

Report to the Future Melbourne Committee

Agenda item 6.5

Establish 'Experience Melbourne'

7 June 2022

Presenter: Andrew Wear, Acting General Manager City Economy and Activation

Purpose and background

1. The purpose of this report is to seek endorsement from Council for the establishment of 'Experience Melbourne' within the City of Melbourne and the outlined program of work for 2022/23.
2. Council Plan 2021-25: Major Initiative 5 (MI5) proposes establishing an entity to drive visitation and spend to support the city's recovery from the impacts of COVID-19, whilst reaffirming Melbourne as the destination of choice. It supports the delivery of Council Plan 2021-25 priorities.
 - 2.1. the city economy is stronger, resilient and fully recovered from the impact of COVID-19
 - 2.2. Melbourne's unique identity and place is celebrated and protected
 - 2.3. First People's culture will enrich the city's growth and development
3. Prior to the COVID-19 pandemic, Victoria's tourism sector was experiencing strong growth. At the end of December 2019, the Victorian visitor economy was worth \$32.5 billion and employed over 250,000 workers directly or indirectly.
4. COVID-19 had a dramatic impact on Victoria's tourism sector. By the end of December 2020, total visitor spend had fallen to just \$13 billion, a 60 per cent decline and the lowest spend for the past 15 years. Victoria was the worst affected state, far exceeding the national average of 42 per cent decline.
5. The City of Melbourne has seen total visitor numbers drop from 16.5 million at the end of December 2019 to 5.5 million at the end of December 2021. Consequently, spend had decreased from \$10 billion to \$2 billion. During the first few months of 2022, tourism activity has since increased, though is still far below pre-pandemic levels.

Key issues

6. To drive a Melbourne-centric focus on recovery and reaffirm the City as the destination of choice, it's critical for City of Melbourne (CoM) to play a strong and strategic role, including strengthening its position of influence with other agencies. If this is not driven by CoM, there is a risk that Melbourne becomes part of a more generic approach to a Victoria-wide recovery.
7. Management has undertaken a desktop review of existing industry bodies and government agencies with responsibility for supporting the visitor economy. Most agencies operate at a state-wide level, with some having a stronger focus on driving visitation to Melbourne such as the Melbourne Convention Bureau and Visit Victoria. With at least ten agencies already identified as supporting the visitor economy for the state, there is significant opportunity for CoM to coordinate its collaboration with these agencies via the establishment of 'Experience Melbourne'.
8. 'Experience Melbourne' will involve a number of complimentary functions, including destination marketing, branding, event sponsorship, event management, event permitting, visitor servicing and the visitor economy aligned in one team. This will ensure a renewed focus for CoM to drive the visitor economy recovery. New working relationships will be established with external agencies to drive improved outcomes for the Melbourne visitor economy.
9. CoM will take a fresh approach to drive the recovery of the visitor economy by focusing on four key areas of work:
 - 9.1. **Partnerships** - Strengthened representation, connectivity and advocacy for Melbourne's visitor economy with peak industry bodies, the Victorian and Federal governments, and internal and external stakeholders. This includes the development of MoUs with key government departments and agencies. The MoUs will formalise an agreed way of partnering and ensure a commitment to working together at an appropriate level on shared priorities and to avoid duplication.

- 9.2. **Events** - Pursuing an events-led recovery, recognising the ability of events to drive visitation and spend where and when it is required. This includes:
 - 9.2.1. Reaffirming Melbourne as Australia's premier visitor destination, the 'Events Capital of Australia' and a destination of choice for event organisers and film production companies.
 - 9.2.2. Applying recommendations of the recent Events Review to ensure an economic impact lens is applied to CoM's event sponsorship programs to increase economic return to the city from events.
 - 9.2.3. Influencing the makeup of the Melbourne events calendar through sponsorship and planning to achieve an even spread of events across the calendar year and city locations.
 - 9.2.4. Working collaboratively with Visit Victoria and Creative Victoria in particular to secure new events that support Melbourne's position as Events Capital of Australia.
 - 9.2.5. Delivering enhancements to the event concierge service to streamline the permitting process.

