

PAEC Inquiry into the 2017-18 Budget Estimates – Questions taken on notice and further information agreed to be supplied at the hearing

Minister Eren, Tourism and Major Event, Tuesday 23 May 2017

Question 5

Please provide the Committee with a copy of the Major Events strategy.

(Pages 7-8 of the Tourism and Major Events portfolio transcript)

Response

The Victorian Government Major Events Strategy is a Cabinet in Confidence document. Its release could detrimentally impact Victoria's competitive advantage to acquire and retain major national and international events.

As with previous Governments, the goal of the Strategy is to attract world class events, across all genres (sport, theatre, the arts, etc), across the various seasons in order to spread visitation throughout the year.

The Victorian Visitor Economy Strategy was launched in July 2016. The Strategy provides a clear direction across the whole of government to increase visitor spending to \$36.5 billion by 2025 and increase employment in the sector to 320,700 jobs.

The 2017-18 Budget includes a range of initiatives to further grow regional tourism. This includes:

- \$24.7 million over two years for Visit Victoria;
- \$27.5 million to support the identification, development and delivery of Regional Partnerships priorities;
- A 25 per cent cut in payroll tax for regional small businesses;
- \$1.5 billion to address the reliability of the regional rail network and address growth in demand;
- \$45 million to improve digital infrastructure across the State; and
- \$54.6 million for Parks Victoria to unlock the benefits of Victoria's natural assets.

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Question 6

Please provide the list of new output initiatives specific to Major Events that are not yet published in the 2017-18 budget papers.

(Pages 7-8 of the Tourism and Major Events portfolio transcript)

Response

The Major Events Fund was increased by \$20 million per annum from the commencement of the 2015-16 financial year to ensure that we can continue to secure events for Melbourne and regional Victoria.

The 2017-18 Budget Paper 3 target (pg. 137) has increased the number of major sporting and cultural events facilitated to 18, which reflects the additional funding provided in the 2015-16 Budget.

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Question 7

For the Wander Victoria campaign:

- a. Please provide details of the key performance indicators used to measure the campaign's success.**
- b. Please provide last year (2015-16) and current figures of the number of visitations (such as overnight visitations, day visitations) to the attractions featured on the Wander Victoria campaign website.**

(Pages 12-13 of the Tourism and Major Events portfolio transcript)

Response A

Visit Victoria has engaged a research agency to track the performance of the Wander Victoria campaign. The metrics used to track the performance include website traffic, social media results, advertising awareness, changes in attitudes, behaviours and perceptions of regional Victoria, and visitation.

Response B

Intrastate overnight visitor numbers in Regional Victoria have grown by 15.9% from year ending March 2015 to year ending March 2017 (Source: National Visitor Survey, year ending March 2017, Tourism Research Australia). The rise in visitor numbers to Regional Victoria coincides with the launch of the Wander Victoria campaign in February 2016. Data on the number of visitations to individual attractions featured in the Wander Victoria campaign is not collected.

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Question submitted to the Chair from PAEC Members absent from the hearings.

Question 8

The Melbourne Fashion Festival draws more than 380,000 visitors spending more than \$600 each just on clothing and accessories.¹ Whilst it is a significant event on the ‘major events’ calendar, it stands alone as the only fashion event in a city that prides itself on fashion.

- a. Given the high amount of visitor numbers and spending at the Melbourne Fashion festival, has any consideration been given to supporting more fashion related events?
- b. On the Melbourne Fashion festival, an article in The Age on 18 October 2018 raised concerns about treatment of volunteers at the festival, particularly regarding breaks and access to food and water.² As the Victorian Government is a major sponsor of the event, has it investigated those claims?

Response A

The Victorian Government supports two major fashion events each year: The Virgin Australia Melbourne Fashion Festival, produced by Melbourne Fashion Festival; and Melbourne Spring Fashion Week (MSFW), produced by the City of Melbourne. As part of MSFW, the Victorian Government supports Creative Collective, an exhibition of Victorian fashion designers and a seminar series aiming to improve business skills and building industry knowledge and networks. In 2016, 46 designers participated in Creative Collective and the seminar series was sold out. In summary, the Government is supportive of more than just the Virgin Australia Melbourne Fashion Festival and is always open to considering other opportunities.

Response B

On 19 October 2016 the Victorian Government approached Melbourne Fashion Festival about its treatment of volunteers. The Melbourne Fashion Festival took this feedback about their treatment of volunteers very seriously.

Volunteers are the backbone of the creative industries and the Victorian Government expects all organisations that receive Victorian Government support - and indeed all employers - to comply with laws about both volunteers and employees.

The Melbourne Fashion Festival engaged a separate organisation to recruit, train and manage its significant volunteer workforce. Having regard to a range of factors, including negative feedback from

¹ <http://www.smh.com.au/lifestyle/fashion/melbourne-fashion-festival-to-expand-after-record-attendances-20160621-gpoutj.html>

² <http://www.theage.com.au/national/investigations/fashions-real-victims-melbourne-fashion-festival-volunteers-tell-of-mistreatment-20161018-gs4vjg.html>

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some volunteers involved in the 2016 event, the Festival worked with Volunteering Victoria and created a new program that it managed successfully this year.

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Question 9

Budget paper reference, BP3, pp.36, 121 and 137. There appears to be increased spending for the Tourism Major events and International Education departmental objective in the 2017-18 Budget (\$142.9 million) from the 2016-17 target (\$109.0 million) but a decrease on the 2016-17 revised budget (\$204.3 million).

