

## INVESTMENT ATTRACTION

### BACKGROUND

In order to remain competitive and capitalise on future growth markets, there must be significant and strategic investment by industry and Government in tourism infrastructure and the sector's product and service offering over the next decade.

In order to encourage private sector investment in Victoria's tourism industry, it is necessary to ensure that the policy environment is conducive to providing confidence, certainty and clarity.

### KEY ISSUES

- To attract private investment it is important that:
  - Government policies and regulations do not discourage investment, through overly complex or costly planning and approval processes (i.e. red and green tape).
  - Applications are processed in an efficient and timely manner.
  - Potential investment opportunities are identified, prioritised and promoted.
  - Investment complements industry development and long-term investment goals.
  - There is regular and effective collaboration and communication between industry, Government and the community.
  - Policies provide confidence, certainty and consistency among investors.
  - There is a greater need for incentives to encourage investment.

### Planning and Regulation

- It is vital that planning policies do not discourage investment, including tourism investment on public land. Regulations must be appropriately aligned and effectively implemented to ensure clarity, certainty and transparency. Planning and approval processes must be simple, low in cost and executed in a timely manner.
- Where barriers exist, the industry must be ready to identify and constructively contribute to identifying solutions.

### Strategic Investment

- Investment must be strategic. There must be consistency between tourism policy objectives and Victoria's planning system. Industry and Government strategies should incorporate an investment strategy, to ensure a coordinated approach. Any industry investment strategy must allow for utilisation of public facilities for private sector use and increase the potential for developing new products and services from existing facilities.
- Any investment strategy must be closely linked to tourism marketing strategies. Strong destination, product and brand marketing is needed to support investment, and adds further incentive to potential investors.
- Potential investment opportunities must be identified and promoted. There should be a single point of entry for potential investors, promoting tourism as an investment opportunity and providing advice on investment assistance and incentives. A central authority to coordinate investment approvals would be particularly useful in areas where multi-agency involvement is currently proving a hindrance, including investment around Melbourne's bays. Here, an overarching Bays Authority could coordinate investment approvals, and facilitate private sector investment.

- Potential new private sector investors and operators should be identified – including companies, international investors, investment houses, lending institutions and superannuation funds. In addition, new products and services should also be identified.
- Destination development requires integrated strategic planning.

### **Collaboration and Community**

- Industry and local business organisations must collaborate to encourage investment in local communities by demonstrating a vibrant, supportive and progressive environment, and providing support for specific projects in both financial and non-financial terms. Industry should seek to involve and inform the local community, raising the awareness of the potential benefits of new investment and gaining community support.
- The development of local attractions should be conscious of community interests, although not determined by them alone. Ultimately tourism offerings resulting from investment must provide an authentic, local experience to visitors, and be sustainable over the long-term. Infrastructure development must begin with an understanding of the drivers of visitation to an area.

### **Metropolitan-based Investment versus Regional-based Investment**

- Tourism represents a significant part of the economic development process, particularly in regional Victoria. However, the strategies for investment differ between metropolitan and regional Victoria. In particular, investment in regional Victoria requires strong local and State Government support and incentives, in order to attract investors.

### **Appropriate Investment**

- To ensure 'appropriate' investment is attracted there must be clear guidelines against which to assess an investment proposal, including cost-benefit analysis (triple-bottom-line) and consideration of the long term economic, social and environmental sustainability. Potential investment should also be assessed to ensure it complements strategic goals, and is aligned with Victoria's key strengths, including key destinations and attractions, together with due regard for how it might complement future growth areas.

## **POLICY POSITION**

- VTIC supports a reduction in red and green tape, particularly in areas where it is a hindrance to investment.
- VTIC believes investment must complement industry strategies and future growth targets.
- VTIC supports the use of assessment tools and performance measures, to ensure investment projects contribute to industry long-term growth and sustainability.
- VTIC supports investment across a range of areas including infrastructure, products and services.
- VTIC encourages investment in existing industry activity areas, as well as new or emerging growth areas (e.g. nature-based tourism, eco-tourism and spa and wellness tourism.)
- VTIC believes that while the private sector has a major role to play in underpinning new investment, public sector investment in strategic assets and their maintenance also has an important role to play in facilitating industry growth and competitiveness.
- VTIC believes further attention should be given to the attraction of investment in the tourism industry, including promotion of investment opportunities, and assistance in complying with regulatory requirements.
- VTIC encourages integrated strategic planning to develop destinations.