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PREMIER’S FOREWORD

Our way of life is built on tourism. Every visitor to Victoria is another guest at a hotel, another seat at a restaurant, another customer at a small business and another patron at a major event.

Ultimately, more tourism in our state means more jobs and opportunities for our people.

Groups from across the world flock to Melbourne and regional Victoria not just for traditional sightseeing, but also for conferences and major events, arts and culture, business and study.

They come here to experience our pristine national parks, or to taste Victorian wine at the cellar door, or to play a round at one of our hundreds of golf courses.

International Education is Victoria’s number one export, and international students are visitors, too – each contributing to our economy and our multicultural society.

Victoria pioneered the visitor economy and is now the nation’s premier destination for major events, attracting millions of new visitors from other states and overseas.

We’ve built something truly great, here, but we can’t be complacent.

The other states have caught on, and if we want to stay ahead, then our tourist attractions need more investment, our regional cities and towns need more support, our major events calendar needs more direction, and our marketing campaigns need a new edge.

That’s what the Victorian Visitor Economy Strategy is all about.

Our plan will take our visitor economy to the next step, bringing together industries, local governments and businesses to attract more tourists and create more jobs.

Hon. Daniel Andrews MP
Premier of Victoria
MINISTERIAL FOREWORD

The visitor economy is critically important to Victoria’s future economic development and job creation. The visitor economy generates employment for more than 200,000 Victorians and is projected to grow strongly into the future.

While the Victorian tourism industry has performed well over recent years, improvements are needed to meet the competitive challenges of the future. More effort is needed to realise opportunities from business visitors, international students, and Victoria’s multicultural community. Visitation to regional Victoria is below potential and more investment is required to realise it.

Maximising the growth potential of the visitor economy depends upon a collaborative approach between Government and industry. The Victorian Visitor Economy Strategy sets a goal of increasing visitor spending to $36.5 billion by 2025 and identifies priorities across nine policy areas.

Key directions include a greater focus on facilitating investment, consistent use of Brand Melbourne and Brand Victoria, and strengthening the role of Regional Tourism Boards.

These directions aim to increase visitors to Victoria, and ensure they spend more and stay longer.

A new Ministerial Advisory Committee will ensure that the visitor economy is central to decision making processes within Government. The Government is also committed to ensuring a partnership approach with industry to the implementation of this Strategy, and regular and transparent reporting about progress in its delivery.

Hon. John Eren MP
Minister for Tourism and Major Events
The Victorian Visitor Economy Strategy is central to the Government’s plan to secure the state’s future growth and prosperity. It is based on consultation and research undertaken as part of the Victorian Visitor Economy Review, including approximately 60 submissions, 55 individual consultations and the input of an external reference group.

People visit Victoria for many reasons: travelling for leisure and holidays, business, education and health services, and visiting friends and relatives. Developing better experiences for these visitors is the key aspiration of this Strategy.

Visitors bring money to Victoria and support jobs and investment. The visitor economy contributes around $20 billion to Victoria’s Gross State Product each year and generates employment for 206,000 people, which represents 5 per cent of gross value added and 7 per cent of employment.\(^1\)

Defining the Visitor Economy

Traditional definitions of tourism tend to focus on the consumption activities of leisure tourists – people travelling and staying outside their usual place of residence for a limited time period for the purpose of a holiday, sight-seeing and recreation. More contemporary definitions have expanded the concept to include people travelling for other reasons such as visiting friends and relatives, business, work, education or even medical services; identifying these travellers from a destination perspective as ‘visitors’. The term ‘visitor economy’ refers to the production of goods and services for consumption by visitors, which includes the industries that directly serve visitors, such as hotels, transport providers, tour companies and attractions, as well as intermediaries and those involved indirectly, such as retail and food production. This recognises that visitor activity does not occur in isolation and contributes to investment and jobs across a range of industry sectors.

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1 Tourism Research Australia (TRA) State Tourism Satellite Accounts 2013/14 (produced April 2015).
Victoria cannot rest on its laurels. To date, Victoria has tracked closely to its goal of increasing overnight tourism expenditure to $24.7 billion by 2020. However, achieving ongoing growth of this scale will be challenging.

The composition and preferences of visitors are dynamic and changing. A significant proportion of growth over the past decade has come from Asian markets, a marked change compared to the past when visitors were dominated by Western markets. Visitors are also actively seeking innovative and new services, through technology to transport, dining and accommodation.

Competition is increasing from within Australia and overseas. Victoria can do more to encourage new investment and jobs growth, and maximise the potential of its visitor economy. A new approach is needed to respond to these challenges and realise new opportunities.

Maximising this growth opportunity will require an ambitious new goal, clear priorities, and close collaboration between Government and industry.

