

By email: martin.pakula@parliament.vic.gov.au

21 May 2019

The Hon Martin Pakula
Minister for Tourism, Sport and Major Events
Level 36, 121 Exhibition Street
Melbourne VIC 3000

Dear Minister,

Re: Closure of Destination Melbourne

Western Melbourne Tourism (WMT) wishes to express concern over the sudden recent closure of Destination Melbourne. We are seeking leadership from the State Government at what is truly a low point in Greater Melbourne's tourism development and promotion.

WMT is an association incorporated for the purposes of promoting and developing the tourism sector across the western metropolitan region. WMT is overseen by an independent board with representation from the cities of Hobsons Bay, Wyndham, Moonee Valley, Brimbank, and Melton, as well as Parks Victoria and Victoria University and representatives from the region's tourism industry.

With the ceasing of operations by Destination Melbourne our concerns are centered on five main issues:

- The loss of a peak tourism body focused solely on Greater Melbourne;
- The substantial loss of accumulative industry investment in programs;
- The future of the Greater Melbourne Destination Visitor Management Plan;
- The loss of a conduit for local councils; and
- The lack of stakeholder engagement and consultation about this closure.

The loss of a peak tourism body representing the interests of Greater Melbourne

The closure of Destination Melbourne leaves a significant gap in the management of Greater Melbourne as a destination. The areas and precincts outside of the Melbourne CBD have been disadvantaged for many years as they do not fall within the remit of the City of Melbourne, nor do they fall within the responsibility of any of the official Regional Tourism Boards. Destination Melbourne has in large part filled that gap for nearly two decades and its demise leaves a serious hole in the collective and comprehensive marketing of Melbourne beyond the laneways, experiences and major events in the city.

Melbourne is the primary gateway for all visitors to Victoria and as such requires specific focus and management. With more than 30 million visitors each year, Melbourne is also a major destination in its own right, requiring strategic oversight, coordinated research and planned development. Major cities with active visitor

economies require a devoted city marketing or visitor management body to undertake these functions in conjunction with the industry.

With Destination Melbourne gone and no entity to replace it, Melbourne is the poorer and visitors, the visitor economy and tourism industry will suffer. How will visitor needs be seamlessly integrated with experiences, services and information?

We are keen to understand who will take on the responsibility for leading the overall management and strategic direction of the visitor economy across the entire Greater Melbourne region. Melbourne's CBD and the designated regional zones across the State are well resourced, but there's no longer a logical connection for our subregion.

Substantial loss of the accumulative industry investment in programs

WMT understands many of the programs and activities offered by Destination Melbourne will cease. This represents a substantial loss in the accumulated years of industry financial investment and intellectual property associated with building these programs.

It is our understanding the programs no longer continuing include *Melbourne Now* (targeting visitors from regional Victoria), the *Discover Your Own Backyard* campaign (focused on the Visiting Friends and Relatives market) and the more recent *We Chat* campaign (targeted at the Chinese market.) A substantial range of industry development programs, including the major industry conference *Melbourne Live* will also cease.

The loss of these industry programs will leave a void. Who will now take responsibility for industry education, increasing industry capacity and ensuring Greater Melbourne stays abreast of contemporary practices and emerging industry trends?

The future of the Greater Melbourne Destination Visitor Management Plan

Western Melbourne Tourism is especially concerned about the future of the Greater Melbourne Destination Management Visitor Plan. Destination Melbourne was bold in its efforts to develop the first destination management plan to embrace the whole Melbourne region, at a cost of approximately \$300,000.

We believe the overall Visitor plan and the process of its development was significant in bringing together industry stakeholders across Melbourne, with twenty-four Councils from five different subregions participating and investing in the project.

The process created a much-needed platform to plan for the whole Melbourne metropolitan region and provided new visitor research and valuable insight and analysis.

For this project, Western Melbourne Tourism represented five Councils in Melbourne's west. A series of sub regional plans were also developed and WMT contributed a share of the plan cost (\$25,000) and a considerable amount of in-kind staff resources and expertise.

