
RESET REPORT 1

The visitor economy of Melbourne's West.
Value characteristics, issues and trends.



This preliminary report has been written by researchers from the School for the Visitor Economy at Victoria University, Melbourne in collaboration with Western Melbourne Tourism and Victoria Tourism Industry Council (VTIC).

Version 01

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Western Melbourne Tourism Inc. (WMT) is an association incorporated for the purposes of promoting and developing the tourism sector across Melbourne's western metropolitan region. WMT operates on a membership model primarily funded by the cities of Hobsons Bay, Wyndham, Maribyrnong, Moonee Valley, Brimbank, and Melton. It is overseen by an independent board with representation from these six western metropolitan councils, as well as Parks Victoria and Victoria University and representatives from the region's tourism industry.

Victoria Tourism Industry Council is Victoria's peak tourism body and is the leading advocate for Victoria's tourism and events industry. It represents over 2,000 businesses and supports members to connect and keep informed on the latest research, policy development and impacts that shape the Victorian visitor economy.

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1. INTRODUCTION

The tourism, hospitality and events sectors have been badly impacted by the COVID-19 pandemic. As is the case across Australia, Melbourne's West has lost a large proportion of visitors due to border closures, local lockdowns and movement restrictions. The region has been particularly impacted by the loss of international and interstate travel, events, international students, business travel and the many visiting friends and relatives (VFR) who fuel the region's visitor economy. The implications have been a loss of jobs, business closures and extended stress on the region's business owners and operators. This stress continues and the effects of the pandemic are likely to play out over several years to come.

At the same time, there are many future opportunities for economic development, with significant spending on key infrastructure projects such as the construction of the new Footscray Hospital, the Melbourne Airport Rail Link in Sunshine, and the major upgrade of the Werribee Open Range Zoo. There are also several projects of a lesser scale, but nonetheless significant, that will add to visitor economy growth. These include an upgrade to Scienceworks, Maribyrnong River bike path developments and Tarneit Stadium. It is anticipated that there will be substantial opportunities for tourism and hospitality services that flow from these developments.

In this context, the aim of this project is to support the recovery and transformation of the visitor economy in Melbourne's West and to prepare for the opportunities arising from population growth and infrastructure development. The research will contribute to wider economic development initiatives within the region by capturing how the visitor economy has been impacted by COVID-19 and how we can build resilience to future risks. Key elements include:

- a. **Address employment, skills and capability gaps** through reviewing skills and capabilities gaps and, develop, implement, and evaluate innovative and accessible training to build industry capability and,
- b. **Build tourism industry sustainability and resilience in Melbourne's West** by applying vulnerability and resilience analysis (Pyke et al., 2021) to inform a strategic roadmap for recovery and sustainable growth.

This report is the first for this project and begins to piece together an understanding of Western Melbourne as a tourism destination, the skills and capabilities gaps and opportunities for the future. Specifically, the report has seven key aims and as such it is broken into seven sections.

1. Overview of Melbourne's West,
2. Key demographic characteristics of the region relevant to tourism,
3. Features of the tourism system in Western Melbourne,
4. Impacts of the pandemic on the Western Melbourne visitor economy,
5. Skills and workforce gaps in Australia, and Melbourne, in particular Western Melbourne,
6. Plans for infrastructure development/ development in progress that may influence tourism in the region and
7. Development and recovery opportunities.

The report will serve as a basis for planning for the next phases of the research project and we will continue to add data to this report after it is submitted for milestone reporting.

2. METHODS

This report is informed by reports and data gathered via internet searching using the key words “tourism” OR hospitality OR visitor economy” AND “Skill gaps” OR workforce and snowball searching using reference lists from identified documents. In addition, documents were provided from our key industry partners – Western Melbourne Tourism (WMT) and Victoria Tourism Industry Council (VTIC). Tourism visitation statistics were obtained from Tourism Research Australia and demographic statistics from the Australian Bureau of Statistics, Australian Census (2016).

A document analysis of 27 documents from the last 10 years reporting on skills gaps in tourism in the Western Melbourne region (9), Victoria (7) and Australia-wide (10) was undertaken. The documents were analysed thematically for workforce needs and trends using NVivo 12.

Two employer surveys have been undertaken in the last 12 months, the first was administered in collaboration with VTIC as part of the project, Building the Resilience of Tourism Destinations to Disasters (Lindsay Smith et al, 2020). The second was administered by VTIC and explored managerial and owner skills deficiencies amongst their members. The results of these two surveys form part of this report.

The first survey was conducted in September 2020 and a total of 323 respondents completed the survey. The data being used in this report are taken from the section in the survey which examined development needs of tourism businesses. Further details of survey methods and respondents can be found in the full report at <https://www.vu.edu.au/sites/default/files/tourism-resilience-report.pdf>.

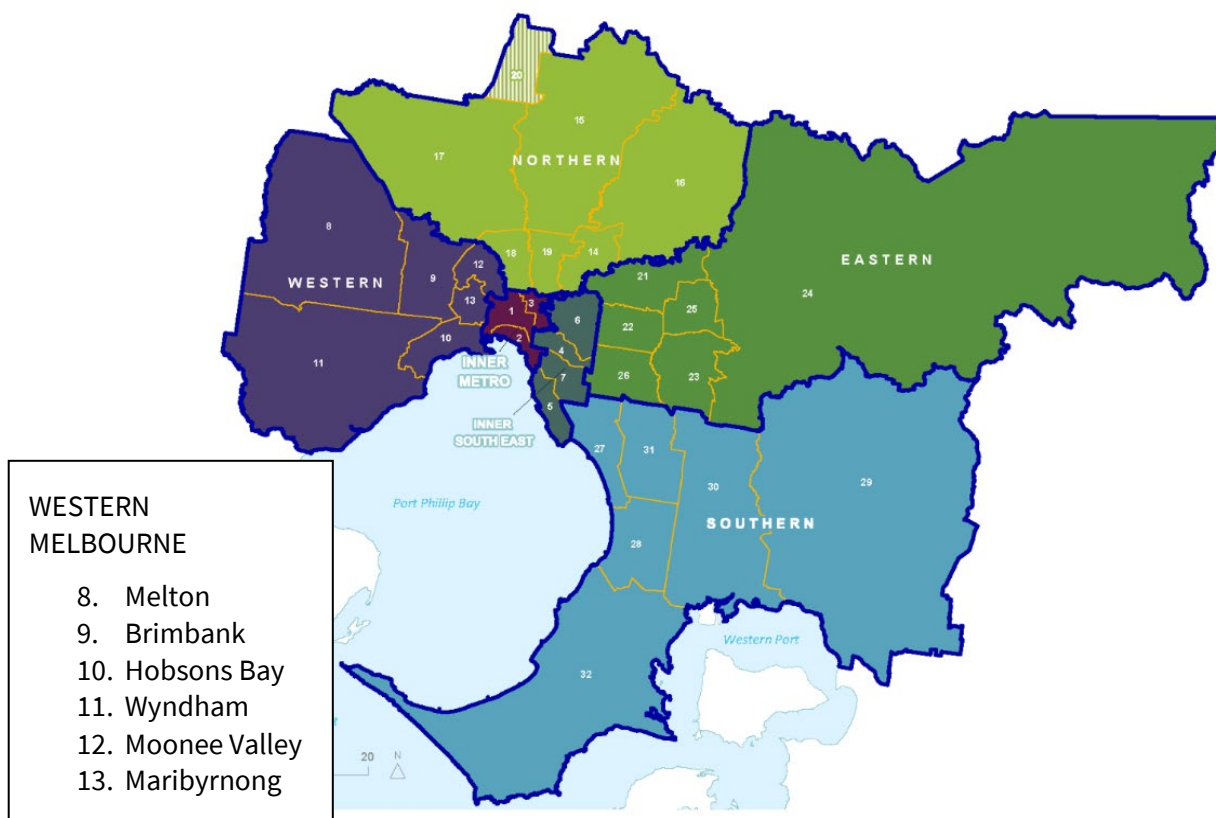
The second industry survey was conducted by VTIC in July 2021, during Victoria’s fifth lockdown and assessed the development and support requirements for Victorian businesses from their membership base. The respondents were asked to identify their development and support needs for the last 12 months prior to the survey (e.g. grant writing, mental health). There was a total of 414 respondents to the survey. The data were analysed descriptively using SPSS 27.

3. OVERVIEW OF THE REGION

Western Melbourne is an urban region that takes up the western third of the Greater Melbourne. It is composed of six Local Government Authorities (LGAs); Melton City, Brimbank City, Moonee Valley City, Maribyrnong City, Wyndham City and Hobsons Bay City Councils, it covers an area of 1416 m² (see Figure 1). The area also spans across the traditional homes of the Wurundjeri Woi Wurrung (Brimbank, Maribyrnong, Melton and Moonee Valley), the Wathaurong (Moonee Valley and Wyndham) and the Yalukit-Willam Boon Wurrung (Hobsons Bay) peoples of the Kulin Nation.

Traditionally, the Western Melbourne region has been predominantly heavy industry, a poor image and typically lower SES. However, recent gentrification and development of the region has improved the image of the region significantly. Unfortunately, COVID-19 has been detrimental to both the image and the progress of the region, and economic projections show that the region has a much worse outlook than other areas of Victoria, especially regional and other suburban areas of Melbourne (Flowers, 2021a) (see section 6.2).

Figure 1. Metropolitan Melbourne Regions. Source DELWP, 2017.

