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Dear Madam

Submission to the Regional Tourism Review

Committee for Melbourne (the Committee) welcomes the opportunity to contribute to the *Victorian State Government's Regional Tourism Review, Discussion Paper, July 2019* (Discussion Paper).

The Committee is an apolitical, not-for-profit, member-based entity that brings together over 140 organisations from Greater Melbourne's business, academic and civic sectors whose common purpose is to shape a better future for Greater Melbourne. As an independent organisation we represent no single interest group or political position but seek to challenge conventional thinking and to develop innovative ideas to continue to enhance Melbourne's position as an economically prosperous and highly liveable global city.

Tourism is an important contributor to a thriving and economically successful Victoria. Tourism also depends on a solid economic foundation to support visitor experiences, such as efficient and effective transport networks, innovative service offerings and a skilled workforce. In September 2016, the Committee launched Melbourne 4.0, a major project designed to explore how Greater Melbourne can prepare for the accelerating speed of innovation and disruption that has catapulted us to the early stages of the Fourth Industrial Revolution. The Committee established strategic priorities on behalf of its members in relation to issues such as transport, technology and skills, which we consider are significant considerations underpinning a thriving tourism industry across Victoria.

Our key recommendations in this submission are:

a) To recognise the interdependence of Greater Melbourne as a contributor to the success of regional tourism and therefore ensure that policies take a wholistic approach - taking account of Greater Melbourne and the regions together.
b) To initially establish a Greater Melbourne Tourism Board (to replace Destination Melbourne) that facilitates a better planning framework across Greater Melbourne and the regions (including in areas that support tourism such as skills, marketing, transport, infrastructure and digital capability) – with a view to a broader plan for metropolitan collaboration across levels of government into the future.
c) To establish an integrated transport plan that allows for smooth movement of people over various modes of transport.
d) To establish in a timely manner a Melbourne Airport Rail Link (MARL) that offers a world-class, regular, and reliable 20-minute service, which unlocks broader benefits for metropolitan Melbourne, and Victoria's regions.
e) To examine the physical infrastructure that underpins new technologies.

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f) To ensure that new ways of training, including soft skills training as well as recognition of micro-credentials, are key considerations for future skilling our workforce.

g) To consider the capability for the regions to employ AI technology.

h) To consider the creation of an Australian East Coast Megaregion (AECM) which would allow size and efficiency (for example of tourism marketing efforts) to enable Australia to compete globally with other megaregions and to attract tourists from Australia and overseas.

The Committee answers some of the key questions in the Discussion Paper in the context of the Committee's agenda for the future of Greater Melbourne.

1. *How can we better co-ordinate regional tourism planning and strategy across government, industry and the community?*

Interdependence between Greater Melbourne and the regions

A review of tourism should not focus on regional areas in isolation from Greater Melbourne. Melbourne is a key gateway to the regions. The Discussion Paper highlights that *"Victorians account for around 80 per cent of tourism spending in regional Victoria"* and that *"most visitors….. are from Melbourne or neighbouring regions"* (page 11). The interdependence of Melbourne and the regions necessitates strategic thinking that includes the visitor interaction between Melbourne and regional areas. Policy proposals must therefore consider mechanisms for greater connectivity and collaboration between Greater Melbourne and regional areas. We highlight some of the needs for greater co-ordination in this paper, including greater transport connectivity and collaboration between different levels of government such as local councils.

> **Recommendation a:** To recognise the interdependence of Greater Melbourne as a contributor to the success of regional tourism and therefore ensure that policies take a wholistic approach taking into account Greater Melbourne and the regions.

Metropolitan Collaboration

One of the Committee's key strategic priorities is *Metropolitan Collaboration*. The Committee has identified that Greater Melbourne may be missing out on opportunities to build a sophisticated modern city through use of metropolitan wide technology such as 'smart' technology and an integrated planning approach. As such, the Committee has started a Taskforce to work collaboratively with members and stakeholders to consider how metropolitan collaboration may further manifest in Greater Melbourne.

There are various plans that seek to provide a planning roadmap for development in areas like housing, transport and infrastructure, such as Infrastructure Australia's report Future Cities: Planning for our growing population (Infrastructure Australia, 2018) and Plan Melbourne refresh (MAC, 2015). However, the absence of a coordinated approach is continuing to see housing planning delays, supply constraints, traffic congestion and housing affordability challenges across Victoria – many of which hinder the tourism sector and its sustainability and growth.

