

# 10 Year Tourism and Events Industry Strategy

October 2006

*Front cover photographs*

*Clockwise from top left*

*Great Ocean Walk*

*Grampians National Park*

*Left to right: TarraWarra Estate, Yarra Glen; Croajingalong National Park, East Gippsland; Bendigo*

*Spring Racing Carnival, Flemington*

*Melbourne Cricket Ground*

*Melbourne Food and Wine Festival*

## Message from the Premier

### Message from the Premier

Victoria is renowned for its scenic beauty, fascinating multicultural heritage, unique sporting events and enviable cosmopolitan lifestyle. We want to share these gifts with the people of the world by further developing our vibrant tourism and events industry.

That Industry has grown and flourished in recent years and now provides a set of world class experiences to local holiday makers, business travellers, overseas tourists, international students and many others.

Victoria's strengths are our sophistication, diversity and reputation for cosmopolitan and cultural experiences, combined with careful product marketing. To sustain this, our tourism operators have to remain aware of short and long-term opportunities and challenges. Good marketing strategies alone are no longer enough; they must be complemented by a new focus on investment.

This 10 Year Tourism and Events Industry Strategy has been developed in partnership with the tourism industry to create a vision, set a new direction and guide marketing and investment decisions to help the Industry grow.

These are exciting times for Victoria's tourism and events industry and I look forward to working in a long-term strategic partnership with all parts of the Industry to develop and preserve our tourism assets for the benefit of Victorians and the enjoyment of people from across the world.

### Steve Bracks

*Premier of Victoria*



## Minister's Foreword

### Minister's Foreword

The tourism and events industry is a major source of Victorian business opportunities, jobs and export revenue; its importance to our State increases every year.

In 2005 I undertook a strategic review with the aim of improving the coherency and effectiveness of government support for the sector over the next ten years, and to ensure that support is clearly aligned to the Government's overall economic, social and environmental objectives.

The Victorian Government will do all it can to help the Industry improve and expand further.

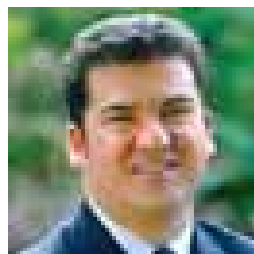
Tourism in Victoria grew from a \$7.3 billion industry in 1998 to \$10.9 billion in 2004. Our aim is to increase this to at least \$18 billion and to create at least 66,000 new jobs by 2016.

We have made a record investment of nearly \$350 million to date, and this Strategy outlines future directions across 14 areas of policy to help the Industry meet the many potential challenges it will face over the next decade.

These directions have been developed in close consultation with tourism operators and represent an agreed strategy to raise Industry standards, increase tourist numbers and create more jobs across the whole State.

Importantly, it places the tourism and events industry at the heart of Victorian Government decision making processes. The Victorian Government takes tourism and events seriously and we want to improve the Industry's access to government at all levels.

I look forward to working closely with the tourism and events industry to implement this Strategy.



A handwritten signature in blue ink that reads "John Pandazopoulos". The signature is written in a cursive style and is positioned above the printed name.

**John Pandazopoulos MP**

*Minister for Tourism*



Picasso  
Love  
30.10.06 -  
08.10.08

# PICASSO

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## Executive summary

### What is our Vision?

The Bracks Government has an ambitious vision for the Victorian tourism and events industry. By 2016, we want:

- > Victoria to be a leading tourism and events destination in the region;
- > Our tourism and events industry to be recognised as a leading economic force in the State; and
- > The growth of the Industry to be fully consistent with our broader economic, environmental, cultural and regional objectives.

### Why do we need a long-term strategy?

When we think about what makes an “advanced economy” these days we usually think of industries like information technology, biotechnology, aerospace and higher education. We expect our governments to have well-developed strategies to help these industries grow, attract new investment, create more jobs and boost export revenues. We need to add another industry to the list – tourism.

As worldwide prosperity has increased in recent times, so has the capacity to travel. The result has been a rapid expansion of the worldwide tourism and events industry. An innovative and growing tourism and events industry is now a hallmark of a modern and sophisticated economy.

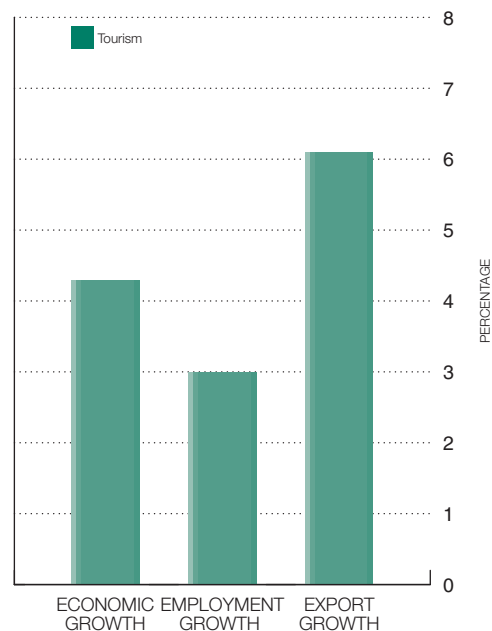
Victoria is part of this story. Our tourism and events industry is often underestimated as a contributor to our economy. In 2003/04 tourism and events contributed \$10.9 billion or 5.3% of Gross State Product and employed 159,000 people or 6.6% of the State’s workforce. In the same year, more than 1.3 million international visitors spent more than \$2.6 billion in Victoria. The Industry now contributes significantly to regional development, attracts investment and is helping to internationalise our economy.

The Bracks Government has recognised the importance of this industry and has invested heavily in its development, committing nearly \$350 million since 1999 to innovative marketing and product development strategies that have achieved national and international recognition.

The results of our investment and strategic approach are apparent. Our tourism industry has achieved outstanding performance against the key measures of economic output, employment and exports.

FIGURE 1

#### ECONOMIC PERFORMANCE OF VICTORIAN TOURISM INDUSTRY 1997/98 - 2003/04



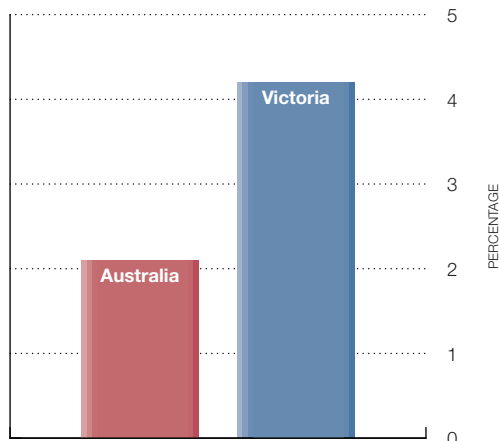
Source:  
Access Economics

**“When we think about what makes an ‘advanced economy’ these days we usually think of industries like information technology, biotechnology, aerospace and higher education. We need to add another industry to the list – tourism.”**

Importantly, this growth hasn't simply been based on attracting greater visitor numbers. Victoria's success has been strongly founded on achieving increased visitor yield. By national standards, we have performed very well on this indicator.

FIGURE 2

**COMPOUND ANNUAL GROWTH IN OVERNIGHT VISITOR EXPENDITURE 1999-2004 (2004 DOLLARS)**



Source:  
Tourism Research Australia, Tourism Victoria

But competition for the tourism and events dollar is fierce and tourists are becoming increasingly discerning, constantly in search of new experiences and better standards of service. The Bracks Government is determined to continue Victoria's success and make the State one of the leading tourism and events destinations in our region.

If recent impressive growth continues, by 2016 tourism and events will be an \$18 billion industry and one of the State's leading exporters, contributing 7-8% of Gross State Product and employing 225,000 Victorians. But these goals can only be achieved through a comprehensive and long-term approach. Hence this 10 Year Tourism and Events Industry Strategy, which seeks to build on our significant achievements since 1999.

### Why now?

Following a period of strong growth, Victoria's tourism and events industry is facing new challenges; a "business as usual" approach won't do.

New markets are emerging. Ten years ago, tourism from China and India totalled 70,000 visitors to Australia per annum and has increased to 350,000 per annum today. Capitalising on these markets and their potential for growth over the next ten years is one of our biggest challenges.

The Internet is creating a new demand for online information and booking services in preference to travel agents.

The industry is vulnerable, even in times of strong growth, to sudden shifts in local and global competition, the risk of major shocks that can cause dramatic changes in consumer behaviour, and the rapid development of new destinations, attractions and modes of tourism.

The increasing prosperity mentioned above has also affected domestic markets, with more people wanting to travel interstate and overseas and spend their discretionary income on new consumer products, such as plasma screen televisions and home theatre systems, to the detriment of local tourism.