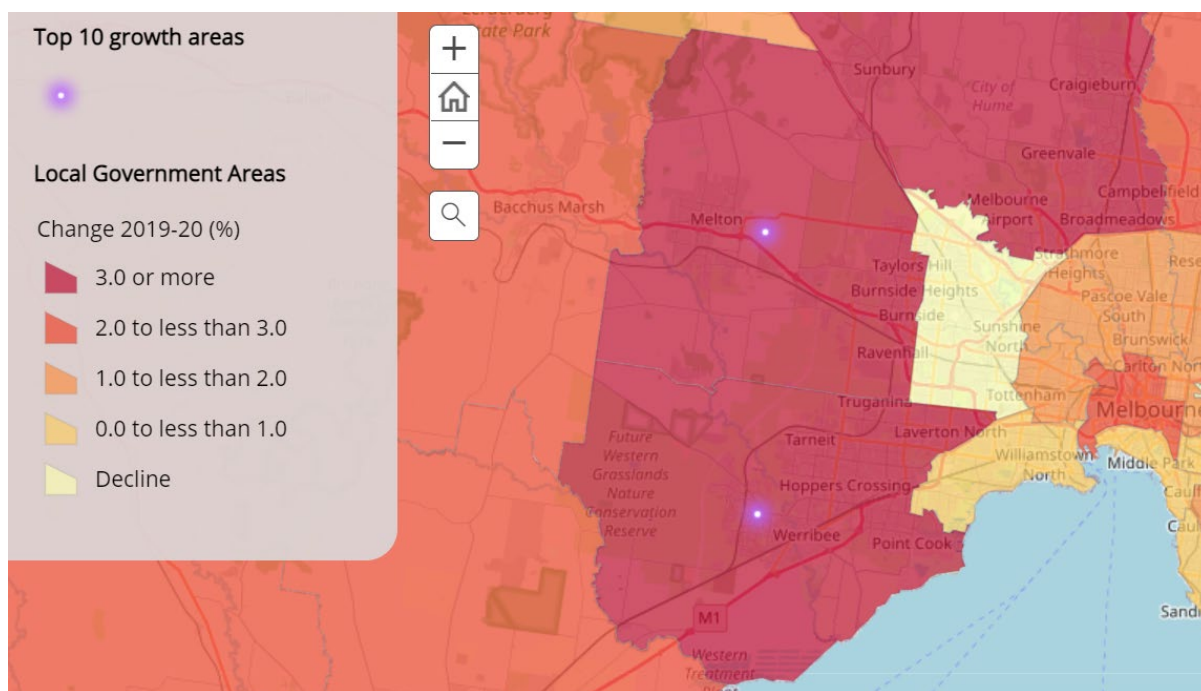


The region has a resident population of approximately 879,000 people, around 19% of the total population in Metropolitan Melbourne (Victoria State Government, 2021b). Melton and Brimbank have the largest populations in the region (see Table 1). Melton City and Wyndham City Council areas are two of the top ten growth areas in Australia, and grew by three percent or more between 2019-2020 (see Figure 2) (ABS, 2020).

Table 1. Population of Western Melbourne LGAs (from 2016, Census; ABS 2016)

LGA	Population
Wyndham	217,122
Brimbank	194,319
Maribyrnong	82,288
Hobsons Bay	88,778
Melton	138,443
Moonee Valley	116,671

Figure 2. Population growth Western Melbourne region 2019-2020 (ABS, 2020).



Key environmental features of the region include Brimbank Park, Cheetham Wetlands, Organ Pipes National Park and Werribee Gorge. There are multiple cycling trails along coastal trails and inland waterways such as Maribyrnong River and Kororoit Creek. The region also features a 50 kilometre stretch of coast offering beaches such as Wyndham Harbour, Williamstown and Altona Beaches, and Werribee South Beach and marine conservation areas in Point Cook, Williamstown and Altona (see Figures 3 and 4). The region holds the largest diversity of migratory birdlife in Australia, outside the Kakadu National Park (AEC group, 2018).



Map 21

Open space



- (1) Publicly owned and publicly accessible - includes areas where access is free of charge but limited or managed in some way
- (2) Publicly owned and provides for restricted public access and/or use - includes areas where access is not possible by the public most of time or access is significantly restricted by fees and charges and/ or barrier fencing
- (3) Privately owned or leased. Public access prohibited or significantly restricted
- (4) Parks where land acquisition or transfer and/or associated infrastructure delivery is incomplete
- (5) Future parks where land and infrastructure delivery has not yet commenced
- (6) Reserves where land acquisition or transfer and/or associated infrastructure delivery is incomplete
- (7) Future reserves where land and infrastructure delivery has not yet commenced

Source: Department of Environment, Land, Water and Planning



4. DEMOGRAPHIC CHARACTERISTICS OF THE WESTERN MELBOURNE REGION

4.1. An ethnically diverse region

Melbourne's West, has approximately 834,621 residents (ABS, 2016), is one of the fastest growing regions in Victoria and has a high share of recent migrants to Australia, with 58% of the resident population had both their parents born overseas in the 2016 Census. This is 50 % higher than the total proportion Victoria-wide (38.5 %). Of all the LGAs, Brimbank and Wyndham have the highest proportion of residents where both parents were born overseas at 69.5 and 56.5 % respectively.

Owing to the diversity of the population, each of the LGAs in the region also have a greater proportion of households where a non-English language is spoken at home, than the Greater Melbourne average of 34.9%. Brimbank is the highest with 62.3%. Each LGA is also diverse compared to the other, as shown seen in Table 2, which shows the most common two languages other than English spoken at home grouped by LGA. The ethnic diversity of the region promotes a uniquely high rate of VFR (visiting friends and relatives) travel (see tourism features in section 5).

Table 2. Languages other than English spoken at home (from ABS 2016 Census)

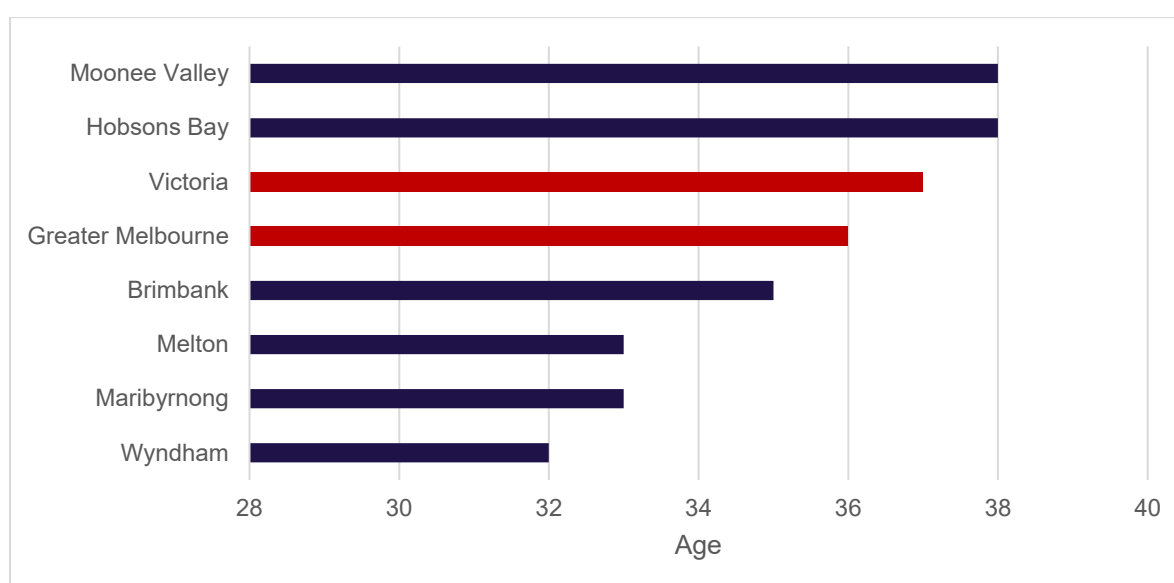
LGA	Language spoken at home	% in LGA	% Greater Melbourne	% in Vic
Brimbank	Vietnamese	16.2	2.3	1.7
	Punjabi	2.9	NA	0.9
Hobsons Bay	Arabic	3.4	NA	1.3
	Italian	2.7	2.3	1.9
Maribyrnong	Vietnamese	11.9	2.3	1.7
	Mandarin	3.2	4.1	3.2
Wyndham	Punjabi	3.5	NA	0.9
	Hindi	3.5	NA	0.9
Melton	Vietnamese	2	2.3	1.7
	Punjabi	1.9	NA	0.9

LGA	Language spoken at home	% in LGA	% Greater Melbourne	% in Vic
Moonee Valley	Italian	6.8	2.3	1.9
	Greek	3.1	2.4	1.9

4.2. Age

The median age of the population in the six LGAs in Western Melbourne, Hobsons Bay and Moonee Valley are both slightly higher than the Victorian average of 37 years and the other four LGAs have a lower median age than the whole of Victoria (see Figure 5).

Figure 5. Median age of Western Melbourne LGAs compared to Greater Melbourne and the whole of Victoria (ABS, 2016).



4.3. Education and income levels of resident population

Across the Western Melbourne region there is a large degree of variability in income and education levels, which can be seen in Figure 6 and Figure 7 below. Compared to the Greater Melbourne average, only residents in Maribyrnong and Moonee Valley have a greater proportion of the population with high levels of education. Despite lower mean levels of education, median household income is higher than the Greater Melbourne average in every LGA in Melbourne's West except in Brimbank and in Melton it is the same.

Figure 6. Proportion (%) of residents with year 12 or Bachelors' degree as lowest level of education (ABS, 2016)