Given that Melbourne is a gateway to the regions, then an integrated tourism plan in Melbourne will also facilitate tourism to the regions with greater efficiency. This requires a better planning framework across Melbourne and the regions and therefore requires that an assessment of Tourism Boards should not be undertaken in isolation (see question 2 below) but should also consider the establishment of a Greater Melbourne governance framework, for the purpose of dealing with broad economic and social issues.

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2. How can Regional Tourism Boards best work to achieve outcomes for Victoria's regional tourism?

Regional Tourism Boards have an important role to play in *"harnessing and coordinating local effort around regional tourism"* (page 31). This is a commendable and valuable purpose for tourism boards.

However, the Committee considers that that collaboration across metro and regional Victoria is a necessity. Tourism boards have an important role to play in coordination and planning across those issues that impact Victoria as a whole, such as transport, skills and marketing. The disbandment of Destination Melbourne was indicative of a shift of tourism focus toward *regional* areas. However, Destination Melbourne was important, because it allowed for a mechanism by which all the efforts of the tourism boards across Victoria could be coordinated, unified and scale of effort be achieved.

The Committee considers that a Greater Melbourne governance framework (that can consider broader economic and social issues including tourism but also other issues such as transport) should be constituted to enhance the "common purpose" across metro and regional Victoria and to allow for tourism boards to work together on issues of significance for the whole of Victoria.

Before a broader governance framework may be able to be achieved however, then at the very least a Greater Melbourne Tourism Board should be established to replace Destination Melbourne.

The Committee is aware of submissions made by its members such at Hume City Council that are also supportive of the need for a Greater Melbourne tourism board that might work with the regions to develop accumulative industry content and investment.

> **Recommendation b:** To initially establish a Greater Melbourne Tourism Board (to replace Destination Melbourne) that facilitates a better planning framework across Greater Melbourne and the regions (including in areas that support tourism such as skills, marketing, transport, infrastructure and digital capability) – with a view to a broader plan for metropolitan collaboration across levels of government into the future.

3. What can be done to strengthen Victoria's regional tourism offering?

Transport

An integrated transport plan is required to ensure that tourists are attracted to, and can easily travel, throughout Victoria. The Committee considers that an integrated transport system that allows for smooth movement of people over various modes of transport like roads, railways, ports, and airports, is a necessity. Some examples of integration between transport modes, which make up part of the overall system, include:

- Stations that combine bus, train, subway/tube services.
- Circulation systems – escalators, lifts, and so on – that provide easy access to different forms of transport.
- Same-level interchange between different systems.
- Bicycle storage capacity on buses/trains.
- Park and ride facilities.
- Route planners that include different modes of transport.
- Maps within different modes of transport showing interchanges with other systems.

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- Timetables that optimise transfers between systems.
- Ticketing that allows transfers between systems.

Recommendation c: To establish an integrated transport plan that allows for smooth movement of people over various modes of transport.

The airport link is a crucial aspect of an integrated transport network. The Discussion Paper highlights that many of the international and interstate visitors will *"stay near Melbourne"* and international visitors are *"highly dependent on direct international flights to Victoria"* (page 12). Mechanisms for encouraging international and interstate visitors to travel from Melbourne towards regional Victoria must therefore be developed, such as enhanced transport linkages from airports and cities to regional Victoria.

The development of an Airport Rail Link in Greater Melbourne, will therefore not only support thousands of jobs during construction and ongoing future business and employment viability in Melbourne's west and regional Victoria, but will also deliver a strengthened tourism offering in the regions. For example, the project may unlock capacity for high-speed rail to Geelong and create opportunities for future connections via Melbourne Airport Station to Bendigo and Seymour. The Committee welcomes the commitment by the Federal and Victorian State Governments of $5 billion each towards the development of the Melbourne Airport Rail Link. It is imperative that the Airport Rail Link is made shovel ready and commences as soon as possible.

Recommendation d: To establish in a timely manner a Melbourne Airport Rail Link (MARL) that offers a world-class, regular, and reliable 20-minute service, which unlocks broader benefits for metropolitan Melbourne, and Victoria's regions.

Digital Capability

The Committee's agenda also includes the strategic need to enhance our *Digital Capability.* Our capacity to benefit from the range of economic opportunities that avail themselves, depends on the *physical* and *social* capacity to embrace those developments.