This Strategy sets a goal of increasing visitor spending to $36.5 billion by 2025 and identifies nine priorities to achieve this ambitious goal:

- More private sector investment
- Build on the potential of regional and rural Victoria
- Improved branding and marketing
- Maximising the benefits of events
- Improved experiences for visitors from Asia
- Better tourism infrastructure
- Improved access into and around Victoria
- Skilled and capable sector
- More effective coordination.

The Government has heard a strong message from industry about the need for stronger collaboration and a strategy that is not just focussed on tourism and events, but the broader visitor economy. The Government is responding with the establishment of a single body, Visit Victoria, to lead on tourism, major events and conventions in the state.

This Strategy sets the direction and framework for these bodies, and Government, communities and industries generally, to work together to grow Victoria’s visitor economy. The Strategy will only be successful if key stakeholders are partners in its implementation. To support a partnership approach, the Government has established a Visitor Economy Ministerial Advisory Committee to ensure a partnership approach with industry and across Government. The Committee will oversee development of an action plan to implement this Strategy over the short and medium term with a focus on collaboration and communication between key stakeholders, and will publicly report on progress in its delivery.

The Strategy is complemented by the Government’s related commitments to grow jobs and the economy, including Victoria’s Regional Statement, and outlines our priorities in engaging with the Commonwealth in implementation of its Tourism 2020 Strategy.

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2 Goal of the previous long term strategy, Tourism 2020.
The economic and policy context

The Government is investing to grow jobs and position Victoria for future growth and prosperity.

Victoria has a diversified economy that employs almost 3 million people. Over the past decade, the Victorian economy has become more services-oriented. More people are now working in the industries of health care and social assistance, the visitor economy, international education, finance, professional, scientific and technical services.

In this time, there has also been substantial economic change, largely driven by globalisation and technological innovation. Victorian business are facing increasing competition which is affecting our trade-exposed industries – particularly manufacturing.  

There are significant opportunities for growth in the short and long term.

China, Indonesia and India are amongst the fastest growing major economies. The increasing middle classes in these countries are demanding high quality products and services, which Victoria is in a position to deliver. From a global perspective, Victoria has competitive strengths in areas such as a safe environment for visitors, diverse shopping, dining and entertainment experiences, world class education and business services, and unique and accessible natural attractions.

The Andrews Labor Government is already taking action to create jobs and secure Victoria’s long term prosperity, investing an average of $7.4 billion per year over the next four years in schools, hospitals and transport, and over $900 million to help create jobs.

The Government understands the importance of the visitor economy to Victoria’s future growth and prosperity.

The visitor economy is central to the investment attraction, regional and rural development, trade, infrastructure investment, skills and job creation initiatives undertaken to benefit all Victorians.

What’s working well

The visitor economy is a significant contributor to the Victorian economy. Victoria has developed a number of unique strengths based on its natural assets and liveability, combined with leadership from Government and industry.

For Australian consumers, Melbourne is positioned as the leading sophisticated, stylish, trendy, cultural and creative city in Australia. This brand is based on a suite of public facilities such as the arts and sports precincts, and network of visitor friendly laneways and streets in and around the Melbourne CBD. The private sector has been critical in leveraging these attributes to provide distinct products and services in arts and culture, food and wine, and shopping.

Regional Victoria has strong positioning as a destination for spa and wellness, food and wine, touring and cycling, and golf, based on a diverse range of private and public regional products and services that help drive visitation and spend.

Our major sporting and cultural events calendar is a further strength, providing year round experiences for locals and visitors alike and helping to showcase the state in Australia and around the world.

Victoria’s reputation as a high quality education and business destination, and as a liveable, safe and clean destination, has underpinned broader growth in education, business and leisure travel.

Working in partnership

Economic development and job creation starts with the private sector. Visitor economy businesses are also a critical partner in investment, trade, promotion and marketing activity. Government can help businesses to grow by creating the right conditions for private investment and undertaking its own strategic investments.

Local government plays an important role in managing local development and supporting the visitor economy sector in their areas. Regional Tourism Boards play a valuable role in coordinating and developing strategic, region specific objectives. Industry associations such as the Victoria Tourism Industry...
Council provide private sector leadership while major private operators such as Melbourne and Avalon airports provide critical services. The Commonwealth Government also plays a key role in international marketing, and in managing many policy and regulatory settings affecting the visitor economy.

The number and range of partners highlight the importance of collaboration and communication in realising visitor economy growth targets. This includes communication and collaboration between private businesses and organisations, and across Government.

**Our Vision and Goal**

Victoria will have a diverse range of outstanding experiences that attracts more visitors and drives jobs and investment across the state.

