

ROAD TO RECOVERY
GREATER
MELBOURNE'S VISITOR
ECONOMY

COMMITTEE
MELBOURNE^{FOR}



CONTENTS

1.	FOREWORD.....	3
2.	VISITOR ECONOMY REFERENCE GROUP (VERG).....	5
	A. Background.....	5
	B. VERG members.....	5
3.	RECOMMENDATIONS.....	7
	A. Specific Recommendations.....	7
	i) Develop a comprehensive and transparent health and safety roadmap.....	7
	ii) Develop a comprehensive Melbourne Calendar.....	7
	iii) Buy Melbourne.....	8
	iv) Incentivise.....	8
	v) Support.....	8
	vi) Activate.....	8
	B. Overarching Recommendations.....	10
	i) Investigate an effective engagement model for the visitor economy.....	10
	ii) Consider the visitor economy across Victoria.....	10
	iii) Analyse previous activity to capture past outcomes and experiences.....	11
	iv) Analyse business and major events.....	11
	v) Create a data, research and information collection framework and strategy.....	12

FOREWORD

Greater Melbourne is known for its high standards of liveability and vibrant experience economy. Sectors such as hospitality, arts & culture, sports, education, tourism, attractions, accommodation and events remain essential to underpinning Melbourne as a great place to live, work, visit and do business. The visitor or 'experience' economy in Victoria plays a significant role in the state's economy, with the value of the sector worth \$32 billion to the state and employing over 230,000 Victorians directly and indirectly in tourism businesses¹.

Melbourne's reputation as a cultural leader has been borne from delivering internationally renowned events and artistic endeavours in areas such as theatre, ballet, sport, visual arts and music. Melbourne's strong economy, relatively stable government environment and strength of creativity, has positioned it well to deliver a range of attractive experiences such as outdoor festivals, business events, inspiring cuisine choices, a variety of museums and historical sites, markets, local neighbourhoods and precincts, and attractive accommodation options. Melbourne's multicultural history, proximity to South East Asia and leading education sector, has also underpinned its reputation and attractiveness as a place for international students to study and for their families to visit and travel.

The COVID-19 pandemic has created a challenging environment for Melbourne akin to that experienced in the 1980s. With continuing lockdowns to deal with the health pandemic, pressure has been imposed across our economy, and particularly in key sectors such as international students, events, arts and culture and the visitor economy.

Melbourne is, and will continue to be, the most attractive city in Australia to live, work, visit and do business. As the lockdown restrictions are eased, and crowd numbers gradually increase, the city is waiting to once again host a rich calendar of global sporting events such as the Australian Open Tennis and Grand Prix Formula One in 2021, which attract domestic and international visitors.

For Greater Melbourne in particular, the impact on the visitor economy with the loss of business travel for meetings and business events as well as visitors to friends and relatives from interstate and international markets has been substantial.

As a first step, the Victorian Government must act swiftly to develop an appropriate health and safety strategy that will enable the economy to open to allow a return of those activities that underpin the economy, such as a return of workers to offices, opening of events, attractions and businesses and the safety of consumers to resume to their participation in the visitor economy. With a strong plan and effective action on the health aspects of the crisis, then Melbourne should be able to allow those existing institutions that were successful prior to the pandemic to once again thrive. For example, Melbourne looks forward to the return of the Harry Potter and Cursed Child theatre production, Melbourne Cup, AFL football, Food and Wine festivals, Grand Prix, Australian Open Tennis, Spring Racing Carnival and sporting events at the MCC. All of those activities have flow on effects for the arts, hospitality, visitor experience, tour and accommodation sectors and it is extremely important therefore that Melbourne's calendar of events returns to structured scheduling, certainty and normality.

But, in order for the visitor economy to grow and thrive following the pandemic, steps must be taken to innovate and create certainty of offering, event calendars and visitor numbers. This requires not only collecting data that will enable such plans and initiatives to be put in place, but an appropriate collaborative governance mechanism that can co-ordinate and drive activity going forward.

1. VTIC submission, p 6

The Committee, with its 150 cross-sectoral membership of passionate Melburnians from business, professional services, the arts, the knowledge sector, visitor economy, not-for-profits and local government, is well placed to identify the reform agenda for the visitor economy, that will once again revitalise the city. The Committee has established its Visitor Economy Reference Group (VERG) to outline the steps and recommendations required for an effective visitor economy, more important than ever in a post pandemic period.

We must work with government to reinvigorate Greater Melbourne as a destination which attracted global businesses, an influx of arts and cultural events and the highest levels of immigration across the country. We must develop the concept of “experiential” tourism in the Greater Melbourne area along with the city of Melbourne. We must ensure that the experience economy is reinvigorated to ensure that Melbourne returns once again to a thriving, diverse and attractive destination.