- 9.3. **Marketing** - Centring on a strong destination brand marketing campaign for Melbourne, a fresh creative platform will capture everything that makes the city so unique, and ensure Melbourne is a leading visitor destination in Australia. This will be a key driver to raise awareness and interest in Melbourne and will include:
 - 9.3.1. Campaign activity leveraged over three years to position the city as a premier leisure visitor destination and provide an umbrella for a number of sub-campaigns. Creative concepts will extend to support sub-initiatives such as live, work, study and invest where required;
 - 9.3.2. Campaigns and activations to realise improved brand health, preference and consideration, leading to strong growth in visitation and spend; and
 - 9.3.3. Enhancements to the What's On website to drive improved outcomes for business and streamline functionality.

- 9.4. **Tourism** - will focus on six new areas of work:
 - 9.4.1. The development of at least ten new tourism initiatives annually in collaboration with industry that profile Melbourne and drive visitation.
 - 9.4.2. The development of a Destination Management Plan to identify and address gaps in the local tourism offer.
 - 9.4.3. Enhancement of the current visitor services offer to ensure Melbourne offers a world class 'welcome' whilst stimulating spend. In particular, to ensure the service is ready for the Commonwealth Games in 2026.
 - 9.4.4. Design, rollout and maintenance of wayfinding pedestrian signs throughout the city. Digital and physical wayfinding initiatives include the exploration and implementation of innovative technologies to assist people with disabilities to navigate the city.
 - 9.4.5. Delivery of a Sustainable Tourism Plan 2022-24 that embeds sustainability initiatives to meet changing visitor needs, drive visitation and influence spend.
 - 9.4.6. Delivery of an Accessible Tourism Plan 2022-24 that aims to unlock the potential of this growing market and to improve access and inclusion.

10. A number of initiatives have already been delivered to support the recovery, including:
 - 10.1. Drone show in the Docklands delivered from 15 January to 5 February, driving pedestrian activity up 138 per cent.
 - 10.2. Eleven new events funded through the Events Partnership Program.

- 10.3. The FOMO destination marketing campaign, which provided much needed support to city businesses, events and festivals, reminding people about the world-class and unique experiences Melbourne has to offer. The campaign has been well-received by business and industry stakeholders with a reach of over 98 percent of Victorians having seen it an average of 10 times.
 - 10.4. Melbourne Attractions Keypass which launched in January has generated a total of 5,748 bookings through the campaign webpages, assisting attractions, hotels, and hospitality businesses in the city. The program contributed \$390,545 in direct economic stimulus to the city.
11. The costs for the outlined program of work is within the current operating budget and may be further enhanced by the Melbourne City Revitalisation Fund in partnership with the Victorian Government.

Recommendation from management

12. That the Future Melbourne Committee:
 - 12.1. Endorses the establishment of Experience Melbourne.
 - 12.2. Endorses the intended program of work for 2022-23 as identified in the report from management.

Attachments:

1. Supporting Attachment (Page 4 of 4)

Supporting Attachment

Legal

1. There are no direct legal implications associated with the proposal contained in the report. Legal advice will be provided as required in respect to the proposed MoUs.

Finance

2. The costs for the program of work sits within current operating budget.

Conflict of interest

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

Health and Safety

4. In developing this proposal, no Occupational Health and Safety issues or opportunities have been identified.

Stakeholder consultation

5. Preliminary consultation with key agencies was undertaken. Ongoing stakeholder engagement and advocacy for Melbourne's visitor economy with peak industry bodies, the Victorian and Federal government, and internal and external stakeholders to define and communicate the role of the new team. As well as ensure the successful delivery of the planned program of work.

Relation to Council policy

6. Council Plan 2021-25: Major Initiative 5 (MI5) proposes establishing 'Visit Melbourne', to drive visitation and spend to support the city's recovery from the impacts of COVID-19, whilst reaffirming Melbourne as the destination of choice. In addition, it supports the delivery of Council Plan 2021-25 priorities:
 - The city economy is stronger, resilient and fully recovered from the impact of COVID-19
 - Melbourne's unique identity and place is celebrated and protected
 - First People's culture will enrich the city's growth and development

The delivery of this initiative will support Council's Economic Development Strategy 2031, including:

- Priority 8: A joint effort – Collaborating for a thriving city economy

Environmental sustainability

7. As part of the tourism program of work, a key initiative is the development of a Sustainable Tourism Plan 2022-24 that embeds sustainability initiatives.

In addition, CoM will seek to reduce its environmental impact by digitally delivering the key aspects of the program and sourcing recyclable materials to design and develop collateral associated with the promotion of the program.