In fact data recently released for 2005 indicates that some key tourism markets are under threat. For instance, on the domestic tourism front, a range of factors such as increased fuel prices, low cost carriers and increased competition from overseas destinations have contributed to a national decline in domestic tourism.

By working together, the Government and the tourism and events industry can be better prepared to meet these challenges.

**"Following a period of strong growth, Victoria's tourism and events industry is facing new challenges; a 'business as usual' approach won't do."**

### **What will we do differently?**

Victoria is competing well with many of the world's leading tourist destinations. We've managed to keep ahead of international trends.

We have concentrated on our strengths – lifestyle experiences, major public and business events, international education and regional tourism – and have worked hard to support these through distinctive and well-targeted advertising, product and infrastructure development and increased numbers of direct inbound flights.

Where our approach is working, it won't change. We will continue to support the industry through our proven marketing strategies, maintaining our major events portfolio, increasing the number of direct flights to Melbourne and regional centres, building new facilities such as the Convention Centre, and improving local transport infrastructure.

### **A new, more comprehensive approach.**

New strings will be added to our bow. The tourism and events industry will become a higher priority in infrastructure planning and investment attraction. We will create a larger and more highly trained tourism workforce. And we will strengthen the online presence of Victoria's tourism products and services.

The Strategy will also provide a long-term plan for targeting newly emerging opportunities – the new geographic markets, visitor categories and tourism experiences that will drive growth over the coming decade.

### **A voice in Government**

A further objective of the Strategy is to give the industry a louder and more effective voice within Government. Many Government organisations directly and indirectly impact on the tourism and events industry. The Strategy will link and integrate their activities, ensuring tourism and events are a priority in Government decision-making on economic, social and environmental issues, and make it easier for the industry and Government to work together. It will also strengthen the links between the State and other tiers of Government when it comes to promoting the industry and advocating on its behalf.

### **Working with partners in Government**

Another important objective of the Strategy is to strengthen collaboration between the Government's tourism agencies and its many natural and cultural institutions such as national parks, zoos, galleries and museums. By their nature, these assets attract substantial tourist numbers and are critical elements in Victoria's tourism offering. Our challenge is to ensure that as well as providing outstanding examples of natural beauty and culture, these institutions continue to focus on delivering the high quality tourism experiences that will ensure repeat visitation.

### **Convergence of tourism and environmental sustainability**

In future, the travel consumer is more likely to regard tourism as a clean, green and sustainable product. The protection and enhancement of the environment is not inconsistent with the world's best environmentally sustainable tourism. In fact, best practice models exist in Canada and New Zealand that can be applied to Victoria. Victoria has the highest number of National Park visitors of any Australian State, but they provide a low return to local communities. It is essential for regional Victoria's tourism performance to lift our capacity in this area.

### **Destination Management**

Above all, the Strategy will deliver a comprehensive new framework for all Government action that affects the tourism and events industry. Our tourism marketing activities will be complemented by an increased focus on investment, policy development and interaction with the community on environmental and planning issues. We will integrate land use planning, industry and product improvement, visitor servicing and community engagement by all levels of Government in partnership with the Victorian people and the tourism and events industry. This approach is called "Destination Management".

#### **Destination Management: A more comprehensive approach to tourism and events**

The essential characteristics of Destination Management are that:

- > It is delivered and coordinated across all relevant areas of Government, including those without an obvious or primary focus on tourism and events;
- > tourism and events are integral to overall Government economic, social and environmental policy; and
- > It involves systematic coordination between the different tiers of Government and major stakeholders to capture all of the potential benefits of tourism and to ensure optimal decision making on tourism infrastructure and investment.

Adopting the principles of Destination Management will deliver benefits to:

- > The tourism and events industry – through improved access to and response from Government, higher levels of investment in infrastructure and better service delivery and regulation;
- > Government – through improved coordination across different agencies and tiers of government;
- > The Community – through better infrastructure, a balancing of the needs of the industry and the community, and greater attention to environmental sustainability.

#### **How will we know we've succeeded?**

Ultimately, the success of this Strategy will be determined by whether or not we reach our target of creating an \$18 billion, 225,000-job tourism and events industry by 2016. It's ambitious certainly, but realistic and achievable given current growth trends. However, factors beyond the control of either the industry or Government, such as 9/11, SARS or the Ansett collapse, can change growth patterns drastically.

Consistent with the approach being taken by many of our competitors, Victoria will develop performance indicators to report on the Strategy's implementation and measure progress against its goals.

To do this, the Government will work closely with the industry to develop its own long term industry targets in conjunction with peak industry bodies. We want to ensure that in an environment of strong and constantly changing competition, the Victorian tourism industry continues to perform at world class levels in critical areas such as:

- > online accreditation;
- > service standards;
- > sustainable tourism and ecotourism accreditation;
- > direct aviation access;
- > infrastructure; and
- > yield from international visitors.

# Tourism and events: Victoria's achievements to date

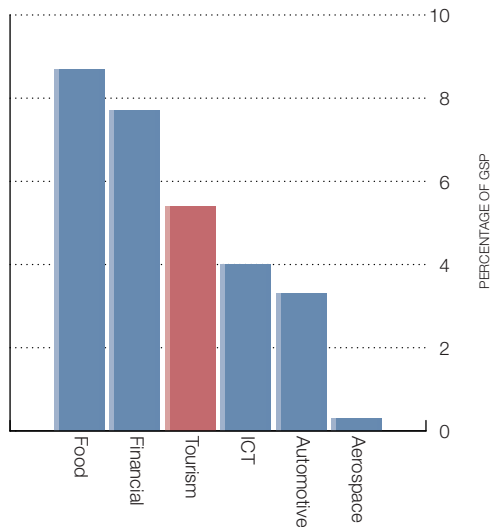
## The economic contribution of tourism and events

Tourism and events are often underestimated contributors to the Victorian economy.

According to Access Economics in 2003/04 tourism contributed \$10.9 billion or 5.3% of Gross State Product – similar to or greater than many of the State's most critical manufacturing and service industries such as Information and Communications Technology, Aerospace and Automotive Manufacturing. Tourism and events directly or indirectly employs 159,000 Victorians (6.6% of the State's workforce). 1.3 million international visitors spent over \$2.6 billion in Victoria in 2004.

FIGURE 3

VICTORIA'S PRIORITY INDUSTRIES – SHARE



Sources:  
Access Economics, DIIRD and MMV Industry Plans

\* Priority industries are those identified by Invest Victoria benchmarking work as sectors in which Victoria has significant competitive strengths and growth prospects

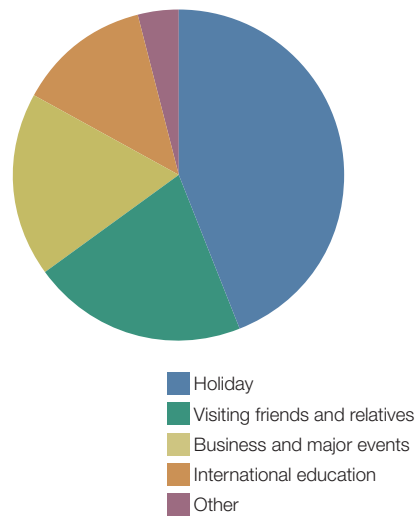
## Recent Growth

Victoria's tourism and events industry has continued to generate economic activity, jobs and export revenues over the last decade. Even events like 9/11 and the outbreak of the SARS virus have not prevented its progress. Growth has been almost double the national average, resulting in the State increasing its share of Australian tourism by between 2-3 percentage points, as measured by value-added growth, percentage of GDP and employment.

The holiday sector is the State's largest source of tourism but Victoria also attracts significant levels of tourism expenditure from other sectors.

FIGURE 4

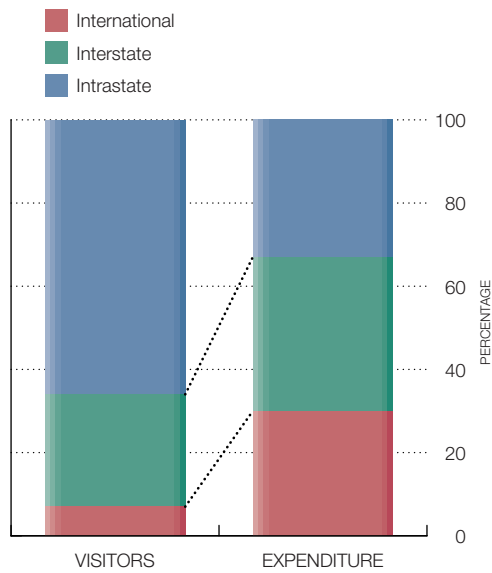
DOMESTIC AND INTERNATIONAL EXPENDITURE IN VICTORIA BY PURPOSE OF VISIT (2004)



The predominant sources of tourism expenditure are international and interstate visitors, who account for only one third of visitor numbers but two thirds of expenditure. Increasing lengths of stay (international) and higher spends per night (interstate) have driven Victoria's recent growth in visitor expenditure.