<table>
<thead>
<tr>
<th>What Success Will Look Like</th>
<th>2014/15</th>
<th>2024/25$^3$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitor Expenditure</td>
<td>$23.1 billion (2015)</td>
<td>$36.5 billion</td>
</tr>
<tr>
<td>Visitor Gross State Product (GSP)</td>
<td>$20.6 billion</td>
<td>$37.0 billion</td>
</tr>
<tr>
<td>Visitor Gross Value Added (GVA)</td>
<td>$17.9 billion</td>
<td>$32.5 billion</td>
</tr>
<tr>
<td>Employment</td>
<td>206,000 jobs</td>
<td>320,700 jobs</td>
</tr>
</tbody>
</table>

Industry and governments are working together on clear strategies to increase the number of visitors, yield, dispersal and visitor satisfaction.

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$^3$ Targets for 2024/25 include both daytrip and overnight expenditure, and assume Victoria will maintain the strong growth of 5.3 per cent per annum achieved over the five year period 2009-2014.
The visitor economy is performing strongly

Victoria has experienced growth of 6.7 per cent per annum in visitor expenditure since 2010, to reach $23.1 billion in 2015. The strongest area of growth for Victoria has been international overnight expenditure.

Increased spending is driving jobs growth. There was an increase in visitor economy jobs of 18 per cent since 2007/08, which is greater than growth rates in New South Wales and Queensland over the same period.

The majority of people visiting Victoria do so for holidays and visiting friends and relatives. While there are fewer business visitors, these travellers comprise a larger share of total visitor expenditure due to higher per capita spend.

Victoria is a leading provider of high quality international education. Although international students make up only 0.3 per cent of visitors, they constitute 12 per cent of expenditure.4 This sector generated $4.7 billion for Victoria in 2013/14 making it the state’s largest services export sector and it is a significant future growth opportunity.5

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4 National Visitor Survey and International Visitor Survey, Tourism Research Australia
Victoria’s visitor economy is diverse and resilient

The visitor economy is diverse and includes accommodation, events, food services, clubs and bars, transport, travel agencies and tour operators, business events, sport and recreation, and arts and culture. Victoria has particular strengths in sport, arts and cultural activities.

Victoria is the second most visited destination nationally. Gross value added from international tourists grew by 5.7 per cent per annum from 2009/10 to 2013/14, compared to 2.8 per cent nationally, 3.1 per cent for New South Wales and 0 per cent for Queensland. 6

Asian visitors have been the main contributor to growth of international visits to Victoria and this is the key future opportunity for the state. Current projections indicate that the number of people in Asia with over USD $15,000 annual incomes will rise from 237 million in 2013 to 1.05 billion by 2030. This growth will predominantly come from China with strong growth also forecast for India, South Korea, Indonesia, Thailand and Malaysia.

Traditional markets such as the UK, US and Europe are also significant and an important component of maintaining a diverse range of source markets. While it is critical that the visitor experience is authentic, industry and Government also need to be aware of visitors’ cultural and language preferences in delivering these experiences.

Improving the state’s offer to extend length of stay and increase visitor expenditure is a key growth opportunity for Victoria. The performance of Melbourne will be central to realising these opportunities, both as the largest market in Victoria and in creating opportunities for further dispersal.

There is increasing competition

Victoria is now facing significantly greater competition and a new approach is needed. Our competitors are:

- Increasingly recognising the importance and potential of the visitor economy as a long term growth sector;
- Committing to long term integrated strategies in partnership with industry that have clear measures of progress;
- Proactively anticipating and planning for customers of the future and developing a whole of Government approach to targeting these visitors;
- Using technology to enable their strategy (for example digital and social media marketing) to engage with visitors;
- Aggressively bidding for international business, cultural and sporting events;
- Consolidating governance arrangements and funding streams to maximise and leverage resources; and
- Aggressively pursuing high value visitors and events with targeted campaigns.

The common thread running through these strategies is strong and consistent dialogue and collaboration with industry. In many cases, these reforms are matched with new investment in facilities and infrastructure that increase a destination’s capacity to attract new visitors (such as convention centres), and attract complementary private investment.

We cannot rest on our laurels. Victoria needs to respond by re-establishing its leadership in its organisational and strategic approach to support the state’s visitor economy.

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6 State Tourism Satellite Accounts 2013-14, TRA
Regional Victoria has greater potential

Regional and rural Victoria has significant assets and visitor attractions, including world class food and wine, nature based experiences, and diverse artistic and cultural experiences.

The visitor economy is particularly important to regional and rural Victoria, with 56 per cent of Victoria’s total tourism employment located in the regions. Some parts of regional Victoria are highly dependent on tourism including Phillip Island, Daylesford and the Macedon Ranges, the Grampians and Victoria’s High Country.

