

## **5. THE SIGNIFICANCE OF TOURISM**

### **BACKGROUND**

- The tourism industry in Victoria is valued at \$10.9 billion per annum, and employs 159,000 Victorians (6.6% of the State's workforce), of which 61,000 are located in regional Victoria.
- There are an estimated 11,000 direct tourism businesses across the state, with a further 100,000 tourism-related businesses. These businesses are predominantly small to medium enterprises, employing less than 20 staff.
- Melbourne is recognised as a world leading destination for major events and a leading destination for business events, while regional Victoria has also developed a vibrant annual, special and business events program. In 2006, Victoria attracted over 324,000 international visitors to major events, and these visitors stayed a total of 12.4 million nights. This generated an estimated \$1.2 billion in economic activity in metropolitan and regional Victoria, or \$3.3 million each day. Of the total number of event visitors to Australia, 45% visit Victoria.
- In addition to this, business events (including exhibitions, meetings, conferences and the incentive travel sector) attract 5.4 million delegates and support 22,600 jobs each year. Victoria's share of the Australian business events sector is around 25%, and business events generate 9% of our total tourism revenues or around \$1.2 billion per annum.
- The tourism and events industry also delivers a range of non-economic benefits, including improved social cohesion and participation, public confidence, broader business opportunities, international recognition, support for the branding and identity of Victoria and widespread media coverage.

### **KEY ISSUES**

- The State Government has set a target for the tourism industry of \$18 billion in value by 2016, based on the recent growth rate of the industry, with the goal of being one of the State's leading exporters, employing 225,000 Victorians.
- The industry will be influenced by several trends, both international and domestic, over the coming decade, to which it must respond in order to achieve these growth targets.
- Central to achieving this growth will be improving the understanding of the depth and breadth of the tourism industry, and the significant role that the industry plays in the economic and social well-being of the State.
- The significance of the tourism industry must be broadly recognised in order to influence Government and community decision-making, and subsequently receive the support required to achieve the industry's growth objectives.

### **POLICY POSITION**

- VTIC supports the recognition of the tourism industry as a key driver of economic growth and development in Victoria. The industry plays a vital role in local investment, exports, jobs and incomes, and the importance of this role must be continually reinforced.
- VTIC is committed to raising the profile and awareness of the importance of the industry among Government, industry and the community, in order to garner support to place the industry at the forefront of consideration in Government and community decision making.

**POLICY DEVELOPED:** AUGUST 2007