

Background Briefing: Melbourne's west Visitor Economy
Western Region MP's / Election Candidates
October 2022

Western Melbourne Tourism (WMT) is a regional entity incorporated for the purposes of promoting and developing the visitor economy across the western metropolitan region, embracing the municipal boundaries of Brimbank, Hobsons Bay, Maribyrnong, Melton, Moonee Valley and Wyndham councils. WMT is overseen by an independent board comprising representation from these six western metropolitan partner councils along with Parks Victoria, Victoria University, local arts sector and other representation from the tourism industry in the region.

What is being sought?

WMT has sought the opportunity to meet with the Minister for Tourism Sport and Major Events (and relevant advisors) for responses on the questions raised in this briefing document:

- An explanation on the steps for reform for Greater Melbourne, and how better equity can be provided in the Victorian Government's resourcing of the visitor economy (i.e a regional destination management model(s) which provide equivalent types of support received by Regional Victoria's tourism boards ie in areas such as infrastructure funding and destination marketing support).*
- Advice on how Melbourne's west can leverage the state government resources for developing its key visitor infrastructure assets (none the least being the Melbourne Airport Rail project), as well as supporting other further strategic development opportunities? (refer p3 of this brief).*
- Explanation of the opportunities for participation of the Melbourne's west region in the 2026 Commonwealth Games.*

Background

- The last two plus years have been an extremely challenging time for the tourism, hospitality, and events sector across Melbourne's west. Figures showing the extent of the impacts on the visitor numbers and expenditure for 2020-21 compared to 2019 levels are attached. (Refer Attachment 1)
- Despite the economic challenges for the region there are many reasons to be optimistic, including a range of new visitor assets in development (eg the Werribee Open Range Zoo masterplan development, Wetlands Centre at Altona, plus a range of other projects), a thriving arts and cultural scene, and a burgeoning food and hospitality culture. The development of the Melbourne Airport Rail interchange at Sunshine will be a 'once in a generation' game changing project for the region.
- The value of Melbourne's West visitor economy has long been underestimated. The key reason for this is the region relies more heavily visiting friends and relatives (particularly multicultural families), domestic business, and international student travel rather than traditional holiday visitation. It is a very different visitor economy to all other areas of Victoria.
- Yet, this visitor economy is estimated to have more consumer spending than any tourism region of Victoria outside Melbourne. It also has an unusually high reliance on international visitors to Australia, rather than domestic visitors. The region was heavily impacted through the pandemic due to the closure of borders.
- Corporate travel, events, visiting friends and relatives and international students are key markets for the west and these have all been significantly impacted.
- There was significant strength and growth of the Melbourne west visitor economy immediately prior to the Covid pandemic, with a growth rate of approximately 12% between 2016-2019 and an annual GRP of around \$1.69 billion. The share of jobs (approx. 13,500 direct and indirect jobs) represented around 4.5% of jobs for the region due to the impacts of visitor spending; seemingly a lower figure, but it is within a region with greater industrial diversification than areas beyond Melbourne. (The equivalent figure for share of jobs for Melbourne overall is 5.6%).

- Before the pandemic, around two thirds of Victoria's total visitor economy occurred in the Greater Melbourne Region. This share of the overall visitor has fallen substantially because of the pandemic, with regional areas generally recovering much faster than the city which has remained stalled.
- WMT has been focused on a range of activities to support the local industry through the pandemic. (A copy of our current three-year strategic plan is included for more background - Refer Attachment 4). It has worked closely with the Victoria Tourism Industry Council (VTIC) through this period.

WMT and VTIC have been consistently advocating concerns throughout the period of the pandemic that Greater Melbourne (and Melbourne's west) has been overlooked in the government architecture for the development and recovery of tourism.