The actions the Committee proposes are outlined below. The proposals examine how Melbourne might not only build on its existing strengths but also to develop collaborative governance mechanisms and new capabilities that will enable recovery of the visitor economy and enhanced destination management. Of key importance the Committee recommends specific tactical responses such as those on health & safety and reactivation of certain industry sectors and overarching responses needed for the systemic change to the industry including reviewing the frameworks to determine whether a Greater Melbourne governance framework that is able to co-ordinate the industry is able to be established.

The visitor ‘experience’ economy is vital to the development of Greater Melbourne in the short-term post COVID and in the long-term development of Greater Melbourne and Victoria. Both short and long-term initiatives are necessary to ensure we have a strong visitor economy across Greater Melbourne for the future.

Clive Scott

Chair – Visitor Economy Reference Group

Martine Letts

CEO – Committee for Melbourne

VISITOR ECONOMY REFERENCE GROUP (VERG)

Background

The Visitor Economy Reference Group (VERG) was established in November 2019, arising from Committee for Melbourne's Melbourne 4.0 'Innovative Ecosystem' taskforce's Greater Melbourne Visitor Economy event. In line with the Committee's commitment to 'Shape Melbourne's future', the VERG forum was established with a group of Melbourne's leading skilled based - visitor economy experts – representing areas such as Urban planning, Accommodation, Attractions, Hospitality Food & Wine, Major Events & Business Events, Education and Creative Industries. Other representatives are from the Victorian Tourism Industry Council, Australian Accommodation Association of Australia, City of Melbourne, Greater Melbourne Councils and operators (north, south, east and west).

The establishment of VERG was highlighted as an imperative by the Committee's members who saw an opportunity for greater collaboration and coordination across industry and government. The State Government's decision to preclude Greater Melbourne from their regional tourism review highlighted there is a greater opportunity to consider the integration of plans for the visitor economy across Victoria as a destination. The onset of COVID-19 significantly impacted the experience economy and many responses to the crisis arose as a result. There is an opportunity to capitalise on the co-ordinated efforts and responses to COVID and solidify those efforts and fill any gaps that might still be apparent.

This issue was recognised across our community. The Committee's Annual Member Survey highlighted the visitor economy as the fourth most significant strategic issue facing Greater Melbourne (May 2020).

The economic value of the Greater Melbourne Visitor Economy is a significant contributor to our overall city and state, and our brand reputation. Greater Melbourne and its surrounding regions have been a successful draw card for visitors for many years, providing globally recognised, diverse and easily accessible experiences. Food & Wine, Arts and Culture, Sport, Festivals, Major Events and Business Events have driven Victorians to be proud of their city and their state. A co-ordinated and collaborative response is therefore required.

VERG members

VERG brings together skills based and representative experts from the Greater Melbourne area (city and suburban) – outlined below. The key members of the VERG created individual forums to determine key recommendations across the experience economy including: Attractions; Accommodation; Hospitality Food & Wine; Major Events; Meetings Incentives; Conferences and Exhibitions (MICE); Education; Creative Industries; Urban Tourism Place making; Office Re-population; and Retail.

Many of these groups and organisations are already working on recovery plans around the various timelines set by the Government. The intention of VERG is not to 'reinvent the wheel' where these groups have already made sound and valuable recommendations to government on recovery, but to amplify and consolidate those recommendations.

The Committee's VERG is optimistic that its members can grapple with the challenges and assist with unique and innovative ideas for the future for the sector.

Sectoral interests

Clive Scott, CEO, Sofitel Melbourne on Collins | Chair VERG

David Mansfield, COO, Quest Apartments | Accommodation, South

Steve O'Brien, CEO, Puffing Billy | Attractions, East

Richard Ponsford, Executive Officer, Western Melbourne Tourism | West

Chris James, CEO, Northlink| North

Padmini Sebastian, Director, University of Melbourne | International Students

Anthea Loucas Bosha, CEO, Food and Wine Festival| Hospitality & Festivals

Natalie O'Brien, CEO, Natalie O'Brien and Associates| Precincts & Hospitality

Suzana Bishop, CXO, Federation Square | Events

Industry

Felicia Mariani, CEO, VTIC

Michelle King, AAOA

Louise Scott, Director Tourism and Events, City of Melbourne | Melbourne City

Committee for Melbourne

Martine Letts, CEO

Clive Dwyer, Director of Engagement

Leanne Edwards, Director of Policy and Research

Nikki Chamberlain, Project Officer

Disclaimer

Please note, the views in this publication reflect the synthesis of the Committee's diverse and cross-sectorial membership and Greater Melbourne's stakeholders. All material expresses a merging of these differing perspectives. The concepts presented in this paper should not be attributed to any individual member or stakeholder organisation.