Since completion of the plan, WMT has been part of the Destination Melbourne facilitated steering group to agree on project priorities for the relevant areas of

Melbourne. We now fear that, unless another entity is prepared to take ownership of the Destination Management Plan and drive implementation, the substantial investment will be lost along with the credibility of the project.

It should be noted that there was only a relatively limited level of State Government support for the development of the Greater Melbourne Destination Management Plan. This is in direct contrast with the significant commitment from State Government for the development of Destination Management Plans across regional Victoria.

Loss of a conduit for local councils

Destination Melbourne played an important role as a conduit for local government across Melbourne; providing opportunities to reach consumers via its publications as well as access to tourism industry networking events, industry development programs and stakeholder forums.

As well, Destination Melbourne convened quarterly meetings with local Councils across Melbourne.

The lack of warning and consultation about the closure of Destination Melbourne

While it is acknowledged this was not any way in the control of State Government, WMT is dismayed there was not more notice given about the closure of Destination Melbourne. With more warning of the issues by Destination Melbourne, and greater industry/stakeholder consultation, it may have been possible to restructure some functions of the organisation.

Where to now?

Western Melbourne Tourism is seeking State Government leadership to ensure:

- The key programs and activities developed by Destination Melbourne are reviewed and sustained wherever possible;
- The work and investment of \$300,000 in the development of the Greater Melbourne Destination Visitor Management Plan project is not lost;
- Any current rights to IP and content housed at Destination Melbourne is transferred back to stakeholders;
- An immediate review is undertaken involving thorough consultation with Melbourne tourism industry partners/stakeholders to understand the impacts of the closure of Destination Melbourne, and
- Following this, ensure a recommended alternate governance model is implemented.

We also note the recently announced regional tourism review is only applicable to regions beyond Melbourne. We believe there is now scope to widen the review to include the Greater Melbourne region. Given that approximately 15 million visitors (half of all visitors to Melbourne) travel beyond the inner city into outer metropolitan Melbourne, we are hopeful this large sector of the Melbourne visitor market can be given the emphasis it deserves.

Melbourne's West is also poised for major growth in the visitor economy. The region currently receives over four million visitors each year, with the most recent research showing Melbourne's West will be the fastest growing tourism sub-region in

metropolitan Melbourne over the next decade. There are substantial developments in the pipeline including the Melbourne Airport Rail Link, the development of Avalon Airport as a second international air terminal, the Werribee Open Range Zoo Masterplan, Scienceworks Museum of the Future and the proposed new Western United A-League soccer Stadium at Tarneit.

As a regional board WMT is cognisant of the growth opportunities and the need to prepare for them. Our organisation offers a partnership between Councils, universities, tourism operators and local businesses with a dedicated focus on the visitor economy. We work proactively with industry bodies including the Victoria Tourism Industry Council and Visit Victoria to build awareness around the substantial opportunities for our region.

While the closure of Destination Melbourne is a loss for the Melbourne tourism sector, it also affords an opportunity for reform and restructure. We would be pleased to have input into discussions on how a new organisation and associated governance model can be restructured to benefit Melbourne's visitor economy.

We would welcome the opportunity to meet with you to discuss these issues. We can be reached on 0417 545 141 or email richard@melbourneswest.com.au if required.

Yours sincerely



Richard Ponsford
Executive Officer
Western Melbourne Tourism Inc



Jan Jacklin
Chair
Western Melbourne Tourism Inc

CC:

John Pandazopoulos - Chair, Visitor Economy Minister's Advisory Committee
Mary Anne Thomas MP - Regional Tourism Review Special Adviser
Felicia Marinai - CEO, Victoria Tourism Industry Council
Peter Bingeman - CEO, Visit Victoria
Martine Letts - CEO, Committee for Melbourne
Kerry Thompson - CEO, Municipal Association of Victoria
Jim Williamson - Chair, LeadWest
Western Region Council CEO's