Need for Greater Melbourne reform

- The Victorian government efforts in economic recovery has been highly focused on regional Victoria through the process of the *Regional Tourism Review*, and the development of new Visitor Economy partnerships (VEP's) (of which Melbourne formed no part). [Visitor Economy Recovery and Reform Plan](#) set up the priorities for State's Visitor Economy Recovery funding and support programs post Covid. Funding has been strongly biased towards regional Victoria or the CBD (in a direct partnership arrangement between State Govt and the City of Melbourne).
- WMT submit that Melbourne's west is entitled to an equitable access of funding devoted to the visitor economy. (The businesses of the region are all taxpayers, yet it would appear they are effectively 'underwriting' support for other areas).
- For the balance of Greater Melbourne there has not been any formal structures/strategy in place to provide the conduits of equivalent industry support; despite these areas being some of the most intensely impacted by the pandemic, and being the areas with the greatest job losses, and slowest to experience economic recovery. On top of this these current issues are compounded with staff and skill shortages at critical levels.
- Western Melbourne Tourism has been a partner in a research project undertaken through the School for Visitor Economy at Victoria University. The project is entitled RESET (Resilient Enterprises and Sustainable Employment in Tourism) is focused on the needs of local visitor economy business across Melbourne's West. The project was developed to help inform actions for recovery from the pandemic and involved surveys of 275 business and interviews with 33 key stakeholders (undertaken in the last qtr of 2021). The final report from this research was launched in June 2022. *The RESET research confirmed the dire shortages of staff and skills. The report includes a range of recommendations as a roadmap towards recovery, and particularly highlights gaps in adequate destination planning, marketing and infrastructure development for the region.*
- The Victorian regions have also had the advantage of Regional Development Victoria (RDV) as a conduit into government for new infrastructure developments. There is no equivalent 'RDV channel' for Councils and other project proponents across the Greater Melbourne region. Greater Melbourne is excluded from key 'supply side' tourism development funding programs such as the [Regional Tourism Infrastructure Development Fund](#) and [Enabling Tourism Fund](#).
- Earlier this year the Victorian Government released a [Visitor Economy Master Plan Directions Paper](#). The Directions Paper continues a strong focus on driving visitors to regional Victoria and sustains a similar policy trajectory. WMT made a range of submissions in response to the Directions Paper – (A copy of this submission is attached – Refer Attachment 2) seeking a much better balance in the plan between the urban and regional.
- The announcements related to the 2026 Commonwealth Games drives a further focus on regional Victoria at the exclusion of Greater Melbourne.

- WMT has participated in a Greater Melbourne Tourism Recovery forum held in May 2022 convened by the Dept of Jobs, Precincts and Regions (DJPR) and facilitated jointly through the Western and Northern Metropolitan Partnerships. (We understand the State government has been working with the Office of Suburban Development / Metropolitan Partnerships as a conduit for engagement). The object of this forum was to canvass opportunities for reform. *It is now October and there been no further outcomes from that process, including a promised report.*

Strategic opportunities going forward: *Current live issues and questions for the Victorian Government*

- **A new Melbourne model of industry engagement for the strategic oversight of tourism across Greater Melbourne is required** – We are seeking a meeting with the Minister for Tourism (in partnership with the Victoria Tourism Industry Council - VTIC) to pursue structural change of model(s) governance to provide a more effective and more inclusive engagement for our industry. Our goal is to enable a fairer share of access to State government funding and resources devoted to the visitor economy for Melbourne’s west (and potentially Greater Melbourne more broadly);
- **Statewide Masterplan** – WMT has made submissions about the need to provide a balance between the urban and regional tourism economic priorities in the current drafting of Statewide Visitor Economy Masterplan. Experiences across key product themes identified Eg Nature, Indigenous, Food/Wine, Arts Culture need to be developed with a balanced approach in both city and regions (Refer WMT submission - Attachment 2);
- **Key visitor infrastructure projects in the pipeline – There is range of significant visitor economy development projects in the pipeline needing funding and support.** A redevelopment at Scienceworks at Spotswood, and a new Wetlands Ecocentre at Altona are two current and very ‘live’ projects in the pipeline;
- **Melbourne Airport Rail Project (MAR)** – The future MAR is a game changing project for Melbourne’s and will transform Sunshine as a destination and regional/ urban interface - We are concerned this is becoming simply a ‘transport’ infrastructure project. There has very limited consideration and focused assessment of the visitor economy opportunities related to this project, particularly for Sunshine. (Symptomatic of the lack of focus of greater Melbourne/and Melbourne’s west). Being excluded from tourism infrastructure funding programs this further limits any resources for assessment or feasibility of project ideas or proposals;
- **Leverage Major Events/Festivals** - Melbourne is developing a major event calendar, but how can these major events develop a broader footprint to embrace a larger area metropolitan Melbourne, beyond the CBD?;
- **Neighbourhood experiences** – Melbourne’s neighbourhoods are a key lens through which to experience Melbourne and we believe there can be a much-strengthened focus and broader footprint in areas such food/dining, retail, arts and culture in particular - to offer a richer ‘Melbourne experience’ and encourage dispersal of visitors. We are seeking an increased investment in the campaign/ marketing spend to profile the urban destinations beyond the CBD; and
- **Engaging International Students** – We are concerned of the loss of the value of the international student market (many of whom are based in Melbourne’s west) and we are keen to work with government on strategies to re-engage with international students as they return to ensure the best quality Melbourne study experience.

Further contact regarding this brief

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Attachments:

Attachment 1

Visitor Data - Impacts of Covid 19 on Visitation and Visitor Nights for Western Melbourne (Urban Enterprise)

Attachment 2

Western Melbourne Tourism - Submission to the Statewide Visitor Economy Masterplan Directions Paper

Attachment 3

FINAL report - RESET research Project (undertaken in partnership with Victoria University)

Attachment 4

Western Melbourne Tourism Board Tourism Strategy 2021- 24