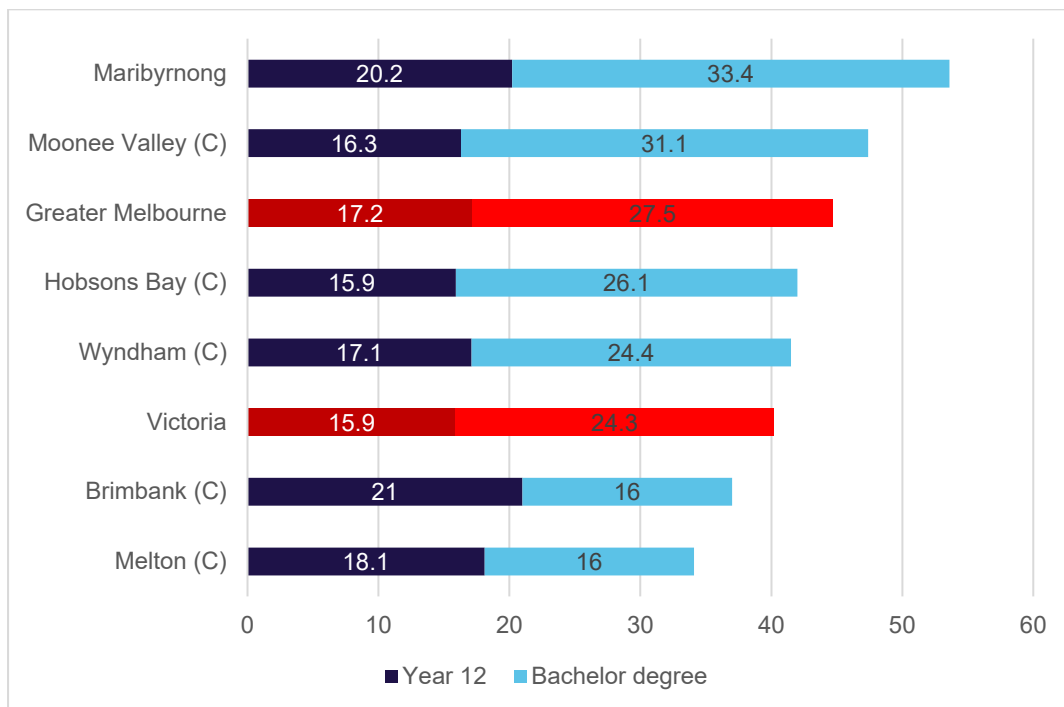
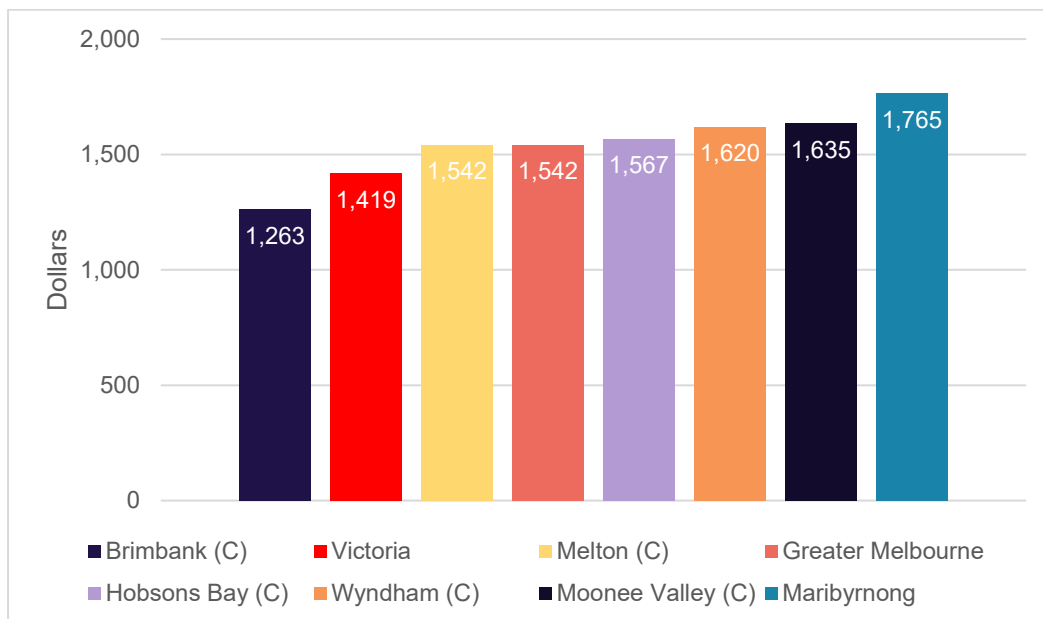


Figure 7. Median household income by LGA in Western Melbourne (AUD) (ABS, 2016)



5. TOURISM INDUSTRY CHARACTERISTICS OF THE AREA

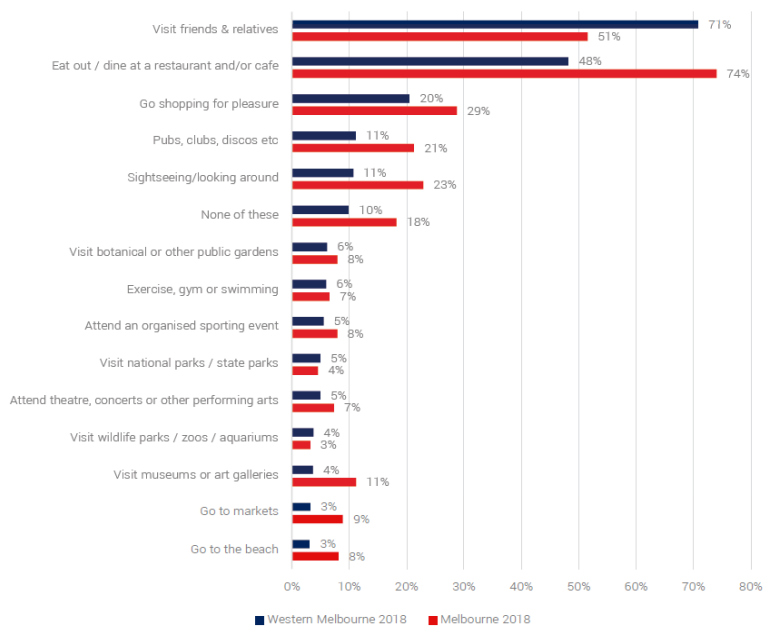
A tourism system analysis was conducted for the Western Melbourne region (see Appendix 1). The key findings of the analysis are presented below.

5.1. Tourism generating region

The six key product pillars of the Western Melbourne Region are:

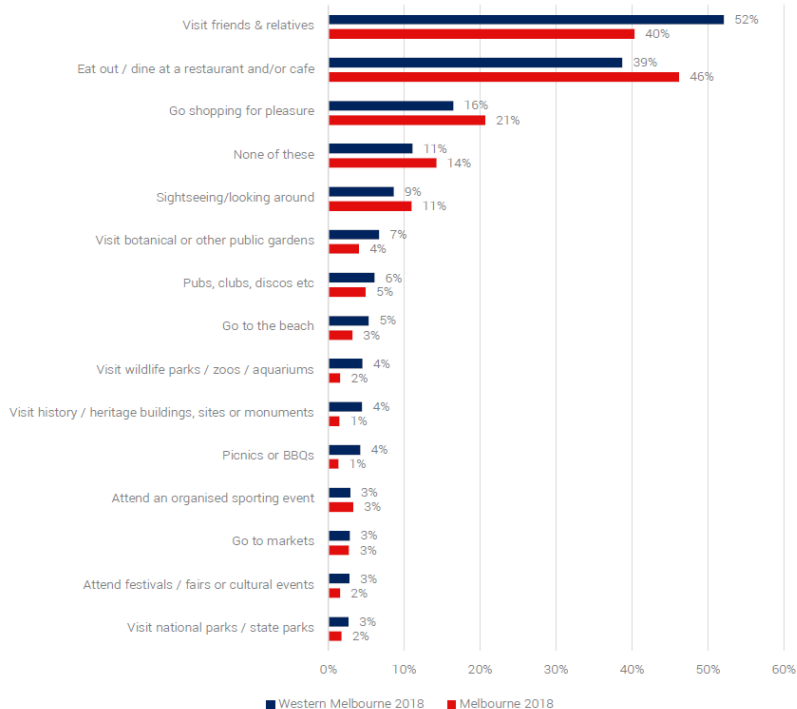
1. **Food and beverage**- with a range of craft beer and brewers, five wineries, a large multi-cuisine food a beverage venue in Spotswood called Grazeland, the Yarraville Village, different types of food and specific African, Vietnamese and Burmese food enclaves, many cafes and pubs and heritage pubs in Williamstown(AEC group, 2018). An overview of the visitation to the different attractions of the area is shown in Figure 8 and Figure 9 below, showing the particular importance of restaurants, cafes and bars for the area, with 48% of domestic overnight and 52% of day trippers to the region attending such venues (Urban Enterprise, 2019).
2. **Museums, art and attractions** – including Scienceworks, the Substation, the Bowery Theatre at St Albans Community Centre, the Sun Theatre, Footscray City Arts Centre and a number of public art trails, heritage attractions in Williamstown as well as coastal attractions including Seaworks Maritime precinct and Melbourne Seaplanes (AEC group, 2018) .
3. **Sport** – four horse racing tracks exist in the area, major State level sporting complexes, kitesurfing at Altona Beach, 14 public golf courses, and several sailing clubs and boating facilities(AEC group, 2018).
4. **Events and festivals** – Key festivals and events in the region include the Royal Melbourne Show, multicultural festivals such as the Sunshine Lantern Festival, Lunar New Year at St Albans, cultural festivals such as literary, music, film and art festivals. Sporting assets in the region are also key event generators in the region and include Melbourne Ballpark, Witten Oval – the home of the Western Bulldogs AFL club and four racecourses (Tabcorp Park, Werribee, Moonee Valley and Flemington) (AEC group, 2018).
5. **Nature parks and gardens** - In addition to the key natural assets of the Western Melbourne region mentioned in Section 1, the area contains a variety of key attractions including Werribee Open Range Zoo, Werribee Park Mansion and Rose Garden, the only dingo sanctuary in Australia, Newport Lakes, walking and cycling trails and various natural parks(AEC group, 2018)v.
6. **Shopping and markets** – including Footscray Market, DFO Essendon fields and various farmers markets (AEC group, 2018).

Figure 8. Domestic Overnight Visitors, 2018 (Urban Enterprise, 2019).



Source: Tourism Research Australia – NVS – 2018 – compiled by Urban Enterprise, 2019.

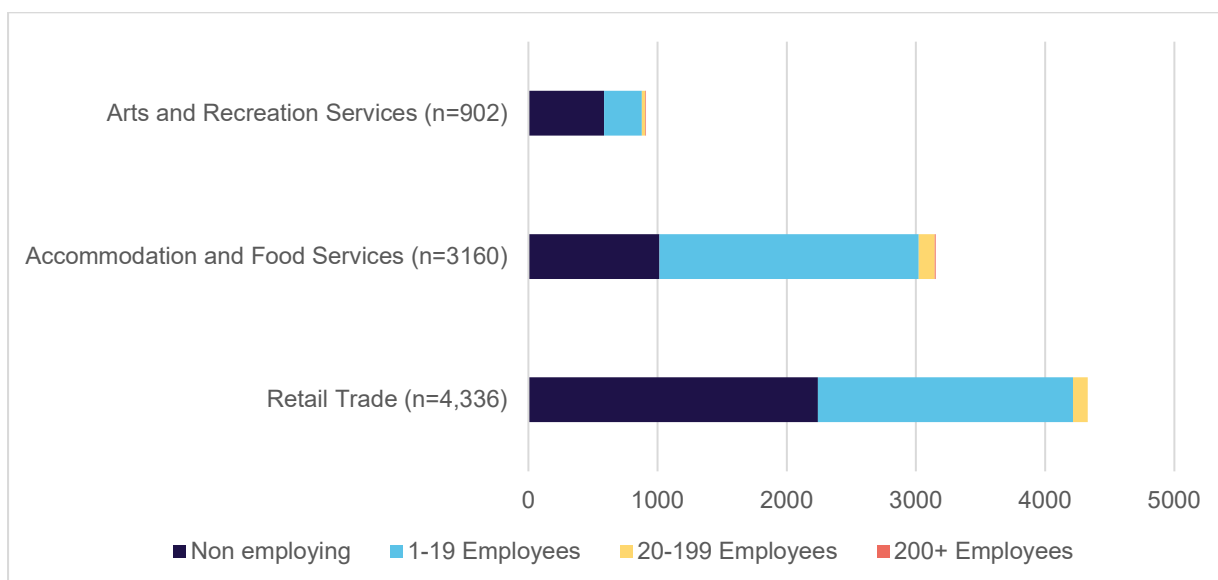
Figure 9. Domestic daytrip visitors, 2018 (Urban Enterprise, 2019)



Source: Tourism Research Australia – NVS – 2018 – compiled by Urban Enterprise, 2019.