FIGURE 5

**ORIGIN OF OVERNIGHT VISITORS AND VISITOR EXPENDITURE IN VICTORIA (2004)**



Source:  
Tourism Research Australia, Tourism Victoria

### Victoria's competitive advantages

Victoria's strong performance is the result of a sophisticated approach that has turned our unique tourism experiences into our strengths. It's true we don't have Sydney Harbour, with its Bridge and Opera House, Ayers Rock or the Great Barrier Reef – although those who have driven the Great Ocean Road or camped at Wilson's Promontory know that Victoria has spectacular and rugged natural features. Our assets are our sophistication, diversity and reputation for cosmopolitan and cultural experiences. Consider the following strengths and achievements:

#### > **Distinctive, consistent and well-targeted advertising**

The *Jigsaw* campaign, which highlights Victoria's diversity within a compact area, has been a long-term success and has won international praise.

#### > **Lifestyle experiences**

We have developed and demonstrated unique and authentic lifestyle experiences. Melbourne is ranked as the lead Australian city associated with theatre, shopping, world class restaurants, cafes, bars and nightlife. Melbourne has become synonymous with style, romance, culture and sophistication. Victoria also ranked first as "a great place to tour by car" and second after South Australia when it comes to "boutique wineries".

#### > **Regional tourism**

Regional Victoria has built an enviable reputation based on its compactness and diversity, supported by the best regional road network in Australia. These factors enable easy access to a range of rich tourism experiences. Tourism is currently worth \$3.4 billion to our regional economy and employs 61,000 people. Revenue and employment have increased by 31% and 13% respectively since 1997/98.

#### > **Major events**

Victoria gains extensive international recognition through the staging of sporting and cultural events. We attract approximately 230,000 international major event visitors per year (42% of event visitors to Australia) and events generate an estimated annual economic impact of \$1 billion.

#### > **Business events**

During 2004 Victoria hosted 88,500 business events at 360 venues, which attracted 5.4 million delegates and created 22,600 jobs. Our share of the Australian business events sector is 25%, and business events generate 9% of our total tourism revenues.

#### > **Direct inbound flights**

We have significantly increased the number of international airlines flying directly to Melbourne. In 2004 Melbourne airport received an average of 70,000 seats per week on international air services compared to 53,000 seats per week in 1999.

#### > **International education**

Our strong tertiary education sector contributes to the growth of international student numbers from Asia and Europe. The significance of this sector rests in its high yield (in 2004 international students represented 8% of international visitors by number but 40% of international yield).



# Planning for a successful future

## The size of the prize

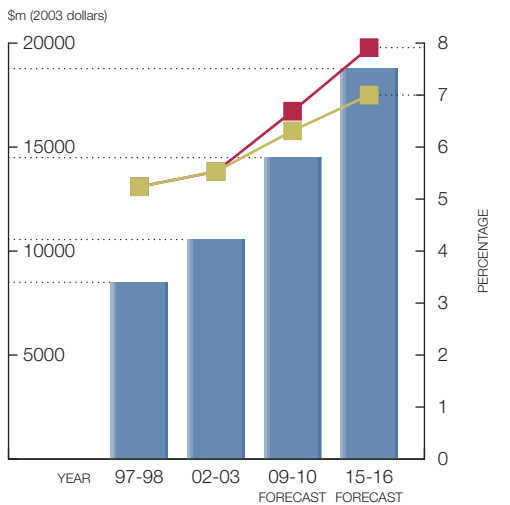
Victoria now has a great opportunity to improve our strong tourism and events industry even further.

Before outlining the key points of the Strategy, it's worth considering what is at stake and what the main challenges are.

With the right strategy, the industry is on target to become one of the biggest contributors to our economy. A compound annual growth of 4-5% per annum will lift the Industry to 7-8% of Gross State Product, and create an additional 66,000 jobs (over 40%) in the next ten years.

FIGURE 6

**VICTORIA'S TOURISM GROWTH POTENTIAL**

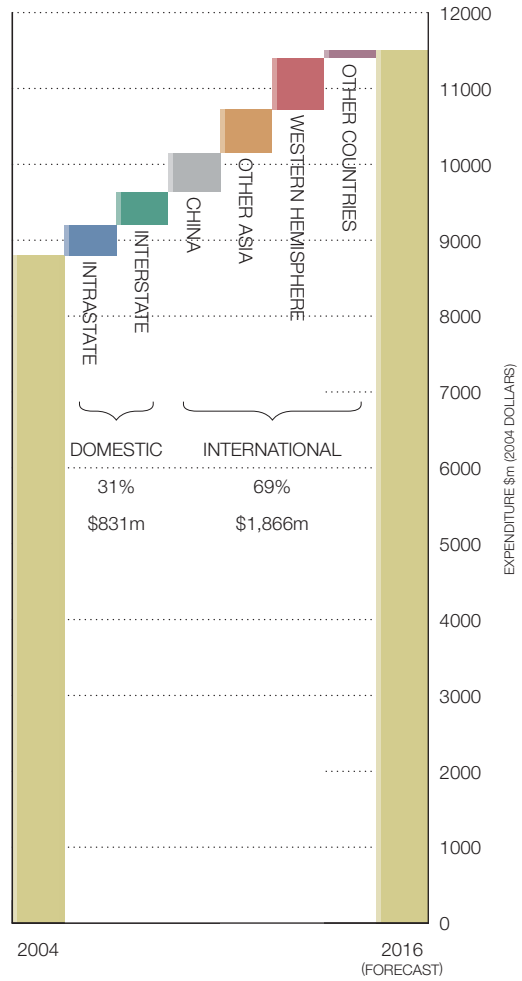


Combined direct & indirect tourism contribution to Vic GSP ■  
 Tourism % of Vic GSP (1. Vic GSP grows at 1.6% pa) ■  
 Tourism % of Vic GSP (2. Vic GSP grows at 2.5% pa) ■

Sources:  
 Access Economics, Productivity Commission,  
 Tourism Research Australia, Tourism Victoria

FIGURE 7

**OVERNIGHT VISITOR EXPENDITURE IN VICTORIA (TOURISM VICTORIA FORECAST)**

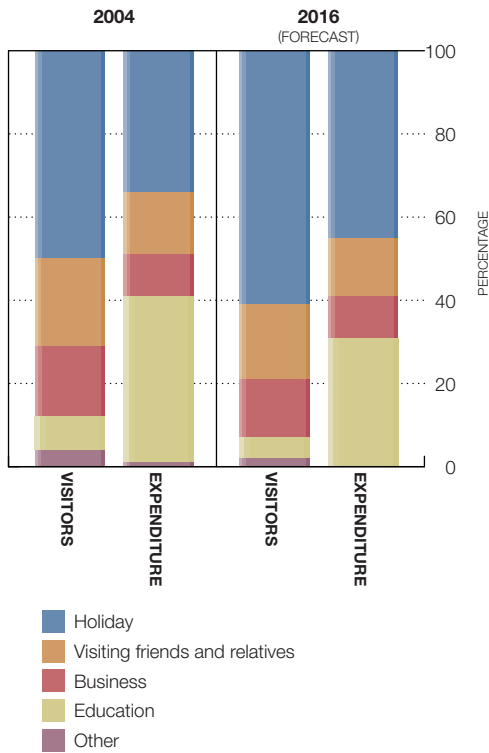


Sources:  
 Tourism Research Australia, Tourism Victoria

Overseas tourists are likely to account for 70% of overall tourism growth and almost 40% of tourism expenditure (currently 30%) by 2016.