The visitor economy is particularly important to regional and rural Victoria, with 56 per cent of Victoria’s total tourism employment located in the regions. Some parts of regional Victoria are highly dependent on tourism including Phillip Island, Daylesford and the Macedon Ranges, the Grampians and Victoria’s High Country.

Encouraging more Melburnians and Australians to travel to regional Victoria, in preference to other states or overseas, is a key growth opportunity for regional Victoria. Victorians make up 81 per cent of all overnight visitors to regional Victoria, while a further 16 per cent are interstate visitors.

While only 3 per cent of all overnight visitors to regional Victoria are international visitors, they also provide significant potential for growth. However, growing international visitation to regional Victoria will be challenging. Regional areas face strong competition from overseas and interstate destinations, as well as other consumer products. The proportion of visitors from Asian countries who stay overnight in regional Victoria is low: Singapore (16 per cent), China (10 per cent), India (10 per cent), and Indonesia (8 per cent). Products, accommodation and infrastructure built in past decades may need renewal or updating to provide a more compelling experience for both domestic and those visitors from new markets.

Source: Victorian regional tourism satellite accounts 2013-14 produced by Deloitte Access Economics, provided to department in 2015

Figure 3: Tourism’s Total Contribution to Gross Regional Product and Employment (direct and indirect), 2013-14

Source: Victorian regional tourism satellite accounts 2013-14 produced by Deloitte Access Economics, provided to department in 2015

7 IVS Year Ending December 2015, TRA
Small changes can have big impacts

Improving our offer to convince visitors to stay in Victoria for longer can have big impacts. Getting international and interstate visitors to stay for 1 night longer, and converting 10 per cent of Victorian outbound trips to a holiday within the state, could deliver an additional $2 billion per annum to Victoria’s economy.8

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8 Boston Consulting Group Research for DEDJTR, March 2015
The following section outlines the priorities for action if we are to achieve the ambitious vision and goals of this Strategy.

Each priority includes high level actions as well as aspirational indicators of what success will look like. As the Strategy is implemented, we will monitor progress against the indicators outlined in the following section (supporting the visitor economy into the future). More detailed measurements will also be developed under the action plan. These measures will be monitored and publicly reported on a regular basis.

**More private sector investment**

<table>
<thead>
<tr>
<th>2025 outcome</th>
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<tbody>
<tr>
<td>Significant private sector investment in visitor attractions and accommodation, particularly in regional Victoria.</td>
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</table>

**Why action is required**

Significant private sector investment is needed to deliver better visitor experiences. Improved facilities at key visitor attractions, and new commercial developments, including innovative accommodation offerings, will help attract more visitors and get them staying longer.

Governments have an important role in creating an environment for investment to occur. Some investment opportunities are not being realised because of some regulatory settings related to land use planning and public land. Investors often face Government processes that are difficult to navigate and more needs to be done to proactively facilitate appropriate development. Governments also play an important role in investing directly in key assets, and using this investment to encourage greater private sector investment.

**How we’ll get there**

- In partnership with Regional Tourism Boards, identify and actively facilitate 10 iconic regional tourism products. A $1.8 million package has been announced to help develop plans and business cases for these and other significant tourism product across the state.
- Assign clear responsibility and leadership within Government for progressing new investment projects of state and regional significance.
- Fast track approvals for visitor economy projects of state significance through the use of the Project Development and Construction Management Act 1994 where appropriate.
- In partnership with Parks Victoria, land managers and other key stakeholders prioritise Government investment in infrastructure and amenities for key public tourist attractions.
- Ensure a refreshed Plan Melbourne identifies new visitor economy opportunities across Greater Melbourne.

**What success will look like**

Investment facilitated to deliver better visitor experiences at identified priority visitor attractions.
Build on the potential of regional and rural Victoria

2025 outcome
Regional and rural Victoria has a more diverse product offering and is attracting more visitors who are staying longer.

Why action is required
Regional Victoria is well known for its significant visitor attractions such as the Twelve Apostles, the Great Ocean Road and Phillip Island. Major population centres such as Geelong, Albury-Wodonga, Ballarat and Bendigo provide a range of visitor experiences and are complemented by Victoria’s many rural towns.

Over the past 20 years, regional Victoria has increasingly diversified the experiences available to visitors. People come to regional Victoria because of the nature-based, food and wine and cultural experiences, the variety of attractions and friendly communities. Further opportunities exist to develop distinct regional products in a range of areas, such as Indigenous tourism, accessible tourism, nature-based tourism and adventure tourism. Realising these opportunities and translating them into increased visitation and expenditure will require a more focussed and sustained effort across Government and industry.

