria* play a fundamental role in a State's economy. They allow jurisdictions to unify their efforts and strengthen their competitive position to attract international, interstate and intra-state visitation and thus enable ongoing economy-wide benefits.

TTF research report *Supercharging Australia's Future* found that for every additional 1000 visitors to Victoria, the tourism industry could be expected, on average, to generate 2.9 tourism related jobs, over \$397,000 in tourism consumption, \$296,000 in GSP contributions and \$34,000 in tax contributions.

Further, recent independent evaluation has found that every dollar of *Visit Victoria's* marketing expenditure generated between \$13 and \$27 in spending by tourists. The evaluation assessed the agency's marketing expenditure as generating a total impact of up to \$470 million per annum and 2,100 additional jobs.

With these figures in mind and as competition between both international and interstate markets for the tourism dollar continues to increase, *Visit Victoria* must be able to rely on sustainable, multiyear funding. The 2019/20 Budget must commit to at least **\$400 million in funding over four years** for *Visit Victoria*, reaching similar levels to other jurisdictions like Queensland and Western Australia. This annual \$100 million in funding would enable increased destination marketing activities, both internationally and nationally.

This would allow for further broadening of Victoria's appeal across inbound markets like India, South-East Asia and the US, while continuing to pursue significant growth in Chinese visitation. It would also enable increased funding for events to regional Victoria in addition to attracting large business conferences and significant cultural and sporting events to Melbourne.



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## 2. Regional visitor infrastructure and nature-based tourism funding

Approximately ten per cent of regional jobs in Victoria are tourism-related and there has been significant growth in nature-based tourism. In some regions such as Phillip Island, Victoria's High Country and the Great Ocean Road, the share of direct and indirect employment is up to 39 per cent. This is set to grow further with tourism already Victoria's third-largest export and forecast to become the State's largest over the next five years.

If regional Victoria is to fully realise the benefits of tourism, including nature-based tourism, policymakers must support emerging destinations as well as successfully manage destinations that are already popular. There is a need, for example, for additional government investment in Victoria's alpine resorts. They need to be further developed as year-round tourism destinations in a manner that leverages existing infrastructure and investment and increases their contribution to regional economies, regional tourism and GSP, particularly in light of climate change challenges.

Further, in an increasingly 'connected' world, and with soaring global use of smart phones and tablet devices, many travellers do expect to have internet access while they are exploring. Parts of Victoria do not currently provide the level of access that travellers receive in other competing destinations. Policymakers must commit additional funding to deliver and improve upon free high-speed WiFi in Victoria's iconic cities and tourist destinations.

Other opportunities for Victoria to lock in and strengthen its position as a compelling regional destination include partnering with Regional Tourism Boards to attract more visitors to regional Victoria, especially those regions with unfulfilled potential, as well as attracting more visitors to these areas across all seasons including the traditionally quieter winter period. Further, it is critical that the State Government allocates substantial funding to the development of a specific nature-based tourism strategy, separate to the Victorian Visitor Economy Strategy Action Plan, in line with other jurisdictions around the country.

## 3. Significant transport infrastructure funding

The guiding view across the industry is that if a destination is easy and attractive to live in for locals then it is easy and attractive for visitors to travel to and move around in. Improved airport groundside connectivity is critical to this visitor experience improvement.

TTF welcomes the Victorian and Commonwealth Governments formally signing the Heads of Agreement to progress the Melbourne Airport Rail Link, which has established a project team to develop a full business case for the \$10 billion jointly funded project. This business case must be completed before the end of 2020, to allow for the construction to commence by the Government's own deadline of 2022. It must include analysis of the regional economic benefits that that would flow from its confirmed alignment via Sunshine which would better connect the airport to regional hubs like Geelong, Ballarat, Bendigo and beyond.

TTF welcomes recent upgrades to intersections across Melbourne to improve traffic flow. With significant population growth and urban sprawl comes an associated increase in vehicles and road users. It is therefore, imperative, that initiatives to ease congestion such as priority bus and tram lights and permissible turning lanes are implemented in the Budget, to improve traffic flows.

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Another priority for the Victorian transport industry is to ensure transport modes are integrated. An integrated transport service will be part of the solution in attracting private road users (usually car) to public transport. Transport integration ensures that regardless of the mode or type of transport – they operate as one seamless entity. Not only does this assist in time and convenience but full integration of modes facilitates intermodality (completion of a trip using two or more different modes) and multimodality (the use of different modes for different trips).

Locals and visitors to Melbourne are reliant on the train network to provide the ‘spine’ or ‘trunk’ that feeds the city and that is why investment is also required in bus networks and first and last mile solutions to ensure people in both metropolitan and regional Victoria can better access train lines. TTF also welcomes recent investment in upgrades to bus and tram interchanges to ensure these are accessible for all users and provide a safe and sheltered space to wait or change services.

Further, providing commuters with seamless public transport payment options is critical to ensuring greater use of public transport services. The Budget must provide support for increased use of contactless payments for Myki especially for those public transport users with non-android phones and wearable devices.

## 4. Future mobility readiness funding

A recent joint TTF and L.E.K. Consulting future mobility research report found that Victoria is progressing well with respect to shared mobility readiness, particularly in Melbourne. However, strong population growth and amenable geography mean the State Government has the opportunity to jump ahead of the pack and sit at the forefront of transport technology innovation.

One of Victoria’s key strengths in the new mobility space is its robust framework for Autonomous Vehicle (AV) trials. The 2018 amendment of the Road Safety Act created a permit system to allow driverless vehicle trials and was designed to encourage development of AV technology in Victoria. Victoria was second only to South Australia in introducing this legislation. While there has so far been limited progress in the uptake of Electric Vehicles (EVs), a government inquiry into EVs was tabled in May 2018. This included a thorough examination of the current EV landscape in Victoria and the steps required for government to create a more supportive environment. The Budget should consider these next steps including targeted investments in new charging infrastructure to support EVs.

TTF would also encourage further investment in the use and availability of data. Making data available is the first step to enable information to be extracted and analysis performed. Transport and tourism operators can use this information to innovate and design customer service offerings that meet the needs and patterns of users. Victoria is on a pathway of increased accessibility to open data. TTF realises this needs to be undertaken with care and with a strategic vision of the end goal. TTF would therefore encourage further investment in data collection and accessibility capabilities to ensure Victoria keeps pace with advancements in data, analytics and technology in a responsible and meaningful manner.

TTF recommends that policymakers commit funding to the development of a unified transport technology strategy, which would bring much of this work together and provide further impetus for future transport technology development.

*For further information contact TTF Policy & Government Relations Manager Lindsay Hermes | 02 9240 2015 | 0418 948 447 [lhermes@tff.org.au](mailto:lhermes@tff.org.au)*