FIGURE 8

**MAIN PURPOSE OF INTERNATIONAL VISITORS AND VISITOR EXPENDITURE IN VICTORIA**

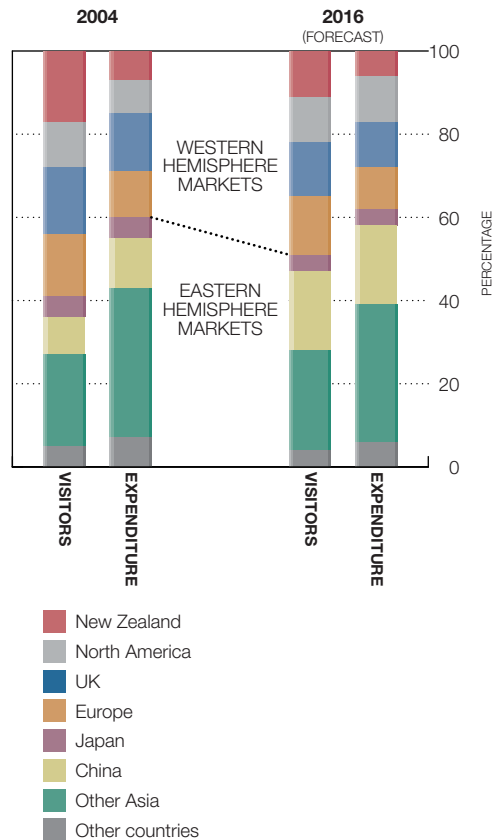


Sources:  
Tourism Research Australia, Tourism Victoria

The holiday segment will comprise over 60% of international visitor numbers and 45% of expenditure, whilst overseas students will continue to be an important source of international visitor yield.

FIGURE 9

**ORIGIN OF INTERNATIONAL VISITORS AND VISITOR EXPENDITURE IN VICTORIA**



Sources:  
Tourism Research Australia, Tourism Victoria

Asia is expected to be the primary sources of international growth, with China's share of international visitors likely to increase from 9% to 19% over that period.

Major events attract huge numbers of visitors. Victoria will continue to attract new events, more regional events and improve infrastructure and event management to encourage repeat visits and stay at the top of this highly competitive market.

Construction of the new Melbourne Convention Centre and 70,000 square metres of business events facilities at the redeveloped Melbourne Showgrounds will increase our capacity to compete in the important and growing business events market.

So Victoria is doing well and is in many respects leading the world. What's next?

### **Priorities for action – what stakeholders have told us**

This Strategy is the result of real collaboration with tourism providers over an 18-month period. It builds on an extensive review of the performance of the sector and the Government's support for tourism and events. That review:

- > Researched Victoria's recent industry performance and future growth forecasts;
- > Analysed what our competitors are doing;
- > Compared our performance to some of the world's leading tourism and events countries; and
- > Consulted with industry and key stakeholders to find out what the operators themselves think the key growth opportunities and barriers are.

The process revealed a number of key issues the industry must address in the next decade:

### **Global competition in tourism marketing is increasing**

According to the World Tourism Organisation, international tourism is forecast to increase dramatically between now and 2010 (up from 763 million visits in 2004 to over one billion by 2010) – but so is competition for that market. Without continual improvements, it's possible our tourism growth will flatten or decline. So in addition to aggressively pursuing overseas tourists, Victoria must continue to attract interstate and intrastate visitors.

**“Without continual improvements, it's possible our tourism growth will flatten or decline.”**

### **Competition for major events and business events is increasing**

To maintain our reputation as the leading “Events State”, Victoria must be able to respond rapidly to retain our competitive advantage in this important area.

The global competition for business events is extremely intense as the recognition grows of the strong pre- and post-event tourism potential of this sector. Leading cities and countries in this sector like Vienna, Barcelona and Singapore are being challenged by China, Malaysia, Dubai and others. Victoria must seek to become one of these key players. A stronger focus on business events acquisition is needed to take full advantage of exciting new infrastructure such as the new Melbourne Convention Centre and the redeveloped Showgrounds.

**“Other Australian governments are jealously eyeing Victoria's reputation as the leading ‘Events State’.”**

### **Victoria's position in the national marketing effort**

Victoria's strengths have not been adequately represented in recent national tourism marketing campaigns, which tend to concentrate on Australia's iconic natural landmarks. Can campaigns that ask “So where the bloody hell are you?”, for instance, attract travellers to Victoria's wineries and Melbourne's shopping and food precincts? Further cooperation with Commonwealth tourism bodies is needed to ensure Victoria's attributes are reflected in national marketing and branding strategies.

**“Can campaigns that ask ‘So where the bloody hell are you’ attract sophisticated travellers to Victoria's boutique wineries and Melbourne's fashionable shopping and food precincts?”**



### External market shocks

The tourism and events industry is constantly vulnerable to domestic and international shocks – like 9/11 and SARS – that can have an immediate and devastating impact. Our response to these events has been fast and comprehensive and will continue to be so to protect the industry from short- and long-term damage.

### Rapid changes in consumer preferences and spending patterns

Consumer preferences constantly change, meaning the industry has to quickly adapt. The growth of “ecotourism” is a good example, and operators that were quick to recognise the potential of this sector have flourished as a result. Spending patterns can also change, potentially reducing tourism outlays altogether. There is a growing tendency, for instance, to spend discretionary income once set aside for holidays for home improvements and new consumer goods.

**“Consumer preferences constantly change, meaning the industry has to quickly adapt. The growth of “ecotourism” is a good example...”**

### The need to improve marketing and tourism product for tourists from Asia

Capitalising on the growth potential of the Asian region needs smart planning and investment. Particular attention needs to be paid to:

- > Increasing direct flights from key Asian locations;
- > Developing culturally appropriate experiences;
- > Targeting high yield segments of this market;
- > Investing in appropriate infrastructure such as interpretative signage;
- > Language skills of industry operators;
- > Improving Australian visa processing and visa access points; and
- > Connecting with emerging Free Trade Agreements to ensure that tourism opportunities arising from these are fully understood.

### Increasing the availability of skilled workers

Tourism perhaps more than any other industry is about people – with the right knowledge, service skills and technical expertise. As tourists demand more sophisticated and varied experiences, demand for skilled employees is only going to increase, as tourism operators know that excellence in service standards is vital for generating repeat business. More attention must be paid to training, and enrolments in tourism and tourism-related courses at post-secondary institutions must keep pace with the projected demand for skilled employees. There is also a need to counter the perception that jobs in tourism offer few career opportunities. The opposite is true.

**“There is a need to counter the perception that jobs in tourism offer few career opportunities. The opposite is true.”**

### Attracting more flights

In recent years Victoria has been successful in increasing international direct flights to Melbourne. Through cooperative marketing campaigns and other aviation development initiatives Melbourne achieved an additional 2,468 seats per week into Melbourne and Jetstar alone flew close to two million passengers in and out of the State during 2004-2005. Melbourne and Avalon Airports’ curfew-free status and Melbourne’s capacity to attract the new A380 Jet is a big advantage for Victoria as competition intensifies from other State Governments seeking to attract aviation companies to hub out of their respective States.



### **Maintaining our position as a leading provider of international education**

International students are a significant source of tourism, but Victoria's international education market is facing rapidly growing competition as our source countries expand their own higher education systems. We need to better utilise our tourism marketing capabilities to support the efforts of the education sector in attracting international students.

### **Investment for Growth**

Victoria's projected tourism growth will be restricted without expanded investment in infrastructure. This not only includes investment in high quality tourism product and services but also in the planning and provision of the transport and community infrastructure that enhance the tourism experience.

### **Improvement of our online presence**

Visiting a travel agency and picking up brochures before booking a holiday is rapidly becoming a thing of the past. Worldwide, online bookings in 2005 increased significantly from the previous year as tourists research and book their own travel online and use Internet sites to spread the word about good and bad experiences. Operators must now provide potential customers with more online destination and service information, full price lists and the ability to book online.

**“Visiting a travel agency and picking up brochures before booking a holiday is rapidly becoming a thing of the past. Tourists are now researching and booking their own travel online and using Internet sites...”**

### **Increased consideration of tourism and events in government decision making**

While the State's specific tourism and events bodies have performed well, the Government needs a broader understanding of the industry's needs, advice on the potential impact of tourism on the government's wider economic, social and environmental priorities, and greater coordination between relevant public and private sector bodies – especially where marketing campaigns, infrastructure planning and skill development are concerned.

### **Case study**

#### **NEW ZEALAND**

New Zealand's approach to tourism policy development and promotion since the late 1990s represents a best practice example to managing tourism.

New Zealand has taken a comprehensive approach that incorporates tourism into a range of social, cultural, environmental and economic development considerations.

A permanent tourism policy function, based in the Department of Economic Development, emphasises the importance of tourism across government and maximises opportunities to leverage tourism for other economic development opportunities, consistent with broader government goals in environment, infrastructure planning, investment and regional development.

The New Zealand response has been to make Tourism New Zealand the body responsible for the marketing and promotion of New Zealand through initiatives such as the well-known “100% Pure” campaign. Tourism New Zealand operates under a purchaser-provider agreement with the Minister for Tourism, enabling autonomy and flexibility to respond rapidly to emerging opportunities and challenges.

