



PAEC 2010-2011 Estimates Hearing



Department of Innovation, Industry and Regional Development

Tourism and Major Events Presentation

Economic Performance

- Tourism is a significant driver of economic growth in Victoria.
- According to the 2007-08 Tourism Satellite Account (TSA), the tourism industry contributed an estimated **\$15.8 billion** to the State's economy (**5.9%** of Gross State Product).
- Compared to the 2003-04 TSA Victoria's tourism industry has achieved growth rates ahead of the national average in both economic impact and employment - placing it in excellent shape to deal with these difficult economic times.
- The Victorian tourism industry employs around **185,000** people or **7.1%** of all those employed in Victoria.

State of Play

- Victoria has **30% market share** of all international visitors to Australia – our highest ever share of international visitors to our state.
- International visitors to Victoria spent **\$3.8 billion (9.1% increase)**.
- International visitor expenditure in regional Victoria increased by **15.9%** to reach **\$313 million**, its highest recorded expenditure.
- Melbourne outperforms Sydney as the **most lucrative destination** - domestic overnight visitors spent \$92 million more in Melbourne than Sydney (year ending December 2009).
- Melbourne Airport has continued to outperform Sydney and Brisbane, recording **8% growth in international passenger numbers** in 2009.

Key Priorities 2009-10

1. Bushfire Recovery
2. Marketing Campaigns
3. Investment Attraction
4. Major Events/Business Events

Progress

- Allocated the joint Federal/State **\$10 million Tourism Industry Bushfire Support Package** to restore visitation to economically affected regions.
- Launched the 3 year **\$7.3 million 'Daylesford. Lead a Double Life'** campaign
- Facilitated private sector investment projects with a total value of **\$396 million**.
- Opened the new 6 star Green Star environmentally rated **Melbourne Convention Centre** – more than **60 international conventions** have already been secured which will bring almost **120,000** delegates to our State.

Key Achievements

- Melbourne hosted the **Australian Tourism Exchange**, the largest tourism **trade show** injecting more than \$10 million into the Victorian economy.
- Melbourne was named the **world's 'best sports city'** in London in November and for the third time in April this year, was named the **world's 'ultimate sports city'**.
- The **2010 Australian Formula One Grand Prix** attracted the highest attendance since 2005 with 305,000 people enjoying the four-day event.
- Record attendances at the **Melbourne Winter Masterpieces** exhibitions – Salvador Dali: Liquid Desire and A Day in Pompeii.
- Maximised visitation through direct flights and **increased aviation capacity** into the State.
- Scuttled the **ex-HMAS Canberra** which will inject an additional \$1.3 million per annum to the Victorian economy.

Key Priorities 2010-11

1. **Increasing visitation** from emerging international markets
2. Continued marketing of **Melbourne** to key interstate markets
3. Accelerating **investment priorities** in regional Victoria
4. Deliver on Government's key commitments in the ***Regional Tourism Action Plan 2009-12***
5. Build on Victoria's **leadership** as a world-class Business Events and Major Events destination

Budget initiatives and highlights

- **\$27 million** over four years for Melbourne marketing
- **\$17.7 million** to facilitate the expansion of the Melbourne Exhibition Centre
- Regional tourism initiatives to be announced under the Government's Blueprint for regional Victoria
- Tourism infrastructure projects to be a priority of the Regional Infrastructure Development Fund
- Aboriginal tourism initiatives