RECOMMENDATIONS

As already outlined there were some strengths in Melbourne's economy that are fundamentally sound, and will be able to recover, as the restrictions are lifted and life can resume in the "new normal" and some certainty around for example events calendars, visitor numbers and planning – is able to be achieved.

There are also however, new innovations and initiatives that will be needed to reinvigorate the experience economy.

The recommendations for short-term response are summarised below.

A. Specific Recommendations

i) Develop a comprehensive and transparent health and safety roadmap

A collaborative effort is required between all levels of government, business and community to develop comprehensive COVID Safety Roadmaps that are easily implemented and understood by all areas of the visitor economy.

The COVID pandemic, resulting in physical distancing requirements, and two lock-downs in Greater Melbourne, has impacted restaurants, cafes and bars, attractions, venues – their revenues, staffing levels and the foot traffic of consumers. Without major events and visitors, the accommodation sector is dramatically impacted. A clear plan for health, to enable visitors to return to the sector is evident. However, physical distancing and mask wearing requirements for the foreseeable future, will necessarily require consistent models and innovative methods of delivering services, to enable maximum foot traffic and participation.

A key area of consideration is the consistency across Victoria and Australia to allow for easy domestic travel as well as implementation and compliance. Immediate areas of concern for the visitor economy include: Accommodation providers, Attractions and Major events; Business Events; Tourism and Hospitality (especially SME's); and return to work and travel requirements (such as public transport).

Transparent, consistent and clear guidelines are necessary to grow confidence in the visitor economy.

ii) Develop a comprehensive Melbourne Calendar

As the economy opens up, there needs to be a co-ordinated response between all areas of the visitor economy that resurrects the strength of 'Team Melbourne'. Major events, attractions and organisations cannot be competing against each other for share of voice, footfall and revenues, without having unintended negative consequences for the industry as a whole. A collaborative roadmap that creates shared priorities, must be developed by leaders across Greater Melbourne which can lead to the development of a comprehensive Melbourne Calendar for all aspects of the visitor economy encompassing – Major Events, Business Events, Activations, Arts & Culture, Attractions, Festivals, Hospitality Dining, Sport. Calendar management must ensure that peaks and troughs are managed to ensure maximum visitations over the year. Good initial work has begun through various groups, such as the City Economy Advisory Board, for major events that are in the pipeline in the CBD. As all sectors continue to open up across Greater Melbourne, there is an opportunity for further co-ordinated efforts to ensure that shared priorities are established.

iii) Buy Melbourne

Individuals and organisations, including governments should be motivated and incentivised to 'Buy Melbourne'. This reinforces the Melbourne experience and could include consumer marketing activities and the inclusion of specific procurement policies across all levels of Government.

In relation to consumers for example, marketing activities could be targeted at developing a level of pride that assists with a 'buy Melbourne' attitude – eat in Melbourne, stay in Melbourne, meet in Melbourne, work in Melbourne, vacation in Melbourne, party in Melbourne, spend in Melbourne. All aimed at geographical map of Greater Melbourne.

iv) Incentivise

Businesses and all levels of Government should work together on a range of incentives that drive visitation and participation across Greater Melbourne. There is a need to have incentives for Accommodation, Dining, Hospitality, Retail, Arts & Culture, Business Events, Entertainment, Attractions, Theatre, and Airport Revitalisation. For example, Government support for this could include financial schemes such as rebate schemes focused on the visitor economy.

Inbound travel into Greater Melbourne from the Victorian regions and interstate needs strong promotion and support and further strengthened incentives, particularly with the very low levels of accommodation occupancy.

v) Support

Large sections of the visitor economy will need support while the overall state and federal economy strengthens, so there is a need to work with State and Federal governments to ensure an understanding of those future needs that relate to payroll tax, tax exemptions, FBT, Liquor Licensing fees, rate relief, property owner relief etc.

vi) Activate

Businesses, academia, community groups and all levels of government need to work together on activations that are immediately needed to drive the visitor economy.