This approach to tourism is now an emerging trend in the way governments of competitive destinations treat tourism and tourism industry development.



*Tourism Victoria's 'It's Easy to Lose Yourself in Melbourne' marketing campaign*

## SECTION 4

## Strategic responses

**Implementation of the 10 Year Tourism and Events Industry Strategy will be based on a number of priorities for action identified in consultation with stakeholders. Some of these actions will occur in the short-term. Others will require further planning and development. Each action is grouped under four key objectives:**

- A**  
Building upon our existing strengths;
- B**  
Developing new strengths;
- C**  
Focusing on long-term growth opportunities; and
- D**  
Strengthening the partnership between Government and industry.



## OBJECTIVE A

## BUILDING UPON EXISTING STRENGTHS

1  
IMPROVING THE BRANDING AND MARKETING OF VICTORIA**Why is action required?**

Tourists are always seeking something new, and there are plenty of competitors ready to meet their needs. To survive and prosper the Victorian tourism and events industry must invest in consumer research and allow our marketing campaigns to evolve to meet these needs. For example, fresh approaches are required to entice a new segment of tourists using low cost carriers to visit Melbourne and regional Victoria. We can't afford to lose this share of the market.

We also need to complement Tourism Australia's international campaigns with advertising that promotes Victoria's distinctive strengths. Icon destinations like the Great Barrier Reef, the Red Centre and the Sydney Opera House may attract people to Australia, but we need to direct them to Victoria with a distinct and widely recognisable image for the State.

As already discussed, we need to be able to respond quickly to sudden events that affect tourist behaviour. The decisive effort to reassure tourists after the bushfires in the Grampians early in 2006 and in Gippsland and the High Country in 2003 shows what can be done.

**Action to date**

The Government's recent actions have been highly successful in strengthening the tourism and events industry.

The *Jigsaw* campaign has created a consistent platform for marketing Melbourne and Victoria's regions. Not surprisingly, it has received acclaim from peak industry bodies, winning prestigious tourism and marketing industry awards.

The Government's *Brand Victoria* project is creating a consistent image of Victoria abroad to promote tourism as well as education, investment, skilled migration, arts and events.

**“The *Brand Victoria* project is creating a consistent image of Victoria abroad to promote tourism as well as education, investment, skilled migration, arts and events.”**

#### Future actions

We will strengthen our focus on building international awareness and positioning Victoria as a desirable destination to visit, using the *Brand Victoria* brand mark. Our priorities will be the key high yield, mature international markets including the UK, Germany and Japan, where we risk losing market share if we do not respond to growing international competition. We will employ a range of approaches to achieve this, including:

- > brand campaigns;
- > support to global PR companies to cost-effectively add depth and dimension to our marketing messages;
- > cooperative marketing; and
- > export development support.

## 2

### MAJOR EVENTS

#### Why is action required?

Victoria is the proud home of many of Australia's major events, such as the Australian Formula One Grand Prix, the Melbourne Comedy Festival, Melbourne Food & Wine Festival and the Australian Open Tennis Championships. Major events attract 230,000 international visitors to the State every year – no less than 42% of all international events visitors to Australia. It is estimated that events generate economic benefit of over \$1 billion to the State. They will continue to be an important component of the Government's strategy to promote Victoria as a place to live, work and do business.

But competition for these events is fierce, and we must continue to respond to event acquisition opportunities rapidly and effectively.

**“Major events attract 230,000 international visitors to the State every year – no less than 42% of all international events visitors to Australia. It is estimated that events generate economic benefit of over \$1 billion to the State.”**

#### Action to date

In addition to Victoria's famous annual events like the Australian Open Tennis Championships, AFL Grand Final Week, the Australian Formula One Grand Prix and the Spring Racing Carnival, Victoria has consistently attracted and hosted a broad and ever-changing number of new drawcard sporting and cultural events, such as the FINA 2007 World Swimming Championships and the Melbourne Winter Masterpieces.



### Future actions

The Government will continue to work actively with the Victorian Major Events Company, major industry associations, local councils and major international sporting and cultural bodies to support the retention, acquisition, staging and management of major events in Victoria. New emphasis will be given to boosting the tourism benefits that flow from major events – through cooperative marketing arrangements and higher visibility for the State's tourism attractions in event broadcasts.

## 3

### AVIATION ACCESS

#### Why is action required?

Victorian tourism, particularly international, is dependent on convenient air access. There is a need to continue to influence aviation policy and to focus on relationships with airlines. Other States are working with key airlines to take advantage of their distribution system across markets. We need to be aggressive in order to maintain and grow air access.

70% of Victoria's tourism growth over the next decade is forecast to come from international markets, so increasing the number of direct international flights to Melbourne is obviously crucial to our tourism success. Melbourne Airport provides numerous advantages – A380 ready, curfew-free and easily accessible to the city's road network – but the current environment is very competitive and challenging.

**“70% of Victoria's tourism growth over the next decade is forecast to come from international markets, so increasing the number of direct international flights to Melbourne is obviously crucial to our tourism success.”**

### Action to date

We have worked closely with international airlines through cooperative marketing campaigns and other means to increase the number and frequency of direct flights into Melbourne. Cooperative airline marketing has resulted in the delivery of an additional 2,468 seats per week into Melbourne. Jetstar alone flew close to two million passengers in and out of the State during 2004-2005, boosted by a major cooperative marketing campaign.

### Future actions

A greater priority will be given to international aviation policy development and advocacy to deliver more direct flights to Victoria.

We will strengthen our efforts in developing Network Development Agreements with high value carriers to attract additional direct flights to Victoria. We will also continue to work with Jetstar International to boost inbound passenger numbers from strategic destinations.

**Melbourne's airports: A strategic advantage**

*Melbourne's two curfew free airports provide Victoria with a unique competitive advantage to attract more international and interstate visitors. Melbourne airport is now A380-ready enabling the State to capitalise on the increased visitation potential that these new aircraft offer.*



*Mr Chris Barlow, CEO Melbourne Airport*

## OBJECTIVE B

## DEVELOP NEW STRENGTHS

4  
INFRASTRUCTURE DEVELOPMENT**Why action is required**

Modern transport, communications and skill-development infrastructure is essential for attracting tourists. The needs of the industry must therefore be considered when government plans its infrastructure investment. A whole-of-government approach will also ensure that potential new tourism-related infrastructure is consistent with the State's other economic, social and environmental goals.

**Action to date**

Much has been done in recent years to improve transport infrastructure and accessibility, including:

- > The construction of a world class rail and bus terminal at the Southern Cross Station;
- > Improving our road networks through major projects such as Eastlink and the Geelong, Deer Park and Pakenham Bypasses;
- > The newly built Calder-Tullamarine Freeway interchange which will substantially improve road access from the city to Melbourne Airport;
- > The completion of substantial upgrades to rail infrastructure from Melbourne to Ballarat, Geelong, Bendigo and Traralgon under the Regional Fast Rail project; and
- > The pioneering of new bicycle trails across regional Victoria.

The Government is creating the basis for sustainable population growth through its well-canvassed *Melbourne 2030* Strategy and regional planning strategies, complemented by the development of Regional Tourism Development Plans, which integrate tourism's needs into regional planning processes. These plans take a comprehensive approach to Destination Management by addressing broad development needs including infrastructure, strategic alliances and marketing.

**Future actions**

The Government will ensure that all relevant agencies take a Destination Management approach to the planning of infrastructure to ensure the needs of the tourism and events industry are considered in the planning of major infrastructure projects.

5  
INVESTMENT ATTRACTION AND FACILITATION**Why action is required**

Major private sector investment is vital to the development of the new attractions and the creation of higher service levels that tourists are increasingly demanding. A stronger capacity to attract and facilitate tourism industry investment is particularly important in an environment of strong national and global competition for new tourism product development.

**Action to date**

More than \$1 billion of investment over the past four years has helped complement marketing strategies by increasing the amount of accommodation establishments with 15 rooms or more available in Victoria by more than 10%.

The Government is also investigating ways of attracting private investment to tourism assets across the State.

**Future actions**

The Government will give a higher priority to public and private sector tourism investment across relevant agencies. In particular, we will increase the priority given to tourism in our international investment attraction activities.

**Case study****NATURE BASED TOURISM  
ACCOMMODATION****Maho Bay, St. John U.S. Virgin Islands USA**

Maho Bay, established in 1976, is a highly praised best practice nature retreat comprising 114 tent cottages in the Virgin Islands National Park.

