

Report to the Future Melbourne Committee

Agenda item 6.7

Melbourne Attractions and Experience Pass

19 October 2021

Presenter: Louise Scott, Director Tourism and Events

Purpose and background

1. The purpose of this report is to seek endorsement of an initiative that has been developed in partnership with the tourism industry, the 'Melbourne Key'. The Melbourne Key is a 12 week initiative aimed at maximising visitation post lockdown and supporting the tourism industry. The initiative will support recovery efforts and further benefit other businesses as it has been designed to have a flow on effect to other sectors, such as retail and hospitality.
2. COVID-19 has hit the City of Melbourne's economy harder than other parts of Australia. Since March 2020 the City of Melbourne tourism industry has been decimated with international and interstate border closures, as well as ongoing lockdowns.
3. Further it is projected that Melbourne's recovery will be slower than regional Victoria, largely due to the city's reliance on international and interstate tourism, with 72 per cent of its visitor spend derived from these two sources.
4. The National Visitor Survey (Tourism Research Australia) year ending June 2021 highlights the impacts, with the following data specific to the City of Melbourne boundaries:
 - 4.1. Total overnight visitation is 1.4 million visitors, a decrease of 66 per cent compared to June 2020.
 - 4.2. Visitor nights total 5.2 million, a decline of 63 per cent.
 - 4.3. Daytrip visitors total 2.8 million, a decline of 51 per cent.
5. Research recently released by the Transport and Tourism Forum has further emphasised the challenge faced by travel dependent businesses compared to other industries after what has effectively been an 18-month lock-down for the visitor economy. The research outlines how one in three tourism businesses are facing extinction within the next three months due to ongoing uncertainty about domestic and international borders. It reveals over four in ten (41%) of tourism exposed business feel business will get worse over the next three months, while almost a third (29%) believe their outlook is bleak for at least the next 12 months.

Key issues

6. Working in partnership with the local tourism attractions industry, it was identified that there was an opportunity to develop an initiative that supported tourism businesses whilst encouraging visitation across the city and supporting the hospitality, retail and accommodation sector.
7. The 'Melbourne Key' initiative will support the local tourism industry by driving visitation and spend across the municipality. Specifically, the initiative will:
 - 7.1. Reassert the city as the destination of choice and entice people back to the central city by packaging up unique experiences, subsidising the cost of deals and gamifying the initiative via daily, weekly and end-of campaign major prizes.
 - 7.2. Facilitate additional spend across the retail and hospitality sectors by working in partnership with local businesses to bundle-up compelling offers.
 - 7.3. Provide an opportunity to test the market and determine visitor engagement for different initiatives and the need for such products to support the visitor economy during its recovery.
8. The Melbourne Key initiative is aimed at encouraging local visitation, as well as supporting interstate and international tourism as restrictions allow for travel. The CoM is working closely with Visit Victoria to market initiatives as soon as appropriate.

9. Management is proposing to partner with an online travel agency, to curate a package of deals as part of the Melbourne Key initiative. The agency will provide the expertise and digital platform to deliver the end-to-end solution and the full technical requirements of the initiative. The advanced technology synchronises with a vendor's ticketing platform enabling customers to purchase tickets on their nominated dates.
10. There will also be the opportunity to gamify the initiative and add an element of excitement. Visitors will be prompted to discover and redeem major prizes and giveaways at the attractions which will support the hospitality, retail and accommodation sector and drive higher spend in-destination.
11. Management will engage and consult with the local tourism sector and businesses to curate and bundle-up great deals and offers that form part of the Melbourne Key initiative. A precinct-led approach will be taken to ensure a cross selection of businesses is represented in the campaign.
12. The 12-week campaign will run over summer, pending any COVID-19 restrictions seeking to maximise visitation post lockdown and during the school holiday period.

Recommendation from management

13. That the Future Melbourne Committee endorses the delivery of the Melbourne Key initiative as part of Council's ongoing city recovery and reactivation program.

Attachments:

1. Supporting Attachment (Page 3 of 3)

Supporting Attachment

Legal

1. There are no legal implications associated with the proposal contained in the report. Any agreements to be entered into will be reviewed by Legal Services.

Finance

2. The expected contribution from Council to deliver this initiative is \$200,000, which is available within the approved 2021-22 Council Budget. The remaining costs of the program will be sought through in-kind contributions from the agency partner.

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. CoM is engaging with the local tourism sector and businesses to co-design the program. Industry participation in the initiative will take a precinct-led approach.

Relation to Council policy

6. The Program is consistent with Council Plan objective Economy of the future, to focus on driving economic recovery and creating the conditions for a strong, adaptive, sustainable and thriving future city economy supported by a diverse mix of industries and jobs that provide dignity and opportunity.

Environmental sustainability

7. In developing this proposal, 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.