The visitor economy is becoming more important to job creation in regional Victoria as traditional industries such as manufacturing, agriculture and forestry remain static or decline. In 2013/14, tourism was worth $11.5 billion to regional Victoria (in Gross Regional Product) and generated 114,400 jobs.

The opportunities associated with the visitor economy are well understood in regional Victoria. However, the support of local communities should not be taken for granted, and capitalising on these opportunities requires consultation and a partnership approach.

Some of the challenges faced by regional Victoria include low international visitation, low awareness of regional experiences in the domestic visitor market, limited transport options, restricted internet access in some areas, a limited range of accommodation offerings and a lack of investment. Regional areas close to Melbourne can benefit from higher exposure and daytrip visitation, but still face similar challenges. In addition, while Victoria has significant natural attractions across the state, these are not as recognised in the domestic market as attractions in other states and territories. Many areas of regional Victoria also lack appropriate infrastructure, have difficulties attracting and retaining workers, and miss out on developments due to regulatory and information barriers.

How we’ll get there
Tourism and events are already recognised as a significant opportunity in Victoria’s Regional Statement, which we will partner with Regional Development Victoria and other stakeholders to implement. Regional economies will also benefit from the Government’s Target One Million plan to get more Victorians fishing more often. The Government is implementing reforms to improve outcomes in regional Victoria through:

- Allocating $101 million for a new Regional Tourism Infrastructure Fund. Under the fund, $48.2 million had been allocated for the redevelopment of the Phillip Island Nature Parks infrastructure.
- Allocating an additional $20 million over four years for a new Regional Events Fund.
- Allocating $70 million to the redevelopment of Simonds Stadium.
- Allocating $37 million to the Geelong Performing Arts Centre.
- Allocating $31.5 million for the sports precinct in Ballarat which includes the upgrade of Eureka Stadium to host AFL games, supported by a five year partnership with the Western Bulldogs to play at least two premiership games at the stadium each year.
• Allocating $20 million over four years for Parks Victoria management of forests, parks and public land, and to make parks more accessible.
• Allocating $8 million for the Budj Bim Cultural Landscape to support its progress towards a UNESCO World Heritage listing.
• Allocating $9.8 million for Stage 1 of the Shipwreck Coast Master Plan.

The Government will also:
• Collaborate with Regional Tourism Boards (RTBs) to improve the quality and consistency of Destination Management Plans including the identification of projects of state and regional significance.
• Develop a marketing program in collaboration with RTBs designed to get more Victorians, including Victorian’s multicultural community, to holiday in regional and rural Victoria.
• Collaborate with RTBs, local government and industry to improve the online user experience for people planning to visit regional Victoria.
• Provide targeted support to smaller regional events that have the capacity to attract interstate visitors, including possible seed development of events.
• Support the development of community owned Indigenous tourism businesses that leverage local land and cultural assets.
• Promote opportunities for international students to choose to live and study in regional Victoria.

What success will look like
Increased visitation and expenditure within regional and rural Victoria.
Improved branding and marketing

2025 outcome
Victoria has a clear and consistent strategy that influences people’s choice to travel here. There is understanding and ownership from industry and by Government about how Brand Victoria is used and communicated to target markets.

Why action is required
Market preferences are constantly changing and Victoria needs to remain ahead of the game. Victoria is moving to a new era in its global positioning – one that looks to the future in how Melbourne and Victoria present to the world. To be as effective as possible, Victoria needs a sense of unity and cohesion in communications for the state.
The new Victorian branding will provide an opportunity to refresh and reposition the state’s image across a range of sectors and activities. Building and maintaining a consistent brand will require a long-term strategy and the support of industry.

Marketing campaigns need to be designed with industry to attract the right visitor to the right parts of Victoria. This is particularly relevant to regional areas, where intrastate and interstate visitors form the majority of the market.

Brand Melbourne and Brand Victoria have worked well and Victoria has worked proactively to build these brands through attracting events and investing in infrastructure. However, there has previously been a lack of clarity in industry and Government about the use of Brand Victoria and Brand Melbourne. The release of the new Brand Victoria logo provides an opportunity to ensure consistent use across the state.

**How we’ll get there**

Visit Victoria will play a critical role in developing equity in the new Victorian brand and in driving promotion of the state as a leading visitor and events destination. It will develop its own strategic approach under the umbrella of this Strategy, which will include developing best practice approaches to digital and channel management, research-driven marketing approaches, cooperative industry programs and strategic partnerships with key stakeholders. While there will be a strong focus on emerging markets, the significance of traditional markets will continue to be recognised.

Visit Victoria has been allocated $38 million over two years to deliver domestic and international marketing campaigns. This will be complemented by the Government’s investment of $152 million for Creative State initiatives in its Creative Industries strategy and $31.9 million to strengthen Victoria’s position as a preferred destination for international students.