As of June 2020, there were 4,336 retail businesses, 3160 accommodation and food services businesses and 902 arts and recreation businesses in Melbourne’s West (ABS, 2020). The majority of these businesses are either sole traders or micro-small businesses (see Figure 10). It should be noted though that not all the businesses in these categories will service the visitor economy, but most of them will contribute in some way. There are a total of 1015 accommodation rooms ranging from three to five star in the region (AEC group, 2018). Prior to the pandemic there was an undersupply of accommodation but there are a number of new suburban based hotel accommodation construction projects opening or in the pipeline to address this issue. These include the Holiday Inn at Werribee, Punt Hill Apartments at Caroline Springs, Hyatt Place at Essendon Fields, Sebel in Moonee Ponds, new Quest at Flemington. There are also approximately five hotel/ accommodation planning permits being sought at Sunshine (Western Melbourne Tourism, personal communication, September 15, 2021).

Figure 10. Number of visitor economy businesses in Melbourne's West (ABS, 2021).



5.2. Transport

The region is well situated in terms of rail and road infrastructure, being accessible to Tullamarine International Airport and Avalon Airport as well as the major seaports in Geelong and Port Melbourne and a ferry from Williamstown to the City. Train lines service the area including a line running Southwest from the City to Geelong and eventually Warrnambool via Footscray and Werribee and other lines running North-West through Sunshine and then to Bendigo as well as Ballarat and Ararat (see Figure 11).

Figure 11. Green wedge and peri-urban land and transport (DELWP, 2017)



Map 19

Melbourne's green wedges and peri-urban areas

- | | | | |
|--|--------------------------------------|--|-----------------------------------|
| | Green wedge land | | Road network |
| | Peri-urban area | | Rail network |
| | 100-km radius from central Melbourne | | Transport gateway – major airport |
| | Capital city | | Transport gateway – airport |
| | Regional city | | Transport gateway – seaport |
| | Regional centre | | Urban area |
| | Peri-urban town | | Urban growth boundary |
| | | | Local government area boundary |

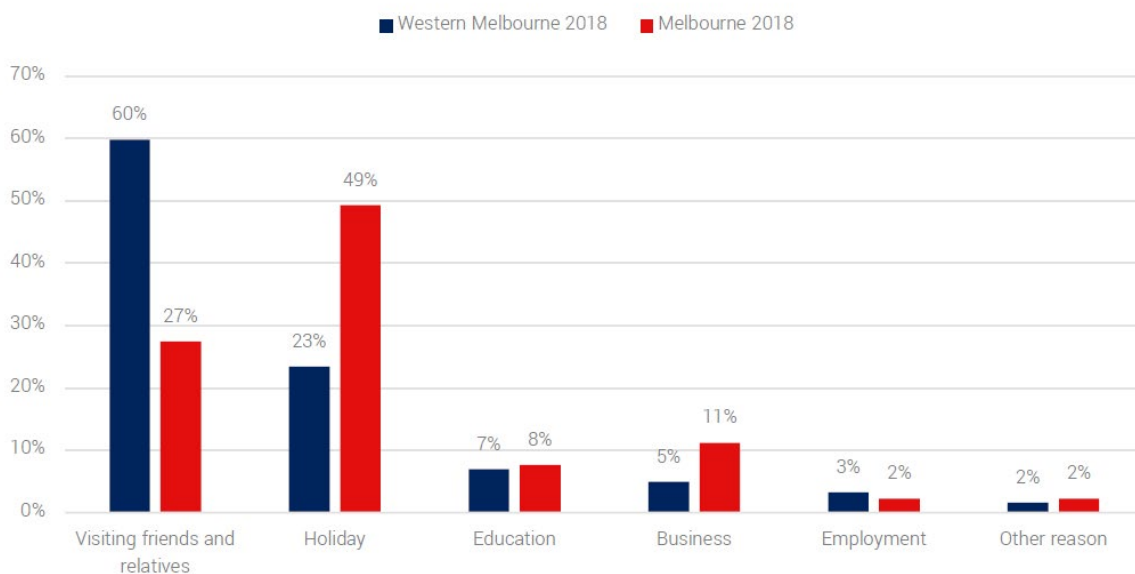
Source: Department of Environment, Land, Water and Planning

5.3. Inbound tourism

Melbourne’s West accommodated nine per cent of Victoria’s international visitor nights and three per cent of the total domestic visitor nights between 2016-2019. The region is normally reliant on international visitors for nearly half the visitor economy income (48%). Interstate visitors were also a key source of income for the region (21%). Intrastate visitors spend less in the region (12%), which is very different to regional Victoria which relied far more heavily on intrastate visitors prior to the pandemic (53% visitor spend was intrastate). In the 18 months between 2017/18 and 2019 domestic visitation to the region grew, especially for domestic day trips (31%) and intrastate overnight tourism (19%) and very little for international tourists (Flowers, 2020).

International Visitors

As mentioned in section two, owing to the diverse population in Western Melbourne, visitation to this region is uniquely dominated by (VFR) travel, with 60% international visitors in 2018 being for the purpose of VFR, almost double the Victorian average of 32% (Flowers, 2020). Holiday and education are the next most common reasons for international visitation to the area, as Victoria University and the Polytechnic have multiple campuses in the region (see Figure 12).



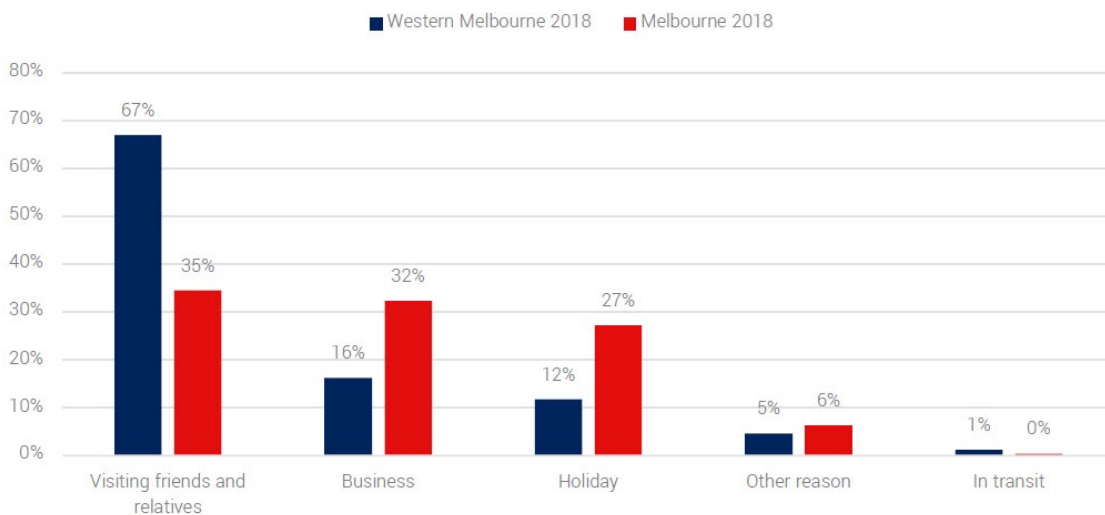
Source: Tourism Research Australia – IVS- 2018 – compiled by Urban Enterprise, 2019.

Domestic Visitors








The diversity of the population in Western Melbourne also impacts domestic visitation, where 67% of overnight domestic visitors were for VFR in Western Melbourne, nearly double the rates in Melbourne (35%) and Victoria-wide (34%) (see Figure 13). There are proportionally fewer domestic visitors to Western Melbourne on holiday (16%) compared to the Victorian average of 45%. Business visitors account for 16% of tourism in Melbourne’s West, followed by holiday (12%) and ‘other reason’ (5%) (2018 data, derived from Tourism Research Australia Data) (Urban Enterprise, 2019).

Figure 13. Domestic Overnight Visitors - reason for stopover- 2018 (Urban Enterprise, 2019).



Source: Tourism Research Australia – NVS- 2018 – compiled by Urban Enterprise, 2019.

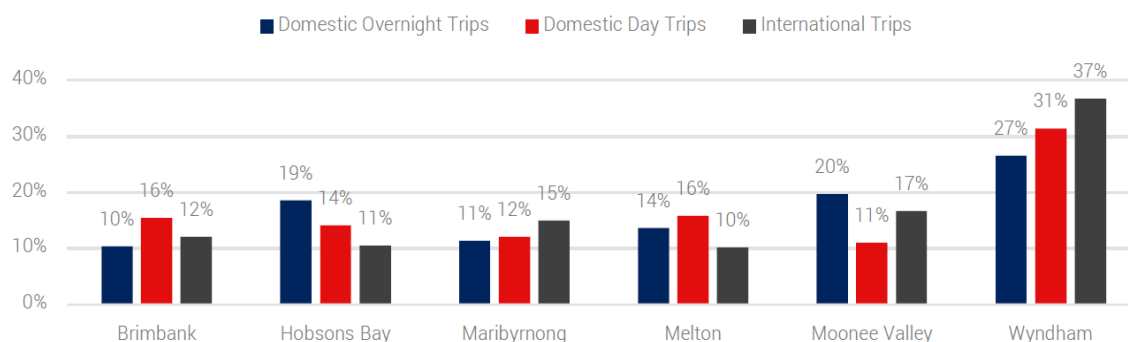
Figure 14. Summary of visitation to Western Melbourne 2009-2018 (Urban Enterprise, 2019)

		DOMESTIC OVERNIGHT	DOMESTIC DAYTRIP	INTERNATIONAL VISITORS
	ALL VISITOR TRIPS	790,531 19%	3,158,455 76%	189,245 3%
	PURPOSE OF VISIT	<u>67% VFR</u> 16% Business 12% Holiday	<u>46% Holiday</u> 39% VFR 9% Business	<u>60% VFR</u> 23% Holiday 7% Education
	ACTIVITIES	<u>71% Visit friends & family</u> 48% Eat out/dine at a restaurant	<u>52% Visit friends & family</u> 39% Eat out/ dine at a restaurant	-
	TRAVEL PARTY	<u>42% Travel alone</u> 25% Adult couple	-	<u>59% Travel alone</u> 21% Adult couple
	ACCOMMODATION	<u>74% Stayed at friends or relatives property</u> 10% Stay in a standard hotel (below 4 star)	-	<u>75% Stayed at friends or relatives property</u> 9% Stay in a rented house/apartment /flat

Source: Tourism Research Australia – NVS and IVS – 2009-2018 – compiled by Urban Enterprise, 2019.