In 1991, Maho Bay helped the US National Park Service (US NPS) develop the US NPS “Guiding Principles to Sustainable Design” by constructing and testing a prototype sustainable building design intended to provide the basis for achieving sustainable development. The goal was to create guidelines for building dwellings that minimally impact on the environment while helping to develop conservation-oriented values in the guest.

Maho Bay is consistent with the best practice characteristics of successful nature retreats worldwide, including:

- > Environmentally sustainable design
- > Education on the surrounding natural and cultural environment
- > Return to the environment
- > Involving the local community
- > High quality hospitality and services
- > Value added products

**6****SKILLS AND SERVICE STANDARDS****Why action is required**

Creating an \$18 billion tourism and events industry in the next ten years will require the creation and filling of 66,000 new jobs.

This won't be easy. A recent national survey of member businesses of the Tourism and Transport Forum indicated that 75% of businesses are seriously affected by labour shortages and are having difficulty filling positions.

Skilled labour is crucial to the delivery of quality tourism experiences, especially as demands for service quality increase. It is also critical to the sustainability and growth of individual tourism businesses. Without adequate numbers of appropriately trained employees, it will be harder for Victoria to increase its share of the high-yield tourism market.

**Action to date**

Investment in education and training since 1999 has made Victoria the nation's leading training provider. Spending on education and training has increased by \$6.2 billion since that time. The Government's February 2006 Skills Statement, *Maintaining the Advantage: Skilled Victorians*, allocated an additional \$241 million to improve skills and address specific industry skill shortages.

The Government's *Moving Forward: Making Provincial Victoria the Best Place to Live, Work and Invest* Statement released in December 2005, allocated an additional \$43 million to improve skill levels in regional Victoria.



In April 2006, the Tourism Excellence Program was launched by the Minister for Tourism to improve synergies between programs and create a competitive advantage for Victoria through improved service standards and visitor satisfaction. The Program involves an integrated approach, bringing together elements such as customer satisfaction, staff skills and business development that, combined, will contribute to the broader tourism objectives of market development and increased visitor yield.

#### Future actions

As part of a strategic approach to increase Victoria's tourism workforce, develop career pathways and raise skill levels, we will develop a Workforce Development Plan for the tourism industry to leverage initiatives announced in the Skills Statement to improve training opportunities for tourism employees and boost the skills of tourism business operators. We will also improve communications between the industry and skills and training agencies.

The implementation of the Tourism Excellence Program will also help develop new career pathways for employees by addressing areas such as specialised industry training needs, the uptake of accreditation programs and improving customer satisfaction monitoring.



#### Case study

##### NEW ZEALAND TOURISM AND HOSPITALITY WORKFORCE STRATEGY

New Zealand's Tourism and Hospitality Workforce Strategy, released in July 2006, was developed in response to the identification in the New Zealand Tourism Strategy 2010 of human resource issues as one of the key challenges facing the tourism and hospitality sector. The Tourism Workforce and Skills Projections report, published in November 2004, also confirmed that projected skills shortages in the tourism and hospitality sector posed a severe potential risk to the future of the industry.

An Industry Leadership Group developed the Tourism and Hospitality Workforce Strategy as a strategic response to the issues identified in the Projections report, and acted as a catalyst for an industry-wide approach to its human resource needs.

The Strategy contains numerous proposed actions in six key areas:

- > Labour supply;
- > Skills and personal attributes;
- > Retention;
- > Systems and processes;
- > Legislative and regulatory environment; and
- > Future workforce and skill needs.

The Strategy involves a whole-of-industry basis for identifying and implementing solutions. Most of the actions recommended will take place within sectors of the industry, at a national or regional level. The Leadership Group will be overseeing progress and will also work on feeding progress made on this strategy into the mid-term review of the New Zealand Tourism Strategy 2010, due to commence in 2007. This will ensure that workforce-related issues are fully acknowledged and effectively addressed in the updated Tourism Strategy.

## 7 THIRD GENERATION CUSTOMER CONVERSION SERVICES

### Why is action required?

Web search is fast becoming the leading means for researching and booking tourist travel.

The following figures demonstrate how rapid and profound this change has been:

In Australia, in 2005, 63% of all Internet users gained travel information via the Internet, while only 29% used travel agents.

- > More than 92% of fares with Virgin Blue, JetStar and Freedom Air are booked online.
- > The global average of online airline ticket sales stands at 28% compared to 20% last year – which means that an estimated 560 million of today's two billion airline passengers now use the Internet to make their bookings.
- > Online leisure and unmanaged business travel sales in the US, Europe and the Asia-Pacific region in 2005 were:
  - US: US\$ 65.4 billion (up 25.5% on 2004)
  - Europe: US\$ 34.5 billion (up 49.0% on 2004)
  - Asia Pacific: US\$ 15.9 billion (up 31.4% on 2004).

The Victorian Tourism Online project (1999-2001) led to the development of [www.visitvictoria.com](http://www.visitvictoria.com) and put Victoria at the forefront of online tourism between 2001 and today. However, technology has changed and our competitors have subsequently invested heavily in similar digital content and improved online purchasing opportunities for consumers.

If it is to reach key consumer segments, the Victorian tourism and events industry must maximise the potential of the Internet, integrating the medium into its marketing programs and improving online booking capacity. The Victorian Government will continue to provide appropriate support to tourism operators.

### Action to date

Tourism Victoria has successfully used online communications and technology to market the State through a range of leading edge websites including [visitvictoria.com](http://visitvictoria.com), [backpackvictoria.com](http://backpackvictoria.com), [skivic.com](http://skivic.com) and [visitmelbourne.com](http://visitmelbourne.com), which provide information in multiple foreign languages.

Tourism Victoria is recognised as a national leader in online strategy and its websites have consistently outperformed all other state tourism websites. Our website attracts more than 3.5 million visits annually and has received a number of industry accolades for its online performance, including Hitwise's award for the best performing government website in Australia in 2004 and 2005.

All of Tourism Victoria's marketing campaigns have dedicated online campaign pages and are supported by e-marketing activity, including email, SMS and search engine initiatives.

Tourism Victoria's continued involvement in the Australian Tourism Data Warehouse is ensuring that Victorian tourism businesses are represented on other tourism and travel websites including [www.australia.com](http://www.australia.com).

**“Tourism Victoria's website attracts more than 3.5 million visits annually and has received a number of industry accolades for its online performance, including Hitwise's award for the best performing government website in Victoria in 2004 and 2005.”**

### Future actions

Following investigation of the emerging opportunities for marketing Victoria through digital channels, we will ensure that Tourism Victoria's online systems incorporate innovative mobile and multimedia technologies and new online media marketing activities. We will focus on opportunities to use new technology to improve productivity and drive conversion outcomes for the industry.

Such activities will ensure that the consumer's path to purchase Victorian tourism product is seamless, that Victoria maximises the opportunities to convert consumer interest into actual bookings and to increase the economic impact of tourism.

We will also work with the industry to develop their online capabilities.



### Case study

#### SCOTTISH TOURISM: THE NEXT DECADE

In March 2006 the Scottish Government published *The Next Decade* which sets out issues for Scotland's Tourism Industry to produce a major change in Scottish tourism, and the ways the public sector agencies will support the industry. *The Next Decade* contains fourteen targets for Scotland's tourism industry including two targets which specifically relate to e-business development:

- > By 2007 every tourism business will be on at least the first rung of the e-technology ladder (every business has a computer and email address) and will continue beyond 2007 to work their way up that ladder; and
- > The Scottish Executive and VisitScotland will study how best to develop a National Box Office which will provide online booking of performances and prompt parallel online purchase of linked products such as travel tickets.

*The Next Decade* provides the following measures for these targets:

- > The Scottish Tourism Forum will provide evidence that all tourism businesses are using e-technology effectively by 2007. This Forum will also provide qualitative feedback on progress each year thereafter; and
- > The Scottish Executive and VisitScotland will provide qualitative feedback on development of National Box Office.



## OBJECTIVE C

## FOCUS ON LONG-TERM GROWTH OPPORTUNITIES

8  
EMERGING INTERNATIONAL MARKETS**Why action is required**

International tourism will be of increasing importance to Victoria in the coming decade. Foreign visitors are expected to account for more than 40% of total tourism expenditure in the State by 2016. The source countries of our tourists will also change, with major growth predicted from China, Malaysia, India and other Asian nations. By 2016 the Asian market could account for more than 40% of international tourists and over 50% of yield.

China alone is expected to account for 19% of all international visitors and expenditure by 2016, due to its increasing prosperity and the emergence of an urbanised, educated and sophisticated middle class with a strong desire to travel. But competition for the Chinese tourism market will be tough, and success will depend on offering the best services, experiences and consumer protection.