The Government will also:

- Work with industry to transition to the new Victorian brand, and identify opportunities for industry to participate in its implementation.
- Issue, and the Ministerial Advisory Committee to oversee progress against, a Statement of Expectations for all major Government and funded private entities to work in collaboration to maximise stay, spend and regional dispersal for leisure and non-leisure visitors.
- As part of its broader responsibilities, task Visit Victoria with a formal responsibility to collaborate to increase regional dispersal and expenditure of non-leisure visitors.

**What success will look like**

- Marketing activity targets all major visitor segments (leisure, visiting friends and relatives, business, education) and furthers the objectives of this Strategy.
- Consistent application of branding across all relevant events.
Maximise the benefits of events

2025 outcome
Melbourne and regional Victoria have a program of events that covers sporting, business, artistic and cultural activities throughout the year, and communities are maximising the flow on benefits from these events.

Why action is required
Melbourne is Australia’s leading major events destination and regional Victoria’s calendar of events provides increasingly attractive experiences for visitors. Events such as the Australian Formula One Grand Prix, the Australian Open and the Rip Curl Pro, blockbuster exhibitions and theatre productions bring visitors to Victoria and showcase Melbourne to the world, while the sports, entertainment and cultural precincts provide facilities to support a range of year round events and activities. In addition, the Melbourne Convention and Exhibition Centre is the largest facility of its kind in Australia and will be further enhanced by a $205 million expansion, which puts Victoria in a strong position to capture an increased share of this growing market.

In the face of increasing competition from other states, Victoria needs to ensure resources are deployed to maximum benefit. We also need to maximise the wider benefits of events including targeting event attendees to spend more time and money in Melbourne and regional Victoria.

How we’ll get there
The Government is already implementing reforms to further leverage events by allocating an additional $80 million over four years ($20 million per year) to the Major Events Fund. This funding will be used to attract new events to Victoria and increase the value of major events. An additional $20 million has been allocated to a new Regional Events Fund and an additional $9 million to the Business Events Fund.

In addition, the Government provides funding through the Victorian Racing Industry Fund to attract patrons to race meetings outside of the major feature days, Country Cup meetings and the Spring Racing Carnival.

The Government will also
- Ensure whole of Government collaboration to expand initiatives such as ‘Winter Masterpieces’ to generate visitation during non-peak months.
- Attract more large scale business events to Victoria, including considering allowing applications to the Major Events Fund.
- Continue to support and develop existing events, including signature events in regional Victoria.
- Create and promote a program of ‘home-grown’ events throughout the state, which can be managed to counter seasonality challenges.
- Regularly evaluate event benefits to ensure an appropriate return on investment.

What success will look like
- More diverse and balanced program of events across Victoria.
- Increased overnight stays and regional dispersal associated with Government supported events.
Improved experiences for visitors from Asia

2025 outcome
Victoria is attracting a growing number of visitors from high growth markets China, India, and Indonesia, and other Asian countries, and our products and experiences meet the needs and expectations of these markets.

Why action is required
Much of the global growth in demand is coming from Asian markets, especially China. Consumers from Asia have diverse needs and aspirations. Growing this highly competitive market will require us to deliver culturally responsive experiences. This includes improving language services and the provision of appropriate accommodation, food and dining options.

The importance of China as a source market is recognised in Victoria’s new China Strategy - Partnerships for Prosperity, which sets out strategies to increase overnight expenditure by Chinese visitors from $2.2 billion in 2015 to $3.4 billion by 2026.

How we’ll get there
- Support development of more Asia-ready products and experiences.
- Work in partnership with industry and the Commonwealth to ensure products keep pace with changing consumer expectations, in particular the growing Asian market.
- Promote Victoria as a place to invest and visit to key markets through the Government’s trade mission program.
- Promote programs that improve cultural awareness and language services for businesses that meet the requirements of visitors from Asia.
- Work with major universities and the international student community to encourage visitation within Victoria.
- Promote the state’s visitor attractions to Victoria’s multicultural communities.

What success will look like
- More Asian visitors coming to Victoria who are staying longer and increasingly visiting regional Victoria.
- Experience of visitors from Asia to Victoria will improve.
Better tourism infrastructure

2025 outcome
Significant improvements in tourism infrastructure at key attractions is delivering a better visitor experience.

Why action is required
Strategic public investment is required for Victoria to maintain its competitive advantage. Investment by governments in high quality sports, arts and cultural, nature-based and local infrastructure helps to attract visitors and spur private sector investment. World class major sports and arts and cultural infrastructure is a major part of why people visit Victoria.