The subregions within Western Melbourne have varying offerings and demographics characteristics and thus also different visitation patterns. On the basis of the average of the four years from 2016 to 2019, the largest share of visitor spending was in the Wyndham City area with the other five local government areas having similar total values of visitor spending (see Figure 15) (Flowers, 2020).

Figure 15. Proportion of visitation to Western Melbourne sub regions - 2018 (from Urban Enterprise, 2019, p 4)



Source: Tourism Research Australia – NVS and IVS – 2018 – compiled by Urban Enterprise, 2019.

5.4. Employment

Understanding employment and the economic value of tourism in Western Melbourne is complicated. A tourism destination is a complex system comprising a tourism generating region, transit routes and the tourism destination region itself (Leiper, 2004). Within the tourism destination region, the visitor economy is calculated using the Regional Tourism Satellite accounts. This data includes the value added to the economy by tourism directly as a result of tourism and indirectly through services related to tourism (e.g. cleaning, servicing accommodation etc). Tourism satellite accounts also collect data on tourism gross regional product, employment, visitation and number of tourism businesses. However, there is no tourism satellite account for Western Melbourne, only Greater Melbourne. Thus, to understand Western Melbourne employment, economic data from both the ABS census and business data and the satellite accounts from Tourism Research Australia must be used to make estimates. These are used below.

The Visitor Economy in Western Melbourne has a lower reliance on the visitor economy for employment than regional areas because it has a much more diversified industry base. However, tourism is still a vital industry in the region, especially for jobs that have a low barrier to entry. The total number of jobs in Melbourne's West that are due to the visitor economy are estimated at just over 13,000 jobs, 4.2 % of total Melbourne West region jobs (Flowers, 2020). Each of the six local government areas has at least 1,491 jobs in their areas due to the total impacts of visitor spending. This estimate was calculated using both the tourism satellite accounts for Melbourne TRA and ABS Census data sources (Flowers, 2020).



Map 3

Jobs and investment

- Central city
- National employment and innovation cluster (NEIC)
- Metropolitan activity centre
- Metropolitan activity centre - future
- Health and education precinct
- Health precinct
- Education precinct
- State-significant industrial precinct
- Transport gateway - major airport
- Transport gateway - airport
- Transport gateway - seaport
- Interstate freight terminal (indicative)
- Metro Tunnel (rail)
- Urban growth boundary
- Urban area
- Road network
- Rail network
- Waterway
- Waterbody
- Metropolitan Melbourne region

Source: Department of Environment, Land, Water and Planning

Within the six local government areas, the most visitor economy reliant, as a share of total LGA jobs, is Wyndham City ahead of Melton City. There are a number of reasons for this. Firstly, Wyndham has the largest population and business base in the region (see Table 1). These two LGAs also have much larger land areas and are less urbanised on average than the other local government areas (Flowers, 2020). This access to natural land allows for the development of major visitor attractions such as the Werribee Park precinct and a significant number of accommodation venues.

The largest visitor economy sub-sectors, by jobs directly due to tourism spending in the Melbourne tourism region in 2017-18 were in: cafés/restaurants/take-away food (22%); retail trade (16%); education and training (15%); and accommodation (11%) (TRA, Tourism regional satellite account (Flowers, 2020).

6. IMPACTS OF THE PANDEMIC ON TOURISM IN AUSTRALIA, VICTORIA AND THE WESTERN MELBOURNE TOURISM REGION

6.1. Impacts on Tourism in Australia and Victoria

The COVID-19 pandemic has devastated the tourism industry globally, with international visitor arrivals worldwide being 85% lower in January-May 2021 compared to the same period in 2019. However, for the Asia-Pacific region in which Australia is situated, the figures are even more bleak at 95% down, due to continuing international travel bans in the region (UNWTO, 2021).

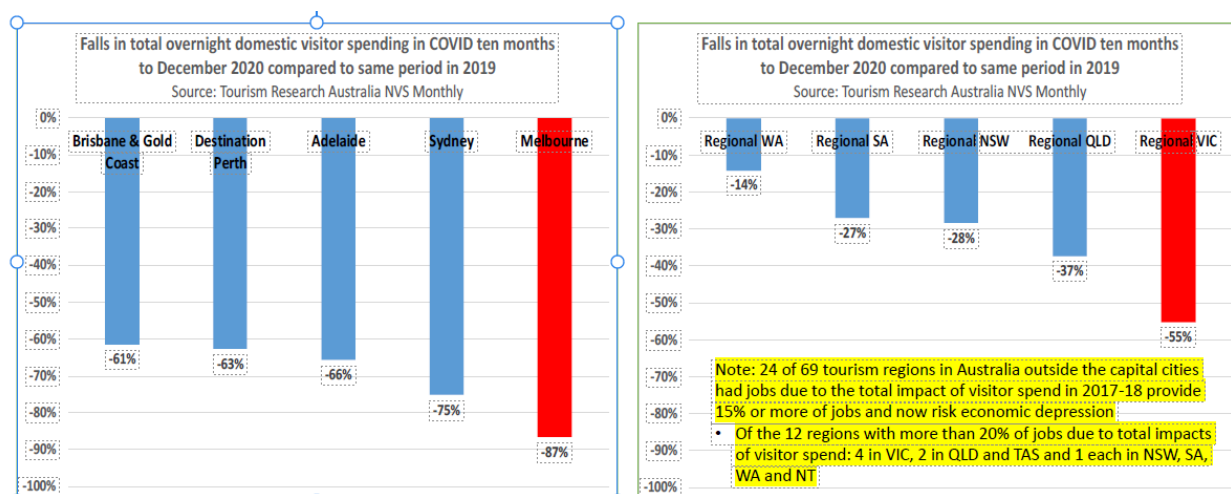
Within Australia in the year ending 2021, domestic tourism was 40% lower than the previous year, a total reduction of \$82.9 billion (Tourism Research Australia, 2021). Snap lock downs across the country continued to impact domestic travel throughout 2020 and especially in Victoria. However, in the March 2021 quarter there were fewer travel restrictions and Australians took more trips than any other time during the pandemic. But with the arrival of the Delta strain of the COVID-19 virus to Australia in May 2021, the spread of the virus has been more difficult to control and at the time of writing (28.8.2021) New South Wales, Victoria and the Australian Capital Territory (ACT) were all in stage four lockdowns and Queensland had imposed a hard border with those states.

The state of Victoria has had a greater number of days in lockdown than any other state and as a result has seen the most significant impacts of the pandemic to date. The sixth lockdown in Victoria began on 5 August 2021 in response to rising cases in Metropolitan Melbourne. As of September 2021, Metropolitan Melbourne had experienced 209 days in lockdown. Visitation has been most impacted in urban city centres, and in Melbourne in particular, because they rely heavily on international tourism. A report detailing the economic and jobs impacts of COVID-19 in 2020 on the City of Melbourne saw the total economic output of the city fall by 22% compared to only 15% in regional Victoria. This equated to a 15% loss in jobs compared to only 9% in regional Victoria (City of Melbourne, 2020).

Prior to the COVID-19 pandemic, the largest visitor economy sub-sectors by jobs directly due to tourism spending in the Melbourne tourism region in 2017-18 were in: cafés/restaurants/take-away food (22%); retail trade (16%); education and training (15%); and accommodation (11%) (TRA, Tourism regional satellite account). These subsectors were particularly hard hit by lockdowns and social distancing and thus have been one of the most heavily impacted industries by the pandemic. The drop in economic output from accommodation and food services was \$1.990 billion, and 22,900 job losses. Accommodation and Food services have been the worst hit industry in Victoria, with a 14% loss in payroll jobs between 14 March 2020 and 27 February 2021, ten times the average loss across all the industries combined (1.3% loss). These rates were also prior to the full roll back of the Job Keeper support package (Flowers, 2021b).

Between March and December 2020, both regional and metropolitan Melbourne suffered greater losses than any other state or capital city because of more days in lockdown and harsher restrictions ([REF Flowers report] see Figure .

Figure 17. Overnight visitor spending reductions in Australia between March and December 2020 compared to previous years (from (Flowers, 2020), page 6).



Huge financial losses and staff reductions places additional burden on the already struggling industry in the months when visitation numbers rise again because many of the staff who were laid off in 2020 have moved into other more stable industries. The image of the industry as an employer of choice has also been tarnished by repeated lockdowns and uncertainty about the future of the industry or employment opportunities within it. The majority of businesses in Australia are SMEs (approximately 99%), who typically have variable capacity to plan for or manage change and typically have low levels of cash reserves to withstand a long-term crisis. Many of these businesses are at breaking point.

6.2. Impacts on Tourism in Western Melbourne

The visitor economy in Western Melbourne has faced a sharp economic downturn in response to COVID-19 travel restrictions and the repeated use of social immobility measures implemented during the pandemic. The impact in the region is similar to that seen in the Melbourne CBD.

The key visitor economy employers in the region are cafés/restaurants/take-away food, retail trade, events, education and training and accommodation as mentioned in section two. As previously mentioned, these subsectors have been particularly hard hit by lockdowns and social distancing during the COVID-19 pandemic.

Because of the high value of international education in the Greater Melbourne region, it has a much higher reliance on education and training as a source of income than other regions in Victoria and thus losing the opportunity to attract international students has been hugely detrimental to the economy in the region.