This might include examining the *physical infrastructure* that underpins new technologies in areas such as marketing, service delivery and transport. At a minimum, ensuring competitive accessible internet access in Victoria and across the regions is an imperative and the Committee has established a taskforce to examine the opportunities for harnessing a *competitive internet* for the benefit of the community.

Recommendation e: To examine the physical infrastructure that underpins new technologies.

It may also require developing local people with the necessary skills to navigate various challenges. Automation, artificial intelligence and other rapid technological advancements, are already disrupting the nature of work and services offerings, with continual disruption expected over the coming decades. Indeed, the Discussion Paper highlights that *"Most regional visitors now use online sites to research transport, accommodation and activity options…..Sharing economy platforms like Uber and Airbnb have impacted the provision of tourism activities, transport and accommodation…..It is important that regional businesses, particularly small and medium enterprises, are not left behind."* (page 29) In this emerging environment, critical thinking abilities and digital capabilities will be required. This may require an evolution of our education system. For example, tourism service providers may well need to undertake 'upskilling' in various areas such a digital capability and innovation. The Committee's *Future Skills Taskforce* has highlighted that

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new ways of training, including soft skills training as well as recognition of micro-credentials, are key considerations for future skilling our workforce.

Recommendation f: To ensure that new ways of training, including soft skills training as well as recognition of micro-credentials, are key considerations for future skilling our workforce.

The Committee has established an *Artificial Intelligence Taskforce* to examine the use of AI in a number of areas, recognising that there is an opportunity to use AI for the benefit of business, the economy and the community. In tourism for example, there are many opportunities to use data and machine learning to target specific markets for marketing purposes or offer innovative services. Therefore, consideration of the capability for the regions to employ AI technology must be a component of this review.

Recommendation g: To consider the capability for the regions to employ AI technology.

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4. *What would improve Victoria's regional tourism marketing efforts*

Collaboration between Greater Melbourne and regions

Marketing efforts that provide seamless information for visitors that encourages and facilitates greater movement between Melbourne and the regions should be a focus. As outlined above, the frameworks for collaboration need to be considered, and this includes an assessment of the Tourism Boards to allow them to better coordinate activities. This also includes creation of a Greater Melbourne governance framework.

Transport

As outlined above, an integrated transport system will facilitate greater access to regional Victoria for tourists. For example, where an integrated transport system is able to be achieved, then marketing materials can include clear information and instructions for those transport systems, such as route planners and maps that include different modes of transport and their connectivity.

Australian East Coast Megaregion

The Committee has also highlighted *Eastern Seaboard Collaboration* as one of its strategic priorities under its Melbourne 4.0 agenda.

Effective collaboration between cities, and regions, along Australia's eastern seaboard will boost our economic productivity and innovative capacity; enabling us to better-compete in international markets. Other key benefits include population dispersion to relieve congested cities and regional activation.

The ultimate vision resulting from greater collaboration along Australia's east coast is the creation of an Australian East Coast Megaregion (AECM). A megaregion is characterised by interlocking economic systems, common transportation systems, shared natural resources and ecosystems, which link their population centres. The development of the AECM would allow size and efficiency (for example of tourism marketing efforts) to enable Australia to compete globally with other megaregions and to attract tourists from Australia and overseas. The Discussion Paper states *"Regional tourism activities are not always aligned. Marketing can focus on different target markets and branding at a local level, which can dilute the messaging that reaches potential visitors."* (page 26)

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A unified voice and strategy from the AECM about an eastern seaboard tourism offering may have many benefits. For example, marketing activity may have more impact when scale of marketing activity can be achieved and travellers are able to easily plan their trips across the whole region. Greater collaboration could also boost innovation, and development of innovative marketing and service options. The AECM may also facilitate infrastructure investment across jurisdictional boundaries (e.g. high-speed rail), fostering greater ease of travel for tourists within the region.

> **Recommendation h:** To consider the creation of an Australian East Coast Megaregion (AECM) which would allow size and efficiency (for example of tourism marketing efforts) to enable Australia to compete globally with other megaregions and to attract tourists from Australia and overseas.

Conclusion

Committee for Melbourne welcomes the opportunity to provide a submission towards the Regional Tourism Review. Please contact Committee for Melbourne Director of Policy, Leanne Edwards, at ledwards@melbourne.org.au or (03) 9667 8114, should you require further information.

Yours sincerely,

Martine Letts | CEO