In a more competitive market, visitors are demanding better experiences. This includes high quality amenities and mobile phone and internet coverage. More can be done to improve access to our natural assets through better outdoor recreation infrastructure. A third of the state is public land and appropriate infrastructure developments can improve people’s access to these assets and deliver jobs for local communities.

How we’ll get there
As noted previously, the Government is investing substantially in regional Victoria, with a $101 million Regional Tourism Infrastructure Fund and investments in regional sport complexes, arts facilities and indigenous heritage. In addition, a $52.5 million package has been announced to fix mobile blackspots in regional Victoria, including along regional rail lines. The Government will continue to look for opportunities to further increase regional mobile coverage.

With Connecting Regional Victoria – Victoria’s Regional Network Development Plan, the first ever long-term strategy for public transport in regional Victoria, the Government will deliver an improved and more coordinated public transport network where trains, buses and coaches all work together to get people where they need to go.

The Government will also:
- Provide strategic investment in Victoria’s cultural and sporting infrastructure.
- Prioritise Government investment in infrastructure at key visitor attractions such as the Great Ocean Road and the Penguin Parade at Phillip Island Nature Park.
- Improve public access, facilities and amenities, parking and mobile phone and internet coverage at key visitor attractions.
- Invest in outdoor recreation infrastructure that increases visitation and length of stay in regional and rural areas and also benefits locals.

What success will look like
- Better visitor experience at Victoria’s key attractions.
- Visitors staying longer and spending more.
Improved access into and around Victoria

2025 outcome
Visitors from key international markets have convenient air access to Melbourne and Victoria with more direct international flights, and visitors within the state have a range of options to safely and easily access destinations.

Why action is required
The growth of Victoria’s visitor economy is dependent upon ease of access to the state and key attractions. High quality road and rail infrastructure is a significant factor shaping Melbourne’s liveability and the experience of visitors to the state. We need to ensure these visitor experiences directly inform and influence planning and investment in the transport network.

Direct international flights are a critical element to attracting international visitors. The curfew-free status of Melbourne Airport is a competitive advantage and needs to be protected. Passenger movements through Melbourne Airport are projected to increase from 31 million to 64 million annually by 2033. Avalon Airport also provides a medium to long term opportunity to cater for international visitors. However, there is potential for congestion to limit the growth and undermine the state’s competitive advantage.

How we’ll get there
The Government has allocated over $10.4 billion in public transport and road projects across Victoria, including over $1.5 billion for regional rail and road projects.

The Government will also:
• Increase air service connections and maintain curfew-free status for Melbourne airports.
• Work with Melbourne Airport to support the implementation of its 20 year Master Plan.
• Support further development at Avalon Airport to position it as Victoria’s second international airport.
• Ensure visitor needs are reflected in long term private and public transport network planning, including access between international Airports and the CBD.
• Prioritise road access, safety and adequate signage at key visitor attractions, particularly in regional and rural areas.
• Work with Infrastructure Victoria to ensure the visitor economy is reflected in the medium to long term prioritisation of infrastructure projects for the state.
• Work with the Commonwealth Government and airports to improve the visitor experience on arrival and departure.

What success will look like
• More direct international flights to Melbourne.
• Improved access to key visitor attractions.

9 Melbourne International Airport Master Plan
A skilled and capable sector

2025 outcome
There are better training opportunities and career pathways for workers, and businesses have the skills and capabilities they need to succeed in a more globally competitive environment.

Why action is required
Skilled staff and innovative managers make a big difference to productivity and performance of businesses. There are over 70,000 tourism related businesses in Victoria.\(^{10}\) Tourism employment is projected to grow strongly and contributes significantly to part time and casual employment, providing valuable entry level jobs for skilled and low skilled workers.

However, nationwide the industry continues to face shortages of staff. There is an estimated shortage of 38,000 workers in the tourism industry, and it is estimated this could grow to 123,000 workers by 2020.\(^ {11}\)

Visitors are increasingly demanding online access and the capacity to engage through social media, and high service standards as part of their visitor experience. Many tourism businesses are lagging behind in terms of digital excellence.

Many business also can’t get the skilled employees they need – particularly in occupations such as cooks, service staff, and kitchen hands, which is a key issue in regional and rural Victoria. More effort is required, particularly in partnership with Regional Tourism Boards, to build the skills and capabilities needed to better meet consumer needs and grow the visitor economy.

How we’ll get there
The visitor economy is a significant beneficiary from the Government’s reinvestment in Victoria’s TAFEs, including the $320 million TAFE Rescue Fund, the $50 million TAFE Back to Work Fund, a $50 million TAFE Boost Fund and a $16 million investment in Skills and Jobs Centres.