Unlike regional Victoria, Melbourne's CBD and Melbourne's West in particular rely heavily on both international and interstate visitation (see section 3). This means that these regions have been far more impacted than regional Victoria by border closures and interstate travel bans, and will need more support to pivot to attracting new markets during the uncertain times of the COVID-19 pandemic.

Additionally, the region has been heavily impacted by the reduction in business travel, due to both restrictions but also the decline in the need for such business movement with working from home and Zoom meetings.

Finally, the most recent Delta outbreak, which began in Victoria at the end of July, 2021 has impacted Western Melbourne disproportionately. Two clusters were identified in Western Melbourne at the beginning of August 2021; one in Maribyrnong and one in Hobsons Bay (Victoria State Government, 2021c). By Mid-August more than half the active cases of COVID-19 were in the Western Melbourne Region (52%) because of higher rates of residents who are in high-risk roles or having to work on site rather than at home as well as language and cultural barriers to accessing appropriate health advice (Flowers, 2021a). This has impacted the region economically and particularly the large multicultural population in the region on top of challenges that have already been mentioned above. The region will require more targeted support for the visitor economy and especially the multicultural community to aid recovery from the financial and human resources losses incurred as a result of the pandemic.

7. SKILL GAPS AND REQUIREMENTS FOR THE WESTERN MELBOURNE REGION

Visitor economy businesses incorporate a range of sectors including hospitality, tours, cafes and restaurants, attractions and events. A key business feature is that they typically function seven days a week and there are a variety of role types, requiring low to high levels of skill and training. Tourism industry skills are categorised into four main types: hard skills, soft skills, digital skills and business skills.

Hard skills are those that are very industry specific and not easily transferable. They include skills such as culinary technical skills, wine tasting, aviation skills, beauty therapy. These are the skills that are typically the foci for education and training in the tourism industry.

Soft skills are those that need to be learned through experience and are transferable. Some examples include languages and customer service skills.

Digital skills are also transferable across industries, but the specific types of programs used in tourism businesses may need to be taught on the job. They include accounting software, airline support systems, hospitality point of sale systems and social media.

Business skills include managerial, planning and organisation, problem solving and decision making, networking and financial management (APEC, 2017).

A synthesis of the themes from the document analysis and two surveys identified four key thematic areas for skill and workforce challenges in the industry. The noted trends in skills gaps were similar Australia-wide and are relevant for the Western Melbourne region.

- Skills gaps in existing staff
- Challenges for accessing appropriately skilled staff to fill current gaps
- Skills shortages for owner/managers
- The impact of COVID-19 on the requirements for the tourism workforce

7.1. Skills gaps in existing staff

There was a large increase in the proportion of businesses identifying skills deficiencies Australia-wide between 2011 and 2015, with 69% reporting skills deficiencies among their staff. The café and restaurant sector was the most acutely affected. In Victoria, approximately 50% businesses identified recruitment difficulties, 36% retention and 65% skills deficiencies (Deloitte Access Economics, 2015). Cleaners, chefs and cooks were the three occupations with the most commonly reported deficiencies (qualifications, skills and work experience). These deficiencies were fairly consistent across states. Every jurisdiction reported greater problems with skills than recruitment or staff retention.

In 2015, the most critical reason for skills deficiencies among tourism employees was a lack of suitable experience in tourism, rather than accessible or good quality training for employees. This lack of experience of the average worker in the sector appears to be meaning that employees aren't 'tourism ready' (Deloitte Access Economics, 2015). This issue will become more significant as the pandemic continues, as many employees leave the sector to secure work in more stable industries. Furthermore, there are fewer opportunities for on-the-job training for staff during repeated lock-downs, resulting in a less skilled workplace.

The other key skill listed as being important to improve industry-wide were customer service skills, which were seen as becoming increasingly important as customers expect better service.

7.2. Challenges accessing appropriately skilled staff to fill current gaps.

Across all the documents analysed, attracting and retaining skilled staff was the most highly cited issue. Many businesses, and SMEs in particular, did not recognise the importance of retaining staff and the financial savings possible from keeping their talent; and had limited resources to invest in best practices anyway (APEC, 2017; OECD, 2012). As expressed by Deloitte in a recent APEC study (2017p68) '... when SMEs struggle to find the right staff, they often redouble their search effort, rather than implement long-term measures to train, develop and retain existing staff.'

Prior to the COVID-19 pandemic workforce shortages in the Visitor Economy were already noted across Australia and were growing, with tourism job vacancies being projected to rise by 30,000 or 10% of Australia's tourism workforce by 2020. The tourism related industries recorded double the job vacancy rates (1.6%) compared to the national average across all industries (0.8%) in 2016-17. In 2018, the highest vacancy rates were in cafes, restaurants and takeaway food services; accommodation; and retail trade industries (Deloitte Access Economics, 2018). In 2015, Melbourne was projected to have the third highest labour shortage as a proportion of its workforce by 2020 (Deloitte Access Economics, 2015) (see Figure 18).

Figure 18. Top 10 tourism regions by accumulated labour shortage, 2015-2020, (Deloitte, 2018, p.i)

Tourism region	Accumulated skilled labour shortage (as a % of current workforce) ¹
Lasseter (NT)	12.6%
Kangaroo Island (SA)	8.5%
Melbourne (Vic)	7.9%
Whitsundays (Qld)	7.7%
East Coast (Tas)	7.6%
Barkly (NT)	7.4%
Snowy Mountains (NSW)	7.3%
Sydney (NSW)	7.2%
Australia's Coral Coast (WA)	7.0%
Tropical North Queensland (Qld)	6.9%

Source: DAE labour force model

Note: (1) Forecast shortages are based on matching qualification level specific demand with supply.

Table 3. Top 10 occupations by accumulated labour demand, 2015-2020, (Deloitte Access Economics, 2015, p. xv)

Occupation	Accumulated demand for skilled workers	Accumulated demand for new workers	% all demand	2015 employment
Kitchenhands	4,966	17,118	14%	79,732
Waiters	4,895	13,868	11%	79,991
Bar Attendants and Baristas	3,857	10,578	9%	58,273
Chefs	7,603	9,936	8%	49,126
Cafe and Restaurant Managers	5,365	9,774	8%	40,652
Cooks	4,549	9,325	8%	40,642
Automobile Drivers	5,213	9,116	7%	26,137
Cafe Workers	1,425	4,472	4%	22,169
Hotel and Motel Managers	2,243	4,266	3%	16,253
Tourism and Travel Advisers	2,932	4,048	3%	17,450
<i>Top 10 subtotal</i>	<i>43,048</i>	<i>92,502</i>	<i>75%</i>	<i>430,424</i>
Total	59,689	123,125	100%	554,750

The main issues that were attributed to challenges recruiting and retaining staff in tourism were: low pay, poor conditions, few opportunities for progression, workplace discrimination for women, perception of tourism jobs as not important and, predominance of (50%) seasonal and gig work. These challenges have also been noted in academic literature from the tourism field (Baum & Hai, 2019 ; Ram, 2018)

7.3. Current skills requirements for owner/managers

The analysis of documents from 2012-2021 demonstrated key skills gaps for Visitor Economy managers and owners across Australia, Victoria and specifically in Western Melbourne.

Ranked in order of most highly mentioned owner/manager skill needs within the documents analysed are shown in the table below were identified as:

Table 4. Key themes from document analysis (most mentioned theme at the top)

Skill	Description
Digital skills / ICT	Digital marketing skills
Business management skills	Use of technology platforms that have become increasingly necessary during the COVID-19 pandemic
Resilience	ICT for business management (e.g. accounting software)
Research skills	Time management
Sustainability	Basic accounting

The results for both the surveys are shown in Figure 19 and Figure 20 below. Responses have been separated into regional (dark blue) and Greater Melbourne responses (turquoise). For this summary report, only the Melbourne trends are described.

Figure 19. Skill requirements of Victorian businesses (September 2020) n= 323.



In September 2020, the three skills most commonly identified as lacking were:

1. Digital and technical skills (including digital marketing, 34%),
2. Connecting business to customer (32%) which includes marketing and advertising,
3. Personal skills (mental health and work-life balance, 21%).

Survey 2. VTIC survey, July 2021

There were 87 businesses operating from Greater Melbourne or the CBD in the second survey. The remainder operated either state-wide or only in regional Victoria.

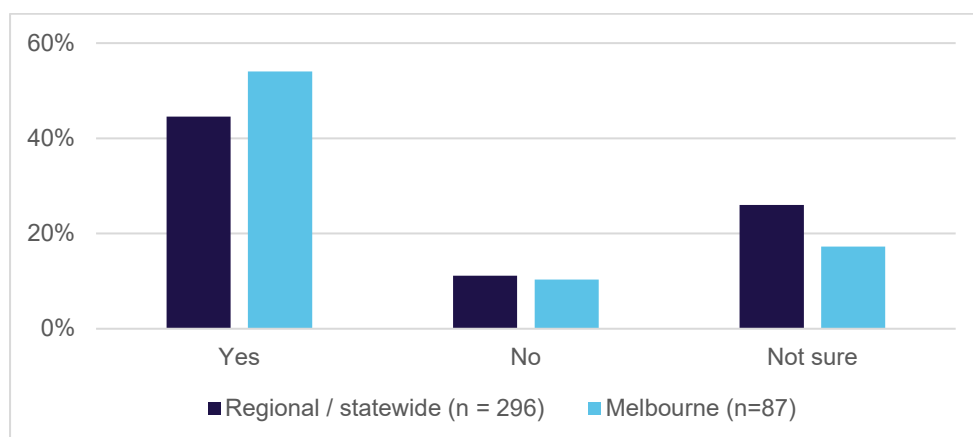
Some of the Melbourne businesses may also be operating in regional Victoria, but because their Melbourne business will have been impacted more by lockdowns, they have been included in the Melbourne cohort only. The majority of businesses surveyed had less than 20 employees (80% in Regional Victoria and 71% in Melbourne).

