

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).

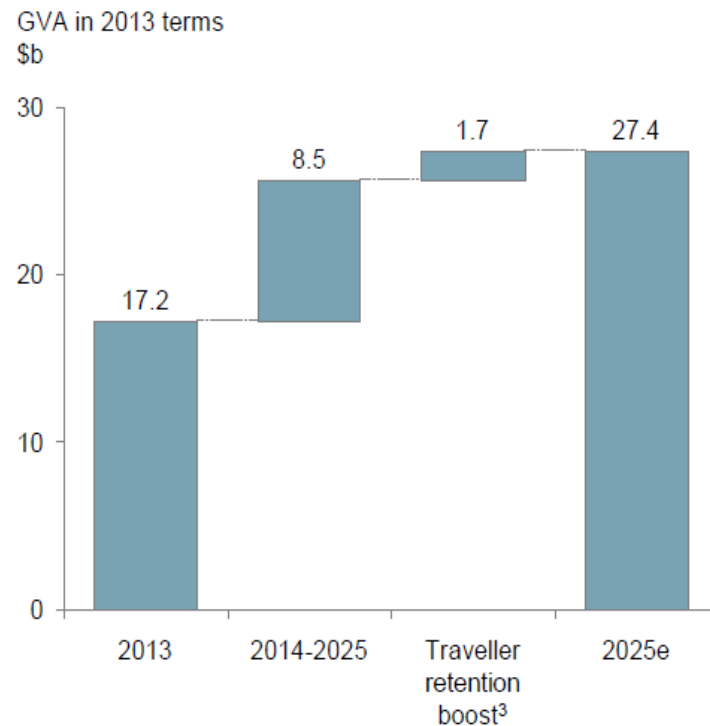
Major events in victoria



Tourism state of play

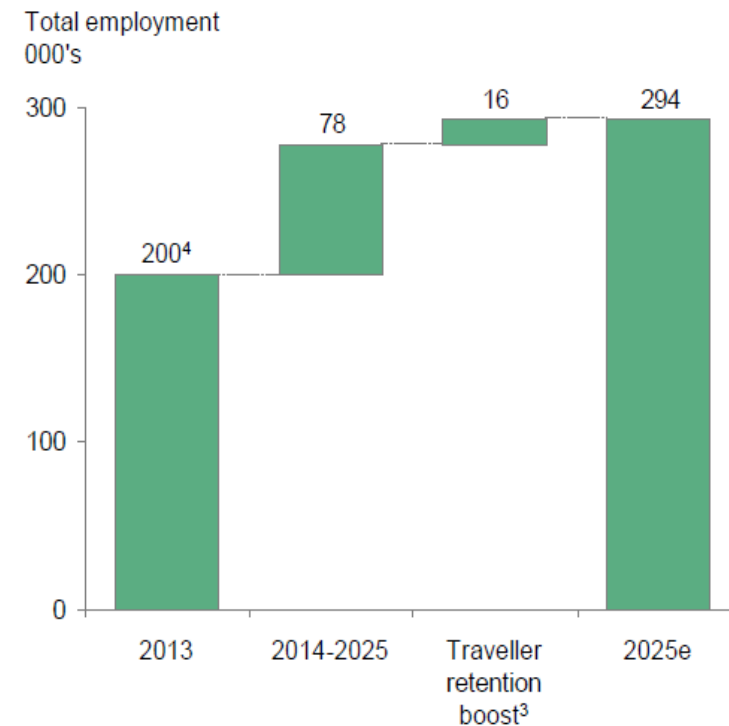
**Tourism forecast to grow 3.4% p.a.¹ delivering
\$8.5b in GVA plus \$1.7b from retention...**

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.