

6. VICTORIA'S POSITION NATIONALLY

BACKGROUND

- The tourism industry in Victoria contributes an estimated 5.3% of Gross State Product (or \$10.9 billion), and employs 159,000 Victorians, or 6.6% of the State's employment. For the same period, the Australian tourism industry accounted for 4.2% of Gross Domestic Product, and 4.7% of national employment.
- Nationally, the development of the tourism industry has been led by the Tourism White Paper. The Tourism White Paper is a 10 year strategy that was released in November 2003, designed to strengthen the competitiveness of the Australian tourism sector within the global market. Initiatives outlined in the White Paper were initially funded by a \$235 million package over four and a half years to 2007-08, while the recent Federal Budget announced a continuation of funding for a further four years.
- Federal support for the tourism industry is delivered through Tourism Australia, a statutory authority responsible for international and domestic tourism marketing, as well as the delivery of research and forecasts for the sector.

KEY ISSUES

- One area where Victoria lags the rest of Australia is in the provision of larger-scale high quality accommodation and tourism facilities in regional areas, and this has an impact on industry yield and profitability.
- In terms of visitor yield, the performance of Victoria's tourism industry is mixed. For international visitors, average expenditure per night for Melbourne in 2006 was equivalent to the national average for capital cities of \$92. However the average for regional Victoria was considerably lower, at \$58 per visitor night, which is the lowest average rate of any defined tourism region in Australia, and well below the national average for regional areas of \$95. The regions with the highest expenditure per visitor night are regional NT, at \$186, regional Queensland (\$112) and Gold Coast (\$122).
- Average expenditure for domestic visitors follows a similar pattern, with expenditure per night in Melbourne exceeding the national average (at \$215 compared with the national figure of \$187 for all capital cities), while the average for regional Victoria at \$104 is below the average for all regions at \$122. The only area with a lower average nightly visitor spend was regional South Australia, with an average of \$98.
- Victoria's tourism offering is strong, with considerable brand 'ownership' in events, sport, culture and food and wine.
- Victoria must also ensure that national tourism marketing messages include effective representation of Victoria's tourism offering. This is particularly important for overseas marketing efforts, with international visitation expected to drive industry growth over the next decade.

POLICY POSITION

- VTIC supports the Tourism White Paper as a strategy for industry support and development at the national level. VTIC also supports the delivery of services through Tourism Australia as an independent statutory authority, and commends the Federal Government's recent decision to continue funding to support the implementation of the White Paper for a further four years.
- VTIC will continue to lobby to ensure that the policy, marketing and industry development needs of Victoria's tourism sector are adequately recognised and supported at the Federal level.
- VTIC supports a unified representative voice for the tourism industry nationally.