Table 5. Business size of respondents for July 2021 survey

	Regional / statewide (n=296)		Melbourne (n=87)	
	n	%	n	%
Sole trader with no employees	62	21%	12	14%
1 to 4 employees	97	33%	28	32%
5 to 19 employees	78	26%	22	25%
20 to 199 employees	37	13%	15	17%
200 employees or more	9	3%	5	6%
Not applicable	13	4%	5	6%

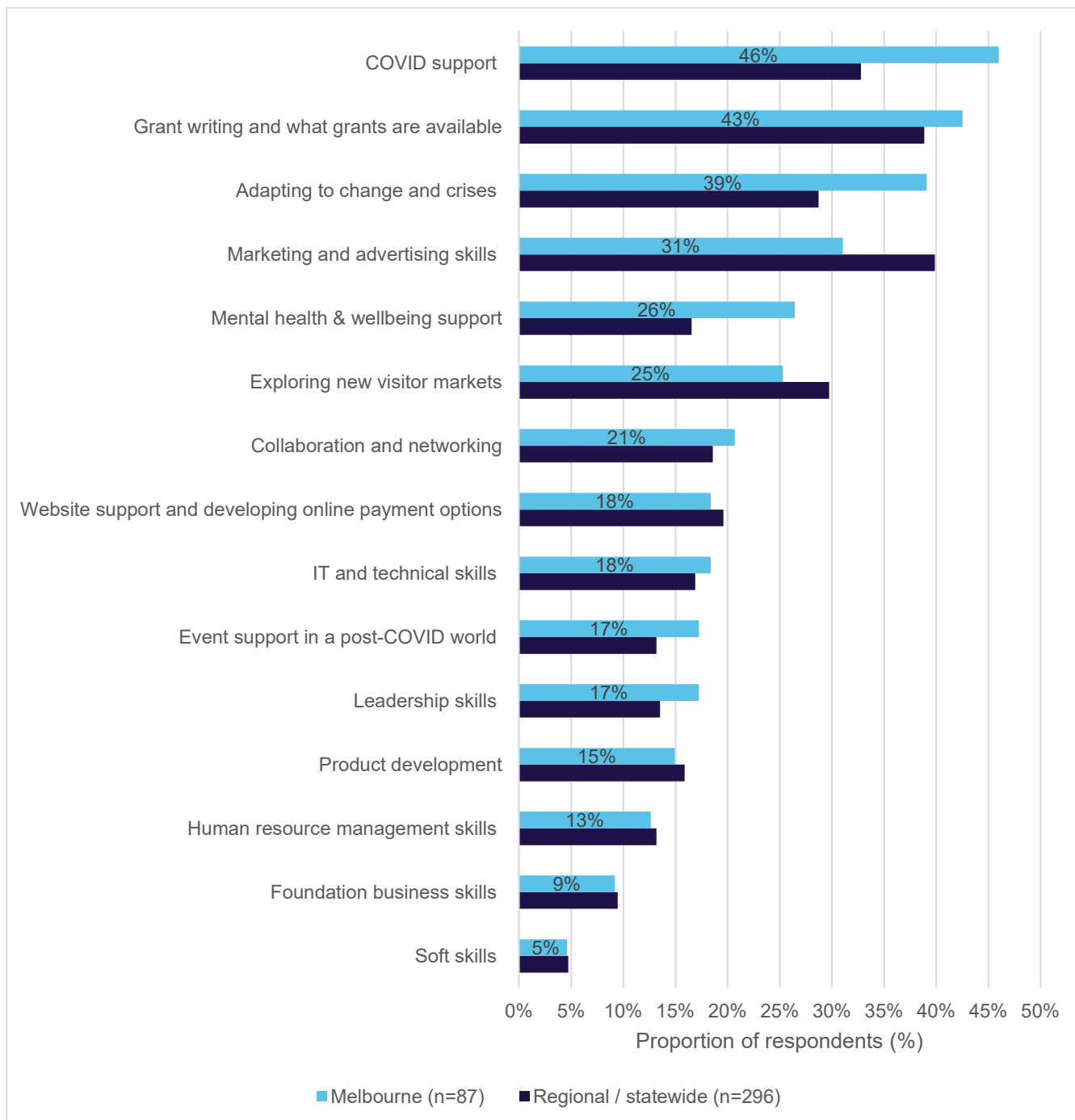
When asked whether or not respondents wanted to attend training, 54% from Melbourne agreed (see Figure 20). This was a higher proportion than for regional Victoria. When asked why they answered no, the most common responses were lack of time or budget to afford training, feeling overwhelmed or not motivated and a small number of respondents also felt they were too old or that nothing was on offer. In addition, many felt that they needed financial support not training.

Figure 20 Interest in attending professional development training (% by group).



The July 2021 survey incorporated several support options as well as skills needs. Almost half the respondents felt they needed COVID support (46%) and grant writing and identification needs (43%). This reflects the struggles that the businesses are facing to just survive the pandemic.

Figure 21. Development and support needs of Greater Melbourne and regional Victorian visitor economy businesses (July 2020-July 2021)



When reflecting on their skill needs for the last 12-months of the ongoing COVID-19 pandemic, with repeated lockdowns and varying restrictions throughout the year, the most identified skill gap was **adapting to change and crisis** (e.g. business planning, business models and risk management (39%). The next most reported skill requirement was **marketing and advertising** (31%) but unlike the September survey, digital and technical skills were only reported as a priority for 18% of the respondents. In this survey we incorporated digital marketing into this section because literature and anecdotal evidence from industry meetings suggested that digital marketing and general digital skills should be differentiated to better understand the industry. This finding was also supported by the high level of demand to **understand changing markets** as a result of the COVID-19 pandemic (25%). As for the September survey, **mental health and wellbeing support** continued to be a priority with the continuing stress of the pandemic and 26% identified this support as a priority.

The surveys conducted concur with the overarching themes identified in the document analysis. In summary, the key skills that appear to be important for owners and managers in Melbourne to cope with the pandemic and prepare them for the future are skills in risk management and business planning and marketing and advertising, with a focus on digital skills. COVID-specific support for navigating changes, securing appropriate grants and financial support and mental health are all vital as the pandemic continues.

Survey respondents were also asked what gaps in training or support exist at present. A summary of a content analysis of the Melbourne-based responses is below.

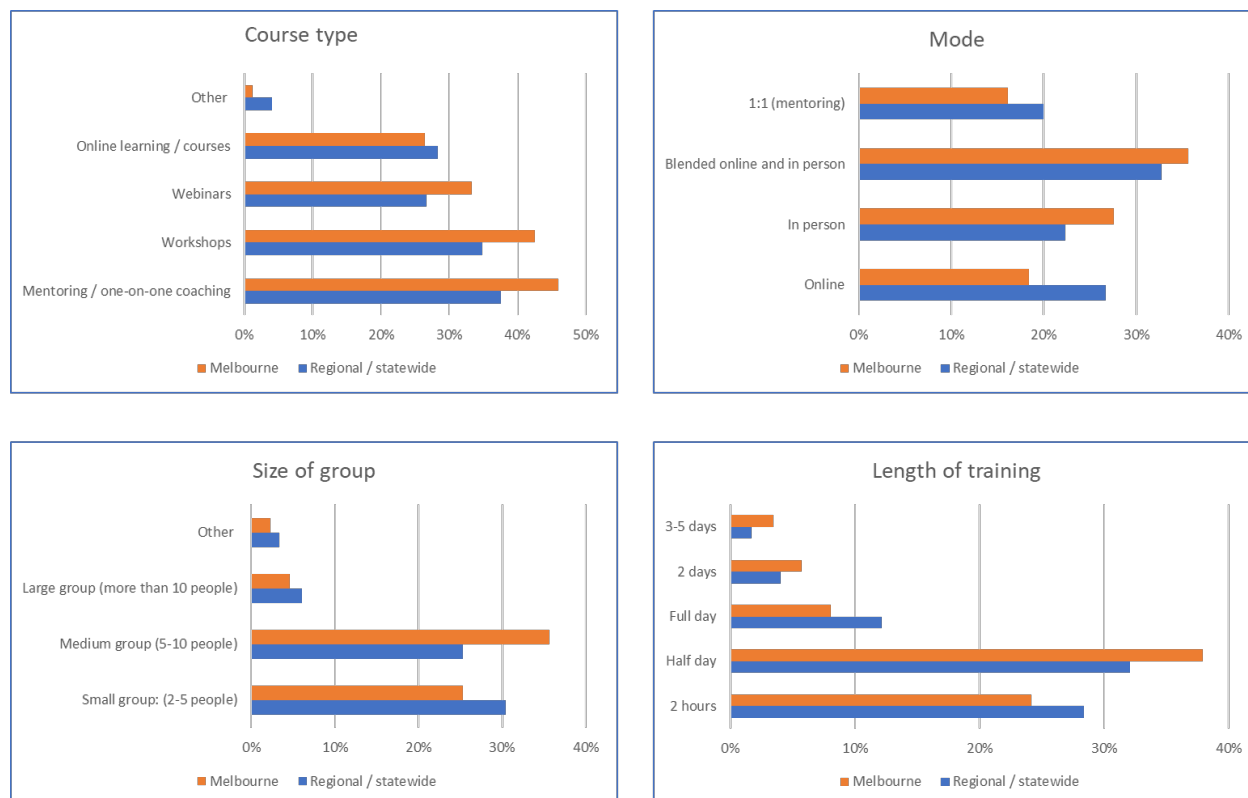
Table 6. Content analysis of free-text survey responses on training gaps in Melbourne.

Theme	Number of responses
Tailored training for small businesses who are currently under-resourced that is flexible and accessible as many are time poor	4
Financial support (e.g. grants etc)	4
Strategic planning and resilience	3
Training available is too generic	2
Finding the right training	2
Foundation IT	2
Support for non-English speaking business owners	1

Training delivery preferences for owner/managers in Melbourne

Survey respondents in 2021 were also asked to indicate their training delivery preferences to help identify which may be the most appropriate to develop for the region as part of the RESET project. In Melbourne, the highest rated preference was for mentoring, and a blend of combined online/in person delivery. The greatest proportion of respondents preferred a group of between 5-10 people and that training was either 2 hours or half a day (see Figure 22 below).

