

Supporting tourism and events industry competitiveness

Despite its significance and contribution to exports, output, investment and jobs, the Victorian tourism and events industry is now facing a number of major challenges.

Slower global and domestic demand, strong international competition, skill and labour shortages and the geophysical and policy effects of climate change are likely to make it difficult to realise industry growth targets.

Now, more than ever, it is therefore important that the Government accelerates investment and promotional support for this key sector.

Foremost among these considerations is that the Government continues to maintain real funding levels for Tourism Victoria and tourism specific funding for other relevant agencies.

In light of current economic conditions, an opportunity exists to boost domestic tourism. A national campaign to encourage employees to take accumulated annual leave is planned for 2009. Victoria can capitalise on this with a specific cooperative marketing fund with industry.

Also equally important for the industry's short and long term growth prospects is the need for new investment in infrastructure and supporting visitor services. Current infrastructure should not only be more effectively maintained but actively enhanced in order to maximise the use of current assets and the yield from events and tourism attractions, now and into the future.

The coming Budget must support tourism and events businesses affected by climate change and the introduction of an emissions trading scheme through well designed adaptation strategies and the effective promotion of the benefits of sustainable tourism and events.

To ensure that the tourism and events industry remains a thriving economic contributor into the future, the Budget must boost funding for tourism and events related training. Special focus must be given to meeting the needs of international growth markets, including improved language and cultural skills.

VECCI RECOMMENDS

- The maintenance of core funding for Tourism Victoria and tourism specific funding for other relevant agencies.
- A special cooperative marketing funding allocation to encourage Victorian and interstate workers to take their leave in Victoria.
- Ongoing support for the attraction and retention of major sporting, cultural and business events, as well as significant regional events.
- The implementation of the Nature-Based Tourism Strategy including ongoing commitment to infrastructure projects and promotion of Victoria as a destination rich in nature-based experiences.
- Support for the marketing of Victoria's tourism assets and major events to international growth markets to maximise returns on industry investment and ensure a sustainable future for the sector.
- The expansion of the Melbourne Exhibition Centre to support increased opportunities for business events, as well as support for the development of business events facilities outside the metropolitan area.
- The upgrade of significant attractions and venue infrastructure, including Melbourne and Olympic Park, in order to retain the world-class reputation such facilities currently hold, and continue to ensure the success of high-profile events such as the Australian Open.
- The development of a State-wide awareness program to prepare tourism businesses for a national emissions trading scheme.
- Increased funding for tourism and events related training. This must include a focus on meeting the needs of international growth markets (including improved language and cultural skills), as well as support for the Tourism Excellence program, facilitated by Tourism Victoria.



KEY BENEFITS FOR VICTORIAN BUSINESS

The maintenance of tourism agency budget funding is vital to underscore competitive international and domestic marketing and investment. This is necessary to counteract sensitive domestic and international tourism markets, ensure market growth and continue to build Victoria's competitive brand nationally and internationally. This investment will not only improve Victoria's competitiveness at a time of considerable economic uncertainty but also stimulate private sector marketing and capital investment.

New investment in physical infrastructure and supporting services is vital to support the future growth and success of Victoria's events industry. Marketing alone will not sustain event industry growth. The stimulus to demand from promotion, event branding and attraction needs to be matched by supply led infrastructure initiatives that not only raise the productive capacity of the industry, but also facilitate market growth into the future.

In this context, capital funding to facilitate the expansion of the Melbourne Exhibition Centre will give Victoria a 10 year competitive advantage over competing capital cities in attracting business events to the State. It will also enable Melbourne to maximise opportunities to attract large international trade shows.

The implementation of the Nature-Based Tourism (NBT) Strategy will increase Victoria's competitiveness and yield, demonstrating that Victoria can lead the way globally in nature-based tourism to deliver environmentally sustainability outcomes. It is important that we integrate nature-based tourism with Victoria's tourism product strengths in food and wine, history and heritage, events and touring, so as to further extend our tourism sector's competitive positioning.

Increased funding for tourism and events industry training is vital in order to successfully respond to the strong growth forecast for the tourism industry over the next decade, predominantly due to increased international visitation. Industry will benefit from a workforce that possesses not only broader industry-based skills but also specific skills relevant to the growth segments of the industry, such as language and cultural skills.

Ongoing support for the Tourism Excellence program is equally critical in strengthening the sector's capacity to demonstrate excellence, providing consistently high quality products, services and visitor experiences.

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