- a. Is this the case?
- b. Will this budget allocation be mainly for creating and developing advertisement campaigns to attract people to Victoria and its regions?
- c. How will the Victorian Government ensure that the extra funding it spends on marketing will actually result in more visitors to Victoria from within the state, the country and internationally?
- d. What will be the measures used to evaluate if its marketing initiatives are successful beyond just visitation numbers alone?
- e. Will the government be prioritising specific types of business events or specific business activities to attract to the state?
- f. What measures will be used to evaluate its success in attracting businesses and business events to Victoria?

Response A

As in past years, this variation is due to the accounting treatment.

Budgets for areas of the Tourism and Major Events portfolio which are not finalised, such as major sporting and business events, cannot be included in the current year's target figure.

As budgets for these events are allocated throughout the year, those funds are then included in the outcome figure.

This means that there is a difference between the expected outcome figure and the target figure, as the target figure was set prior to the funding for the events being finalised.

Response B

Increased funding has been provided for Visit Victoria to undertake marketing initiatives to attract visitors to Victoria. Campaigns will focus on attracting visitors from intrastate, interstate and international markets to drive jobs growth in Victoria's visitor economy. Additional funding is also provided to attract more business events to Victoria.

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Response C

In the coming year Visit Victoria will continue to focus its efforts on a number of strategies to attract visitors to Victoria including:

- Developing partnerships with airlines to undertake cooperative marketing activities in established and high growth international markets.
- The continued roll out of the Wander Victoria campaign, promoting the best of regional Victoria.
- Major event marketing campaigns reinforcing Melbourne's position as Australia's premier events destination and home of the 'best of the best' events.

Visit Victoria's marketing initiatives have received strong support from industry, consumers and the world's media, and this is expected to translate into increased visitation and spend in Victoria in the coming years.

Response D

The BP3 measures outlined in the Budget provide an overview of the long-term economic benefits of tourism and major events to Victoria. The measures include targets on: Major sporting and cultural events facilitated, Visitors to Visit Victoria consumer websites and Value of media generated both nationally and internationally as well as visitation targets.

Response E

Collectively, business events work together over the course of a year to provide not only economic benefits but also constant positioning and profile for Victoria nationally and internationally. They drive tourism, employment growth, industry development, business linkages, investment decisions and community outcomes for the benefit of the state.

Visit Victoria will target business events which reflect our international competitiveness and therefore will prominently feature key Victorian industries, including the medical, pharmaceutical, engineering and education sectors.

Response F

The Melbourne Convention Bureau, as part of Visit Victoria, provides quarterly and end of financial year reports and financial records to DEDJTR. The reports detail performance against KPIs such as delivery of economic contribution, number of events, number of delegates, room nights and delegate days.

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Question 10

The Visit Victoria website was recently updated, when the agency was rebranded from Tourism Victoria to Visit Victoria. The Visit Victoria website already exists and is well visited. Is the Government increasing funding to Visit Victoria for marketing campaigns on a website that already exists?

Response

A corporate website corporate.visitvictoria.com was developed as part of the work to set-up Visit Victoria. This website will be further developed as Visit Victoria continues to focus significant efforts on empowering industry. An internal audit of the website has been undertaken as the first part of this work.

The pre-existing consumer-facing Visit Victoria website, visitvictoria.com, was redesigned in January 2016. The redesign was undertaken in January 2016 to bring the consumer-facing website in-line with market industry insights. A further redevelopment project is underway to upgrade the mobile web experience.

Funding of marketing campaigns on the Visit Victoria website ensures these sites reflect the changing nature of consumer marketing and the increased need to focus marketing spend on digital channels.

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Question 11

BP3 p.137 has targets of \$17.7 billion of domestic visitor expenditure and \$7.8 billion of international visitor expenditure for 2017-18 – both increases on the expected expenditure in 2016/17. An article in The Age of 7 August 2015³ states that Queen Victoria Markets is Melbourne's top tourist destination. The article quotes former Queen Victoria Market Chief Executive Jan Cochrane-Harry as saying: "Tourists like to visit local markets. To your detriment, you would change that." There has, of course, been significant controversy surrounding the redevelopment of the Queen Victoria Markets, with concern that the local flavour – the noise, sights and sounds of a working market – will be destroyed as part of the proposed redevelopment.

- a. Has the government considered the potential impact of the proposed changes on visitor numbers?
- b. What actions are the government taking to ensure the market atmosphere – the critical factor driving visitor numbers – remains?

Response A

The Government is working closely with Melbourne City Council on the Queen Victoria Market Precinct Renewal Program. One of the key considerations as part of the program is to ensure the market retains its appeal to visitors.

The program will unlock and revitalise Melbourne's northern CBD fringe, with the Queen Victoria Market at its heart. This is a major infrastructure project with an iconic, historic Melbourne landmark at its core. Therefore, there is considerable public interest in ensuring the market's heritage and cultural significance are maintained and that the market remains a fully functioning open air market.

Response B

Visit Victoria and the Department of Economic Development, Jobs, Transport and Resources are working closely with the City of Melbourne to improve the trader, customer and visitor experience and to ensure that the Queen Victoria Market remains one of Melbourne's most popular tourist attractions for national and international visitors.

The State Government Agreement for the precinct identifies the construction of a new Victorian Visitors Centre alongside the new 1.5 hectare open space. This project is scheduled for delivery in 2020-21 and will enhance the visitor experience.

³ <http://www.theage.com.au/victoria/melbournes-top-tourist-destinations-20150806-git1k4.html>