A great amount of work has begun across State and local levels of government and with industry, to revitalise the Greater Melbourne visitor economy. Those areas of immediate focus, that are being considered and provide significant opportunities include:

- **Public transport** –visitors need to be made to feel comfortable and safe to use public transport and be incentivised to use public transport – this includes activities such as extending the free tram zone, promotion of transport options such as Sky Bus and public transport including buses, trams and trains.
- **Parking** – to encourage return to work and visitation to the city, periods of complimentary parking might be tested (for example on the weekends or week-nights). This is being achieved in Melbourne's CBD in December. There are opportunities across Greater Melbourne in 2021.
- **Local Activation** – support the programs of local pop up activations and new pieces of tactical urbanism to create outdoor spaces and events. Utilising a range of funding initiatives encouraging outdoor activation, local trader strip improvements, and creation of spaces for outdoor events, food and beverage. Many activations have already been achieved in late 2020, particularly in the CBD as a good first step.

- **Air and other means of travel** – interstate and international travel revitalisation activities must include returning airline capacity, opening of borders and promotion of the self-drive markets.
- **Precinct development** - encourage further development of Melbourne Airport, Avalon Airport and areas that would encourage tourism and visitor economy activity and investment.
- **Melbourne Airport Rail Link** – the announcement by the Victorian and Federal Governments in a Melbourne Airport Rail Link (MARL) is welcome. However the result should ensure a fast and efficient connection between the Melbourne CBD, Melbourne Airport, west and the regions. A MARL must embrace the needs of visitors to the city and ensure the service is effective, efficient and a positive gateway experience. Planning is required to develop Sunshine as a welcoming destination interchange with associated visitor services, as a hub connecting Melbourne with key centres in the west and regional Victoria.
- **State Visitor Centre** – fast track the development of a State Visitor Centre that is centrally located in the CBD to ensure there is a connected and co-ordinated visitor information and data centre, improving the visitor experience.
- **Business and Major events** – in conjunction with the development of a managed Melbourne Event Calendar, review the events that can be secured, created and driven to Greater Melbourne and the CBD in the immediate-term and develop a co-ordinated response across the whole sector. Significant work is being done in this area and Greater Melbourne will benefit from the release and development of this information.
- **Minimise ‘brain drain’** – recognising that workers in the visitor economy sector are some of the hardest hit by the COVID-19 pandemic, government support for under-utilised workers must be developed – especially so that they don’t leave for other States in Australia or other industries.
- **Office re-activation** – work to a staged plan to get people back to work in their offices across greater Melbourne (which will require incentives and a public transport strategy as discussed above).
- **Headquarters strategy** – retain and drive new companies to maintain or establish a significant presence in Melbourne. This will ultimately encourage the inbound expatriate market and subsequently visiting friends and relatives.
- **Yarra River revitalisation** - Yarra River activation includes development of cafes, restaurants, bars and cultural experiences along the banks and on pontoons. It also includes movement of people along the venues via water taxis/ferries as well as commuter options. Water transport options across Port Phillip Bay to promote connections between the city and bayside destinations should also be considered.
- **Education** - work with Victorian State Government to support the international education sector – including a consumer education program on the needs and benefits of this sector and specific supports for the students that might be needed in a post-pandemic period.
- **Attractions** - support programs that are assisting with the reactivation of attractions across Greater Melbourne. Utilising a range of health & safety roadmaps and funding initiatives encouraging attractions to re-open.

B. Overarching Recommendations

Many of the activities above have required collaboration across business, education, community and all levels of government. Such collaboration will also be required on an ongoing basis to drive systemic change.

i) Investigate an effective engagement model for the visitor economy

There is a need for an adequate framework for representative industry engagement across Greater Melbourne for communications, advocacy and coordination across the visitor economy sectors as well as with all levels of government.

The VERG recommends the investigation of an effective engagement model for Greater Melbourne's visitor economy.

This analysis would involve considering the work that is currently being achieved by many organisations and governments at all levels. The analysis could determine whether there are any gaps in the program of activity and also whether there are opportunities for greater coordination that could improve the efforts already being undertaken.

The analysis would consider all levels of government and industry across Greater Melbourne's and Victoria's visitor economy and include the good work being done across the sectors. This would include Visit Victoria, Creative Victoria, Department of Transport, Department of Education, Department of Jobs Precincts and Regions, all local councils, Victoria Tourism Industry Council and others. There are already many collaborative processes and forums that have commenced pre- and post-COVID. The analysis would also need to understand the work being done by collaborative groups.

What is important however is that appropriate governance and accountability mechanisms can be established to ensure that all the activities can be mapped strategically so that any gaps in the framework can be filled, and that insight into how all the pieces fit together can form a co-ordinated and strategic whole. It would also need to consider the resourcing and funding of any additional work that might need to be done.