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10 Tourism Businesses in Australia June 2010 to June 2013, TRA
The Government will also:

- Work with industry bodies and training providers to ensure courses meet the specialised training needs of tourism business operators.
- Continue to support training and advice that encourages digital excellence across the sector.
- Work with industry to promote leadership within the sector, including professional development and networking opportunities.
- Work with industry to promote the tourism industry to the potential workforce.
- Develop and grow the capabilities of Indigenous tourism businesses.
- Engage with the Commonwealth Government and industry to improve access to sponsored skilled migration visas.
- Increase employer awareness of skilled migration programs where there is insufficient supply of local labour.

What success will look like

- More skilled business operators.
- Smaller industry employee skills gaps.
More effective coordination

2025 outcome

Victoria has an integrated approach to policy, marketing and investment with a shared understanding across industry and Government about Victoria’s vision and priorities to grow the visitor economy.

Why action is required

Victoria has historically taken a lead role in institutional reforms to grow the visitor economy. The creation of Tourism Victoria and the Victorian Major Events Company in the early 1990s helped develop a world class industry and position Melbourne and Victoria as desirable places to visit. These institutional arrangements have enabled collaboration between industry and Government.

However, the case for institutional reform is clear. Realising the growth potential across different visitor segments (e.g. business events and students) will require a more integrated approach to planning, industry engagement and delivery. Growing the visitor economy requires a whole of Government approach – particularly to address supply side issues such as infrastructure and skills – and this is lacking.

Regional Victoria faces significant challenges and strong institutions and integrated, strategic planning are needed to ensure they are addressed.

The visitor economy in Victoria has matured, competition is increasing, and new institutional arrangements are required to work in collaboration with industry to drive future growth.

How we’ll get there

The Government is already implementing reforms to provide more effective Government support by:

- Implementing institutional structures to deliver a better approach to growing the visitor economy:
  - Creating Visit Victoria to ensure an integrated and agile approach to marketing and events procurement.
  - Establishing a dedicated function within Department of Economic Development, Jobs, Transport and Resources to provide whole of Government policy, coordination and oversight in relation to the visitor economy. This will ensure the visitor economy is a core part of the Government’s efforts to attract investment, support skills and workforce development, and invest in infrastructure.

- Strengthening the Government’s focus on investment attraction and facilitation.

- Establishing a Visitor Economy Ministerial Advisory Committee, reporting to the Minister for Tourism and Major Events, to ensure a partnership approach with industry and across Government. The Committee will contribute to the overarching vision for the visitor economy, will oversee development of an action plan to implement this Strategy over the short and medium term, and will publicly report on progress in its delivery. The Committee will complement the work and insights of the Visit Victoria Board, which is directly responsible for marketing, events attraction and other functions of that body.
The Government will also:

- Strengthen RTBs by:
  - Increasing autonomy to increase visitation and address supply side issues.
  - Enabling formal involvement in determining how marketing funding is directed to regional Victoria, based on prospects to grow visitation and jobs.
- Implementing three to five year service level agreements that have annual performance reviews with clear performance measures that support the visitor economy.
- In Greater Melbourne, establish more formal relationships with relevant local governments and tourism industry associations.

What success will look like

- Regular and transparent reporting to industry and stakeholders about progress in delivering this Strategy.
- Increased participation by industry in the development of Victoria’s visitor economy.

State Government Bodies Supporting The Visitor Economy

- Visitor Economy Ministerial Advisory Committee
- Economic Development Employment and Innovation (Trade, investment, RDV and International education)
- Visit Victoria – Conventions – Major Events – Marketing – Regional – Corporate
- Australian Grand Prix Corporation
- Emerald Tourist Railway Board
- Fed Square Ltd
- Melbourne Convention and Exhibition Trust
In partnership with our stakeholders, this Strategy aims to support growth in visitor expenditure to $36.5 billion by 2024/25. While there is a wide range of factors that will affect this target, we will track the progress and impact of this Strategy across a number of areas including:

• Facilitating investment in tourism products and services.
• A focus on regional Victoria across all activities including investment facilitation, events, marketing and coordination.
• Marketing activity that leverages all major visitor segments.
• A wider calendar of events that encourages visitor dispersal across Victoria.
• Visitor experiences tailored to the preferences of visitors from Asia.
• Investing in key public infrastructure and roads.

• Supporting direct international flights to Melbourne.
• Supporting business owners to improve business practices and connect with skilled staff.
• A coordinated and consistent approach to governance and strategy across Government.

The Visitor Economy Ministerial Advisory Committee will oversee development of an action plan to implement this Strategy over the short and medium term, and will publicly report on progress in its delivery. The Government will regularly review progress in achieving these, as well as the 5.3 per cent per annum growth in visitor expenditure required to achieve the aspiration of $36.5 billion in expenditure in 2024/25.