
BRIEFING NOTE

Victoria's 2020 Tourism Strategy

July 2013

Context

The Victorian State Government has released the 2020 Tourism Strategy. The over-riding aim of the strategy is to grow overnight tourism expenditure to \$24.7 billion by 2020. The key focal points for achieving this are;

- Focusing on growth markets, in particular China in short term and India Indonesia and Malaysia in the medium-long term
- Building collaboration between Government and regions
- Increasing the tourism benefits of major and business events, and
- Identifying and realising key tourism investments.

The Committee has been working with interested members to develop a paper that outlines the economic importance of Major Events, Conferences and Sport to the economy of Victoria. The importance of this collective sector is often under-estimated, however in a future economy context, in particular in a scenario in which the Australia dollar's remains at a more realistic parity level, these sectors will play a strong role in strengthening our economy. Following the development of this position paper, the next step is to identify areas in which we need to improve our performance to maintain our leading position as a destination for major sport and business events. There are a number of priorities in the Tourism Strategy Paper the Committee feels are key:

Key priorities

i) Air Services Attraction Priority Area

- Support the short-medium term action to improve the visitor experience and initial impression of Victoria at airport gateways.
- Support the strategy's action of '*strengthening airline attraction strategies (e.g. including airline maintenance) to encourage airlines to use Melbourne airports as a connection hub.*' However, we would be keen to see this notion developed further in recognition of the strength of the aerospace industry present within Melbourne and wider Victoria. For example, how can airline attraction strategies complement the wider value-chain of aerospace industries present within the state?
- Support the long-term strategy for Avalon airport to become an international airport, together with the need for necessary land-based infrastructure support required to realise this.
- Support the strategies action for the long-term sustainability of Melbourne Airport as an international airport through the support of long term master planning.

- Support the short-medium term strategy for the development of a strong partnership with an international airline that promotes Melbourne Airport as its Australian hub.

ii) Major and Business Events Priority Area

- Support the strategy's recognition of and focus on a year round calendar of events and business events. It is important that this strategy recognises and supports a diversity of events across sectors including sports, arts, and conferences, but also a range of sizes including small and medium size events of importance that encompass both city based events, as well as events that promote our regional centres.
- Support the strategy's support for the expansion of MCEC, subject to funding availability.
- Support the short-medium term action to increase destination exposure through international event broadcasts and expanded online video content.

iii) Investment Attraction and Infrastructure Development Priority Area

- Support strategies for upgrades of related port infrastructure, such as marinas and ferry infrastructure, to take advantage of the increase in cruise shipping and tourism boating opportunities.
- Support the establishment of infrastructure to meet the needs of an increase in visitor numbers. In particular, the Committee believes we need to pay attention to better use of our waterfront when developing this infrastructure.

iv) Domestic Marketing Priority Area

- Given the challenges of regional tourism, support the strategy's action of raising awareness of key regional destinations, together with the roll-out of an intrastate campaign. A strong regional tourism offer complements and supports the sustainability of Melbourne as a tourism destination in its own right.

Other issues for consideration

While the strategy paper does highlights some key areas of importance, there are a number of additional issues not specifically addressed in the paper that the Committee believes are essential.

- Recognition of the strong growth in competitor markets both interstate and internationally. While Melbourne is still considered a world leader in this space, other countries are quickly realising the value of major sporting and business events as economic drivers and are making concerted efforts to gain a slice of the market share. This issue was one that was unanimously recognised as a threat by every member organisation in attendance at our forum. If you consider Canada has recently (2010) been granted Approved Destination Status (ADS) by China, and NSW has recently established and strengthened the role of Destination NSW, it is clear we cannot afford to be complacent in this space.
- While the strategy gives consideration for the pre-arrival (marketing) and duration stay of tourists, there appears to be little consideration for the 'after-care' of tourists. How do we

ensure those who return to their countries of origin tell their stories to friends and colleagues at home?

- We need to quantify the cost of the risks associated with a 'do nothing/ business as usual' option. For example, business events have been turned away from MCEC due to excess demand. What was the lost dollar value to both the Victorian and Australian economies as a result of this?
- Have we clearly identified the key issues driving change in the tourism sector, and developed appropriately flexible strategies to deal with these changes?
- While the need to '*develop and promote unique experiences*' has quite correctly been expressed, there needs to be a clearer definition of what these 'unique experiences' are.
- We need to better recognise the full range of benefits attributable to the major events and business sector. Too often, the full range of indirect benefits, for example the creation of business linkages and business co-location as a result of business and major events, are forgotten or underestimated.
- While the strategy is right to focus on the growth markets (China and India), it is also important to remember to service Victoria's identified tourism core markets – the UK, New Zealand, the US and Malaysia.

Tourism opportunities

- While we support the strategy's proposal of '*a major brand campaign in emerging markets*' it is important that the state's wider international brand offerings, particularly in the education and food sectors, are recognised as part of an integrated branding approach.
- While the strategy rightly identifies the priorities of international and interstate tourism marketing, it is also important to recognise a strong opportunity also exists to promote Victoria's international tourism and tourists through existing residents, many of whom have friends and family connections overseas.
- The Asia games and ICC Cricket World Cup are just two instances of upcoming major events in the state which will attract large audiences within markets identified in the strategy as tourism 'growth' markets. While the strategy identifies the activities of '*marketing directly to the China market during the Australian Open*', what are the wider opportunities of this in other growth markets? Equally how can the state leverage inter-state opportunities, for example through the 2018 Gold Coast Commonwealth Games.