Ultimately, it might be desirable to be able to deliver a long-term Greater Melbourne destination plan 2025 to 2030 – with a long-term view about why visitors would choose Melbourne into the future and ensuring that Greater Melbourne has a long-term strategic plan for being on the cutting edge of new initiatives in the visitor economy. This would combine all the efforts of the organisations that have responsibility in this area, to ensure that there is a single purpose and clear accountability framework for delivery.

Some of the key considerations that would be needed in the analysis include some of the topics below.

ii) Consider the visitor economy across Victoria

Any mapping exercise would consider the activities across Victoria including regional Victoria, in a coordinated way.

Melbourne is a key gateway to the regions. *“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, Review of Regional Tourism Discussion Paper).

The interdependence of Melbourne and the regions necessitates strategic thinking that includes the visitor interaction between CBD, Greater Melbourne and regional areas. Regional Tourism Boards have an important role to play in “harnessing and coordinating local effort around regional tourism” (page 31, Regional Tourism Review Discussion Paper). 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. An industry engagement structure has an important role to play in coordination and planning across those issues that impact Victoria as a whole, such as visitor services, product development, transport, skills and marketing.

Consideration of co-ordination of activity should also ensure that the value of Greater Melbourne’s local neighbourhoods are captured and takes the opportunity to promote its districts and precincts outside of the CBD. The urban brand and positioning of Greater Melbourne could be significantly enhanced as a series of more granular localised urban visitor promotions to offer a greater differentiation and product interest to augment the overall Melbourne experience and grow ‘Brand Melbourne’.

This would also capture the products and experiences located in the Greater Melbourne as an extension into Greater Melbourne and an expanded footprint of programming of citywide events. The local cultural diversity and character of different precincts and suburbs in areas such as events, food and attractions should be mapped and recognised. This will encourage a stronger dispersal of visitors and broaden the base and depth of the Greater Melbourne offering.

Co-ordination is important, because it allows for a mechanism by which all the efforts of tourism industry across Victoria could be coordinated, unified and scale of effort be achieved.

iii) Analyse previous activity to capture past outcomes and experiences

Any mapping exercise would benefit from understanding previous activities and capturing past experiences and outcomes. The reasons for the closure of Destination Melbourne might provide insight about the needs for the industry and the funding arrangements and gaps in activity. Undertaking a review of previous Greater Melbourne destination management plans could assist with developing an enhanced wholistic strategic plan for Greater Melbourne’s visitor economy.

iv) Analyse business and major events

Consider business and major events and determine whether there are any opportunities to consolidate the planning for, securing and creation of new events for Greater Melbourne. Aspects that could be considered in this review include:

- Opportunities for collaborative efforts to plan major event and business events, drawn from across all aspects of the visitor economy;
- Consideration about whether a Greater Melbourne calendar focused on a 5-20 year timeframe could be established;
- Consider whether more areas across the regions of Greater Melbourne and regional Victoria could be included;
- Determining whether the geographical footprint of Melbourne’s major festivals such as Melbourne Food and Wine Festival, Comedy Festival, Melbourne Arts Festival, Melbourne Jazz Festival could be expanded.

v) Create a data, research and information collection framework and strategy

The means by which we can identify the visitor economy supply needs and opportunities that can enhance Victoria's destinations and experiences to support survival, revival and resilience for the industry should be reviewed, with a plan for collecting and managing data. This would also enable Greater Melbourne to compare itself against other cities, with reference to visitor overall satisfaction, value for money and areas for improvement. Data collection and research will encourage a climate of continuous improvement by all players in the visitor economy. It would build capacity and the ability to respond to needs of the economy, as well as an integrated marketing plan.

There are already many organisations and stakeholders collecting information and data on the visitor economy. A co-ordinated approach that enables feedback loops and clear communications mechanisms across the industry might enable the enhancement of data and research across the industry.



About Committee for Melbourne

The Committee is an apolitical, not-for-profit, member-based entity that brings together over 150 organisations from greater Melbourne's business, academic and civic sectors, who share a common vision to make Melbourne a better place to live, work and do business.

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 our position as an economically prosperous and highly liveable global city.

We would like to thank Committee members for their helpful comments and contributions.

Committee for Melbourne
ANZAC House
Level 4, 4 Collins Street
Melbourne Victoria 3000
Australia
Telephone: +61 3 9650 8800
Facsimile: +61 3 9650 6066
@Committee4Melb
www.melbourne.org.au

© Copyright Committee for Melbourne 2020

This is copyright. No part may be reproduced by any process except in accordance with the provisions of the Copyright Act 1968.

For further information on the Committee's programs, ask about membership or to join our mailing list, please go to: <http://www.melbourne.org.au> or email cfm@melbourne.org.au.

This document is also available in PDF format at www.melbourne.org.au

ROAD TO
RECOVERY