**“Competition for the Chinese tourism market will be tough, and success will depend on offering the best services, experiences and consumer protection.”**

**Action to date**

Tourism Victoria has been successfully positioning the State as an attractive destination for overseas visitors. Activities have included promoting Victoria to our key markets through leading trade missions and promoting industry participation in major trade shows. More than 8,000 international wholesale and retail staff learned about Victoria's tourism product in structured education sessions, including presentations and workshops throughout the year. For example, the Victorian Tourism Sales Mission to Europe and the UK in early 2006 saw 19 of Victoria's key tourism businesses train over 450 travel agents. This sort of training is vital to ensuring that overseas travel agents are able to promote and explain the great Victorian tourism products available to their clients.

Tourism Victoria facilitated the participation of over 60 tourism operators at the 2005 Australian Tourism Exchange. It has also assisted industry participation at the Internationale Tourismus Börse in Berlin, the Arabian Travel Market in Dubai, the World Travel Market in London and the National Association of Travel Agents Singapore event. Tourism Victoria has also undertaken various cooperative campaigns with a number of key distribution and airline partners. More recently, innovative public relations tools have been used to promote the desirability of a holiday in Victoria directly with consumers.

The Government has also put enormous direct effort into marketing Victorian trade opportunities in China. In 2005 it released Australia's first whole-of-government strategy to strengthen trade, investment and tourism activity – *China, 2005 & Beyond: A Vision for Growing Trade and Investment*.

The result has been solid growth from international markets with visitor numbers increasing by 5% to 1.4 million during 2006.

**Future actions**

The Victorian Government will focus on developing the international markets that represent the greatest tourism growth prospects and which are also priorities in related areas such as business, trade and education.

A range of initiatives including air services development, new product and infrastructure investigation and development, skills training, export development support and marketing will be undertaken to maximise tourism outcomes from these emerging markets.

China will be the immediate priority market with the focus on high and very high income consumers (the market segments that are of greatest influence within China and offer the maximum yield potential), business tourism and education sectors. Other emerging Asian markets to be targeted include India, Korea, Thailand, Taiwan, Malaysia and Singapore.

## 9

### BUSINESS EVENTS ACQUISITION

#### Why action is required

Business events are a high yield component of the tourism industry, attracting visitors who exert considerable influence about the attributes of event locations as great places to live and work. Business events currently generate approximately \$1 billion per annum or 9% of Victoria's total tourism revenues. During 2004 88,500 business events were held in Victoria attracting 5.4 million delegates and creating 22,600 jobs.

The US\$280 billion global business event market is growing fast, and convention-hosting capacity is increasing rapidly Asia and the Middle-East. Host cities are also increasing financial contributions to secure business events. The supply of large scale business events is limited, and attracting these events requires long lead times, typically up to 6 years, but the benefits to host locations are substantial.

**“During 2004 88,500 business events were held in Victoria attracting 5.4 million delegates and creating 22,600 jobs.”**

#### Action to date

In April 2004, the Government committed \$370 million to develop a new 5,000-seat Convention Centre – adjacent to and fully integrated with the Melbourne Exhibition Centre. New business events facilities are also being incorporated into the redeveloped Melbourne Showgrounds.

The Melbourne Convention and Visitors Bureau is working hard to attract new business events to Victoria, with financial and other assistance from the Victorian Government. However, in order for the Convention Centre to achieve its potential of an additional \$197 million of economic activity for the State per year, Victoria needs to double the number of events and treble the number of delegates attracted.

#### Future actions

We will ensure that the Melbourne Convention and Visitors Bureau is better able to identify and respond decisively to opportunities to develop bids for international conventions. We will also strengthen our focus on attracting business events to regional Victoria.

We will also focus on target incentive groups, especially within lucrative Asian markets; identify and influence key decision makers in priority industry sectors; engage other Government agencies that have access to key business influencers and further develop business event acquisition programs such as the Melbourne Ambassadors Program.

A key plank of our future business events strategy will be to ensure that the Exhibition Centre has sufficient floor space to enable Melbourne to remain competitive in attracting world-scale exhibitions and trade fairs.

## 10 REGIONAL DESTINATION DEVELOPMENT

### Why action is required

Tourism is a major creator of businesses, jobs and prosperity in regional Victoria. In 2003/04, Tourism contributed \$3.4 billion to the regional Victorian economy – 31% of the State's total tourism output – and employed 61,000 people – 39% of the State's total tourism employment.

Intrastate tourists spend 85% of visitor nights in regional Victoria, providing a steady stream of income to regional tourism operators. New developments, however, are reducing the market share of regional tourism. Low cost carriers, for instance, are making it easier and less expensive for tourists to travel interstate and even overseas for their holidays.

**“In 2003/04, tourism contributed \$3.4 billion to the regional Victorian economy and employed 61,000 people.”**

### Action to date

In November 2005 the Victorian Government released its regional economic strategy – *Moving Forward: Making Provincial Victoria the Best Place to Live, Work and Invest* – which contained \$502 million of new development initiatives over the next four years. It included a number of tourism-specific commitments as well as initiatives that will have a direct impact on the tourism and events industry. These include:

- > A direct \$27 million boost for tourism;
- > A new \$100 million Provincial Victoria Growth Fund;
- > A \$200 million extension of the Regional Infrastructure Development Fund;
- > \$12 million to extend the *Make It Happen in Provincial Victoria* campaign;
- > \$36.6 million in support for small towns; and
- > \$50.8 million for regional transport.

*Moving Forward* builds on previous regional tourism initiatives, including:

- > \$34 million over the past four years to regional tourism initiatives allocated under the Regional Infrastructure Development Fund;
- > Regional Tourism Development Plans, which have been created to promote a Destination Management approach to regional tourism. The plans contain recommendations to improve local tourism marketing, infrastructure and industry development; and
- > \$9.6 million over the next three years from the Aboriginal Land and Economic Development Program to develop land for use by Aboriginal communities, including for tourism related projects.

### Future actions

Tourism Victoria plans to convene in early 2007 a Regional Tourism Summit to engage industry leaders, local Government and other key stakeholders and develop practical solutions to issues confronting the industry in regional Victoria.

We will work with the regional tourism industry to develop marketing programs to attract Victorians, interstate and international visitors to regional Victoria.

Other actions outlined in the Strategy will have specific and significant regional benefits. The regional impacts of the implementation of the Strategy will be monitored and evaluated over the life of the Strategy to ensure that the tourism benefits to regional Victoria are maximised.

*Otway Fly Treetop Walk, Beech Forest*



*Peninsula Hot Springs, Rye*



## 11 BUILDING SYNERGIES BETWEEN TOURISM AND INTERNATIONAL EDUCATION

### Why action is required

International students are an important source of tourism for Victoria. They contribute 40% of international visitor yield from only 8% of total international visitor numbers, and their average length of stay in Victoria is 126 nights. They are frequent return visitors and generators of important international business and political networks.

As in all fields of tourism, competition for these students is becoming intense. Interstate universities are increasing their marketing and enrolment campaigns and developing nations like China, India and Malaysia are massively increasing their own investment in higher education.

**“International students are an important source of tourism for Victoria. They contribute 40% of international visitor yield from only 8% of total international visitor numbers.”**

### Action to date

In March 2004 the Victorian Government released *Global Pathways: International Education for Victoria* – a strategy to strengthen Victoria’s ability to attract international students. As part of that strategy, Tourism Victoria is working with the Department of Education and Training and Victorian education institutions to promote Melbourne as an attractive study destination.

Tourism Victoria supports all parts of the overseas study market, with particular emphasis on the short stay education market, which generates a higher proportion of “tourism” experiences per study trip. Tourism Victoria’s activities have focused primarily on Asia, with some activity in North America. Recent initiatives include promoting the active sister city/sister school relationship between Victoria and Japan. Products have included the production of an “education manual” and training activities with partners active in the education-tourism market.

Boosting overseas student numbers was one of seven key recommendations of the Government’s *China, 2005 & Beyond* trade and investment strategy, which commits to promoting Victorian education through strategic partnerships, trade fairs, seminars and new sister-school relationships.

### Future actions

We will ensure that the contribution international students make to tourism is understood by the tourism industry and across Government.

Tourism Victoria will continue to work with the Department of Education and Training to promote Victoria as a premium destination for overseas students, including helping identify the best market opportunities for Australian education institutions.

Educational institutions and the Department of Education and Training will also contribute to the State’s expanding business events Industry.

The introduction of the *Brand Victoria* brand mark will also assist the international education market.



