Public Accounts and Estimates Committee 2015-16 Budget Estimates Hearing

The Hon John Eren MP

Minister for Tourism and Major Events



Portfolio key objectives

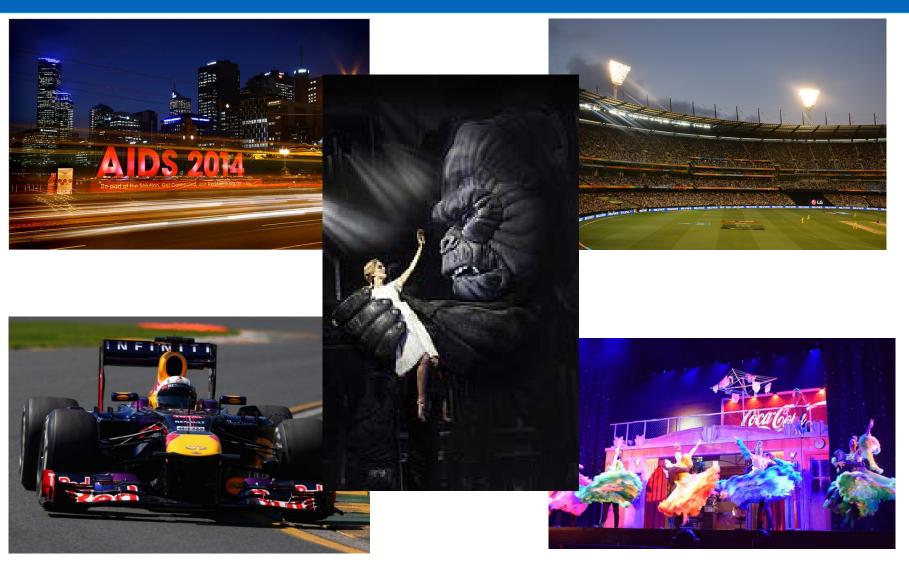
- Delivery of Victoria's Visitor Economy Strategy to maximise growth prospects for the Visitor economy.
- To increase the amount of travel within Victoria and the use of tourist facilities by Victorians, and interstate and international visitors.
- To improve and develop tourist facilities in regional Victoria.
- To provide more efficient and effective utilisation of investment in travel and tourism in Victoria.

Tourism in victoria



- Tourism is a significant driver of economic growth in Victoria.
- Latest figures indicate the tourism industry:
 - Contributes \$20.6 billion annually to Victoria's gross State product (a measure of value added output).
 - Provides jobs for more than 206,000 people (or 7.2% of employment in Victoria).

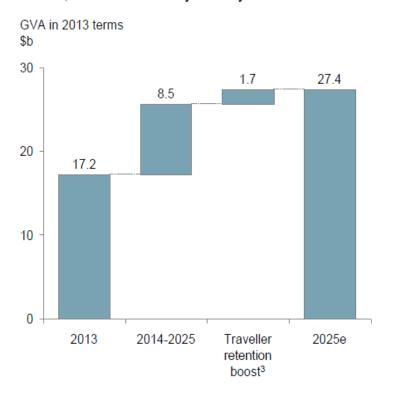
Major events in victoria



Tourism state of play

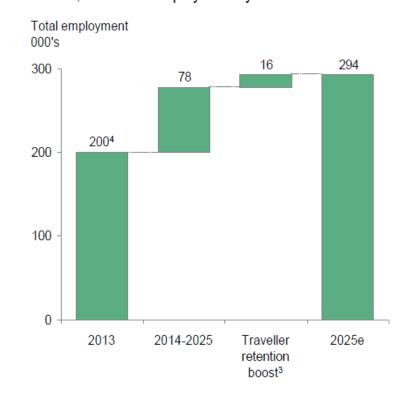
Tourism forecast to grow 3.4% p.a.^{1,} delivering \$8.5b in GVA plus \$1.7b from retention...

Tourism, estimated industry GVA by 20251



...and 78,000 jobs, plus 16,000 from traveller retention

Tourism, estimated employment by 20252



^{1.} Assumes 5.7% Australia-wide nominal forecast growth rate mid-point growth rate to 2020 is applied to Victoria (on par with 5.4% historic growth rate) and discount of 2.3% inflation rate applied to maintain real growth 2. Assumes maintaining jobs CAGR of 2.3% (5 year CAGR 2008-2013) 3. Increased nights by international and interstate travellers, and converting 10% of Victorian outbound travellers to intrastate travellers 4. Jobs slightly higher as it considers flow-on effects to other states through indirect spend (by 3,000 jobs)

Source: Tourism Research Agency Satellite accounts; TRA forecasts to 2020

Budget initiatives for 2015-16

Major Events

- Major events generate economic benefits of around \$1.8 billion to Victoria's economy and employ the equivalent of 2,617 FTE jobs.
- \$80 million over the next four years is committed to attract and stage new draw card events in Victoria.



Budget initiatives for 2015-16

Melbourne Convention and Exhibition Centre Expansion



Major achievements

- Commencement of Victoria's Visitor Economy Review
- Regional Economic Development Strategy and Service Delivery Review
- Successful delivery of the AFC Asian Cup 2015 and the ICC Cricket World Cup
- 80 Days of Melbourne
- Work has begun on the *Wine Tourism Strategy*
- Announcement of Stage 2 of the Melbourne Convention and Exhibition Centre Expansion

Looking forward – Key priorities

- Implement the recommendations from the Government's Visitor Economy Review.
- Deliver on Government's commitment to regional tourism.
- Build Victoria as a premier international destination.
- Increase international visitation via air services attraction and marketing.
- Further invest in and build upon the China Strategy.
- Build on Victoria's leadership as a Major Events destination.
- Build Stage 2 of the Melbourne Convention and Exhibition Centre.