## OBJECTIVE D

STRENGTHEN THE PARTNERSHIP  
BETWEEN GOVERNMENT AND  
INDUSTRY12  
PROMOTING BETTER DECISION MAKING**Why action is required**

Tourism Victoria is currently the industry's main access point to government. It is, however, predominantly a marketing agency. A new approach is now needed to lead a Destination Management approach to Victoria's tourism and events industries.

**"A new approach is now needed to lead a Destination Management approach to Victoria's tourism and events industries."**

**Action to date**

A wide range of private- and public-sector organisations currently promote the Victorian tourism and events industry. Their planning efforts are often unconnected. Whilst cooperation levels are high, a more integrated approach is needed.

**Future actions**

In response to these needs, the 10 Year Tourism and Events Industry Strategy will:

- > Improve understanding across government of the importance of tourism and events to the State's economy;
- > Provide greater certainty for the industry, with clearly articulated long-term strategic directions and performance measures;
- > Improve strategy development and enhance the provision of policy advice to the Minister for Tourism;
- > Improve Government and industry decision making about tourism infrastructure and investment; and

- > Ensure that tourism and events agencies have good reporting mechanisms and operate as part of an effective strategic framework.

To implement the Strategy and ensure that its focus is genuinely whole-of-government, we will establish a Victorian Tourism and Events Advisory Council and a Tourism and Events Strategy and Policy Unit.

The Victorian Tourism and Events Advisory Council, comprising senior representatives of Victoria's tourism and events industry, tourism agencies and relevant cross-government agencies, would oversee the delivery of the Strategic Responses outlined in the 10 Year Tourism and Events Strategy. Its tasks would include:

- > Monitoring and advising on the implementation of key elements of the Strategy;
- > Advising Government on the best way to build a stronger tourism and events industry;
- > Investigating and testing proposed Government policy initiatives;
- > Encouraging greater cooperation across the tourism and events industry;
- > Strengthening information flows, linkages and networks between tourism agencies, institutions and businesses; and
- > Advocacy on industry issues of national importance.

A Tourism and Events Strategy and Policy Unit will provide the industry with a single access point into Government on all non-marketing related tourism issues. It will coordinate the research, development, monitoring and evaluation of key elements of the Strategic Responses contained in the 10 Year Tourism and Events Strategy and liaise with other tiers of Government on tourism and event related issues. It will provide secretariat and research support for the Tourism and Events Industry Advisory Council, manage Government contracts with the key tourism and events agencies and promote the significance of the industry across all tiers of Government.

## 13

### COORDINATION AND POLICY ADVOCACY

#### Why action is required

Local Government Authorities (LGAs) play an important role in the tourism and events industry within their communities, including the maintenance of major attractions, the planning and provision of tourism infrastructure and the attraction and/or staging of events.

The City of Melbourne understands its role as the “Gateway to Victoria” and spends \$6 million per annum on tourism promotion and support. Stakeholder consultations have suggested that some LGAs do not have sufficient resources to undertake tourism development and promotion in an integrated manner and that there is some misalignment between the regional tourism strategies and activities of State and local governments.

Effective coordination between local and state governments is therefore required to maximize the statewide tourism effort.

The Commonwealth Government also plays a key role in national tourism and events promotion and development. It sets the national policy priorities and strategic directions for tourism and events, conducts international marketing of Australia as a tourism destination and promotes increased international tourism visitation through regulatory and fiscal mechanisms such as visa arrangements.

Strong connections between the Victorian and Federal Governments and the industry are needed to maximize support for the Victorian tourism and events sector and ensure its needs are better reflected in national infrastructure planning and marketing campaigns.

#### Action to date

##### *Local Government*

As outlined above, Regional Tourism Development Plans have been implemented for each of Victoria’s regions.

In addition, a Metropolitan Melbourne Tourism Analysis was developed in the second half of 2005 in an effort to better engage metropolitan councils. The Analysis provides recommendations for Tourism Victoria and the State's other promotional agencies to further their efforts to boost tourism to Melbourne.

Tourism Victoria's Regional Partnership Program has also led to better coordinated tourism marketing at the local and regional levels.

### Action to date

#### *Commonwealth Government*

The Commonwealth and all States and Territories have formally approved a Tourism Collaboration Intergovernmental Arrangement. The Intergovernmental Arrangement was a key recommendation of the 2003 Commonwealth White Paper, *A Medium to Long Term Strategy for Tourism*.

As part of the Arrangement, State and Commonwealth tourism bodies have similar responsibilities for marketing, research and industry development but at different levels. The Commonwealth has primary responsibility for encouraging international and domestic tourism, and the States and Territories have primary responsibility for encouraging tourism within and to their own jurisdictions.

### Future actions

#### *Local Government*

We will broaden the scope of the Regional Tourism Development Plans (RTDPs), to incorporate broader areas of infrastructure development and investment attraction.

We will also work with LGAs to ensure that they have appropriate tourism and events industry development expertise, as well as undertaking cooperative intrastate regional marketing and cooperative marketing to target markets.

### Future actions

#### *Commonwealth Government*

We will continue to foster strong connections with the Commonwealth Government and with the industry to effectively advocate on its behalf on a range of industry policy and marketing and promotion issues. This will be achieved through taking an increased leadership role in the following:

- > Driving the principles outlined in the Tourism Collaboration Intergovernmental Arrangement, a key initiative of the Australian Government's Tourism White Paper and an important step in harmonising the efforts of Australian governments to better grow Australia's tourism industry;
- > Influencing Tourism Australia's marketing efforts to have a greater focus on Victoria;
- > Advocating the development of aviation policy that delivers more flights to Victoria;
- > Being a strong and active member of the Australian Steering Committee on Tourism;
- > Being a strong and active member of the Tourism Ministers' Council; and
- > Influencing policy and strategy, both at an overall level and on specific issues.





## 14 COMMUNICATION

### Why action is required

Policymakers and the general public sometimes underestimate the scale of tourism's contribution to Victoria. Better communication of its benefits is needed.

### Actions to date

Increasing the understanding of the significance of tourism was one of the key strategies identified in Victoria's Tourism Industry Strategic Plan 2002-2006. A number of key initiatives have been undertaken including:

- > The engagement of Access Economics to determine the economic value of tourism. The result of this work is publicly available;
- > Preliminary discussions between the Department for Victorian Communities and Department of Sustainability and Environment to seek guidance on measuring the social, environmental and community aspects of tourism;
- > The preparation by Tourism Victoria in partnership with the Australian Regional Tourism Research Centre of an effective communications resource kit for regional and local tourism associations; and
- > Participation by Tourism Victoria in whole-of-government communications activities, including the development of *Brand Victoria*.

### Future actions

We will develop a communications strategy highlighting the importance of the tourism and events industry as a significant contributor to the economy by:

- > Regularly highlighting statistical data and indicators of the industry's performance and growth, relative to the whole Victorian economy;
- > Identifying tourism strengths and potential growth areas; and
- > Providing quantitative and qualitative information about the contribution of the industry to regional and community development, employment, social cohesion, infrastructure provision and environmental sustainability.



## APPENDIX 1

## Background to the development of the 10 Year Tourism and Events Industry Strategy

During 2005, the Victorian Government conducted an extensive review of the performance of the State's tourism and events industry and of the Government's support for the industry.

The review:

- > Identified opportunities for improving the Victorian Government's current approach to attracting, promoting and increasing the economic benefit from leisure, major events, business events and education based tourism across the State;
- > Examined current policy, planning, governance, legislative and organisational arrangements with the aim of recommending changes that will create a more coherent, whole-of-government approach to tourism and events; and
- > Examined current linkages between Local, State and Commonwealth Government for the purpose of identifying opportunities for improvement.

The review project team consulted extensively with industry and Government stakeholders. A discussion paper was prepared as part of the consultative process to enable all interested parties to comment on the performance of the tourism and events sector and on Government support for the industry. Specifically, the paper sought views on:

- > The current and future economic contribution of tourism and events in Victoria;
- > Factors which prevent the Victorian tourism and events sector maximising its growth potential;
- > Policy development gaps and areas where coordination of tourism and events support across the Victorian Government could be improved; and
- > Priorities for future action and the strategic approach required.

More than 70 formal submissions were received in response to the discussion paper, and a further 50 interviews were conducted with industry and Government organisations. The findings of the review and the consultation process inform this Strategy.

The review also assessed the performance and governance arrangements of the Victorian Government's support for tourism and events against that of a number of other local and international jurisdictions. The purpose of this exercise was to identify the characteristics of world best practice support for tourism and events and where improvements can be made.

The review process was guided by a Reference Group of senior government and Industry representatives, which provided objective feedback and validation of the review team's conclusions.

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