Figure 22. Training type of respondents (2021 survey)



7.4. Impact of COVID-19 on skills requirements for the tourism workforce

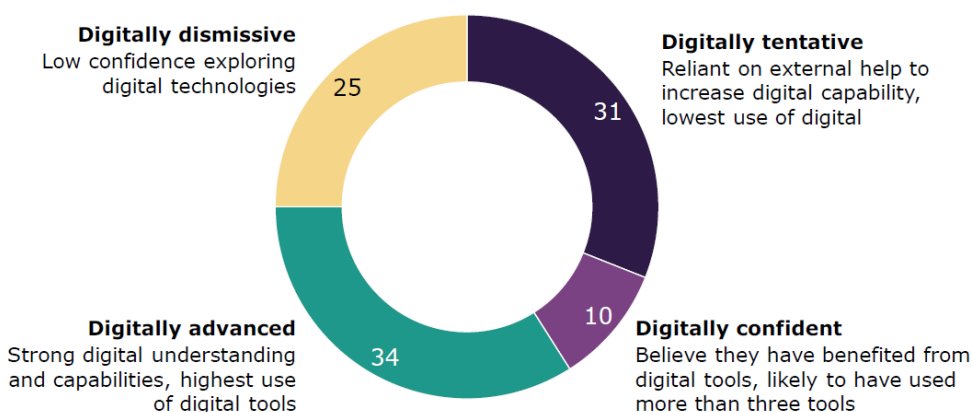
As touched on in previous sections, COVID-19 has accelerated the digitisation and automation trend that was already starting to occur in the visitor economy sectors. Social distancing measures have necessitated the use of more digital transaction technology such as check in apps, and virtual menus. This frees up staff from some of the repetitive tasks to focus on customer service. This is leading to higher expectations of customer service quality and the need for exceptional personal skills.

Within restaurants and accommodation approximately 30% of the roles are vulnerable to automation, which will change the types of skills required in tourism and hospitality businesses (Austrade, 2021).

Digital technologies are vital to continue to reach their customers and emerging markets during the pandemic. Contemporary IT solutions are also necessary for efficient business management. This record keeping will facilitate important relationships with banks, accountants and the government. Digital adoption also offers tangible benefits including 15-20% customer satisfaction increases, cost reductions of between 20 and 40 per cent, revenue increase by around 27 percent and labour saving of around 10 hours per week for businesses with up to 19 employees. Despite the importance of the transition to digital technologies, many SMEs are finding transitioning to the use of digital platforms due to their skill level and are reticent to digital adoption (Austrade, 2021). Using larger businesses to assist in mentoring smaller ones may be one approach to reducing this issue.

Figure 23. Digital confidence of Australian SMEs ((Austrade, 2021, p. 85)

ANZ SME digital mindsets survey
2018, % of respondents



Source: ANZ, 'The Digital Economy: transforming Australian businesses', 2018

The high reliance on casual, part time and seasonal workers and also offering typically low rates of pay (\$26-28 per hour)¹ compared to the \$39 national average causes low rates of retention, which are a barrier to being able to gradually upskill the industry to new trends that are emerging, such as digital and automation (see Figure 24 and Figure 25)

¹ Food, retail and accommodation sectors (Australian Government, 2021, Opportunities for the Visitor Economy A modern, diversified and collaborative path to 2030, Australian Trade and Investment Commission)

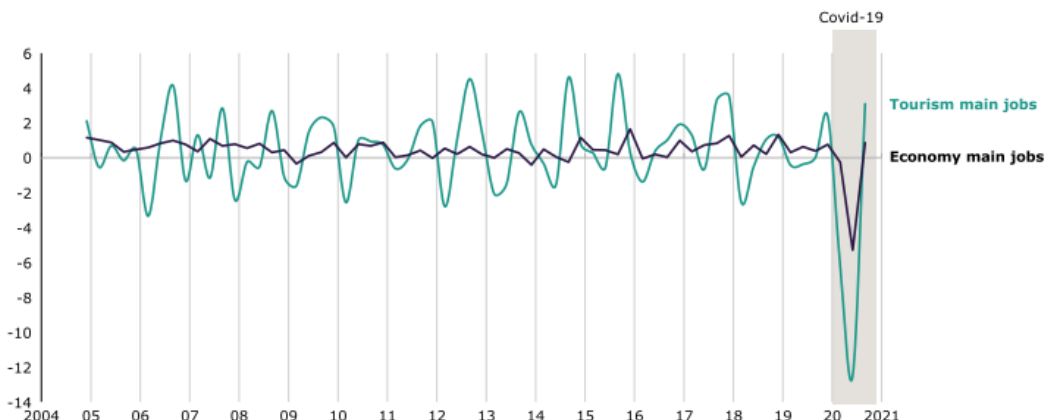
Figure 24. Tourism offers many jobs but many are part time (Austrade, 2021, p. 81)

Industry	Total number of tourism jobs monthly, month of Dec 2019	CAGR 2015-19	Female workforce 2018-19	Part-time workforce 2018-19
Food services	270	↑ 4%	53%	63%
Retail trade	113	↑ 1%	56%	51%
Accommodation	84	↑ -2%	60%	48%
Education and training	56	↑ 4%	72%	39%
Culture, arts and recreation	41	↑ 3%	50%	49%
Transport	40	↑ 3%	20%	20%
Aviation	31	↑ 4%	33%	23%
Travel agency and information centre services	29	↑ 1%	68%	26%
Other industries	23	↑ 2%	43%	25%
Total visitor economy	686	↑ 3%	53%	48%

Source: ABS Tourism Satellite Account

Figure 25. Visitor Economy jobs are the economy's most insecure (Austrade, 2021, p. 81)

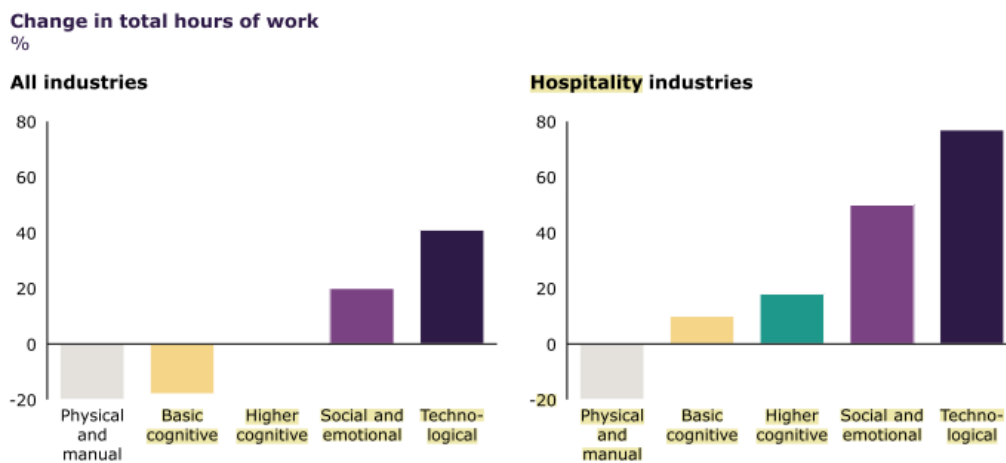
Australian seasonal change in jobs growth
Quarter to quarter, %



Source: ABS Tourism Satellite Account

Thus, developing digital skills in both staff and management as well as seeking staff with such skills will be vital post COVID-19. There are two other key factors that will assist businesses to move forward. The first is workplace staff retention strategies. This will offer twofold benefits. It will reduce the need for endless recruitment and staff will be able to be upskilled in digital skills more gradually. The second is the development of personal skills such as communication, social and emotional skills as they are also key foci for the future (see Figure 26).

Figure 26. Change in skill mix expected over the next decade. Comparing all industries with hospitality (Austrade, 2021, p. 83).

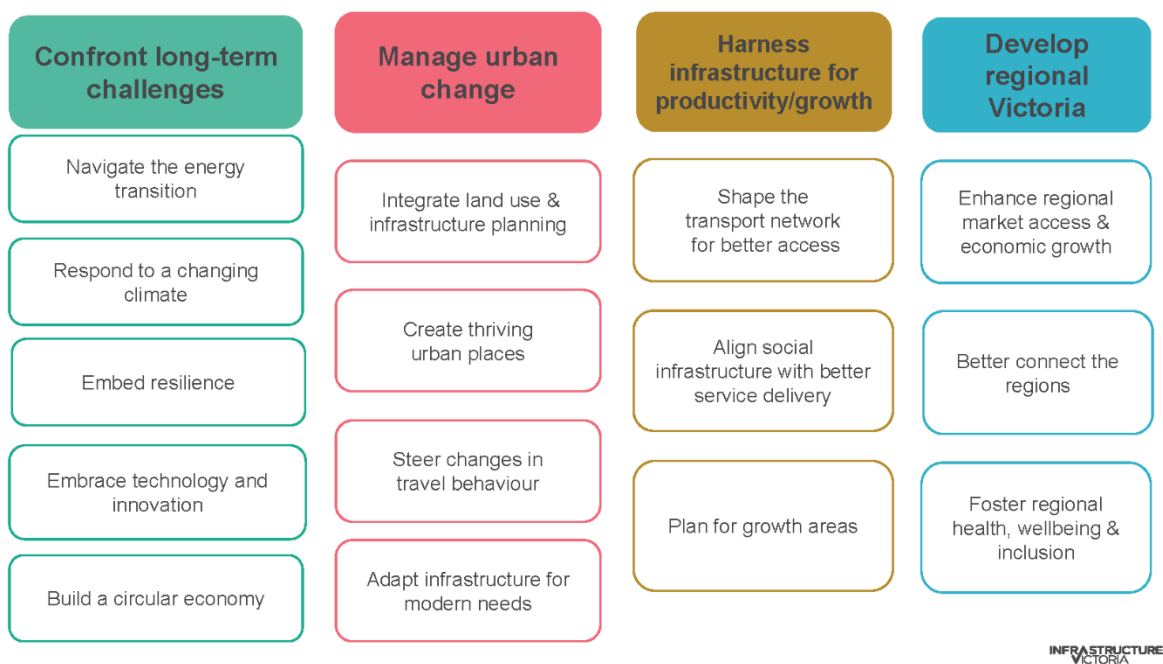


Source: McKinsey, *Australia's Automation Opportunity, 2021*; team analysis

8. PLANS FOR INFRASTRUCTURE DEVELOPMENT/ DEVELOPMENT IN PROGRESS

Victoria’s infrastructure strategy 2021–2051 was presented to parliament on August 19, 2021. The report contains 94 recommendations for projects, policies, and reforms across a range of infrastructure for the next 30 years at an approximate capital cost of \$100 billion.

The four key areas of foci for the strategy are confronting long-term challenges such as climate change, improving resilience and building a circular economy; managing urban change such as travel behaviour and adapting existing infrastructure; harnessing infrastructure for productivity and growth including planning for growth areas and better access to appropriate services and housing the whole population and finally developing regional Victoria (see Figure 27).

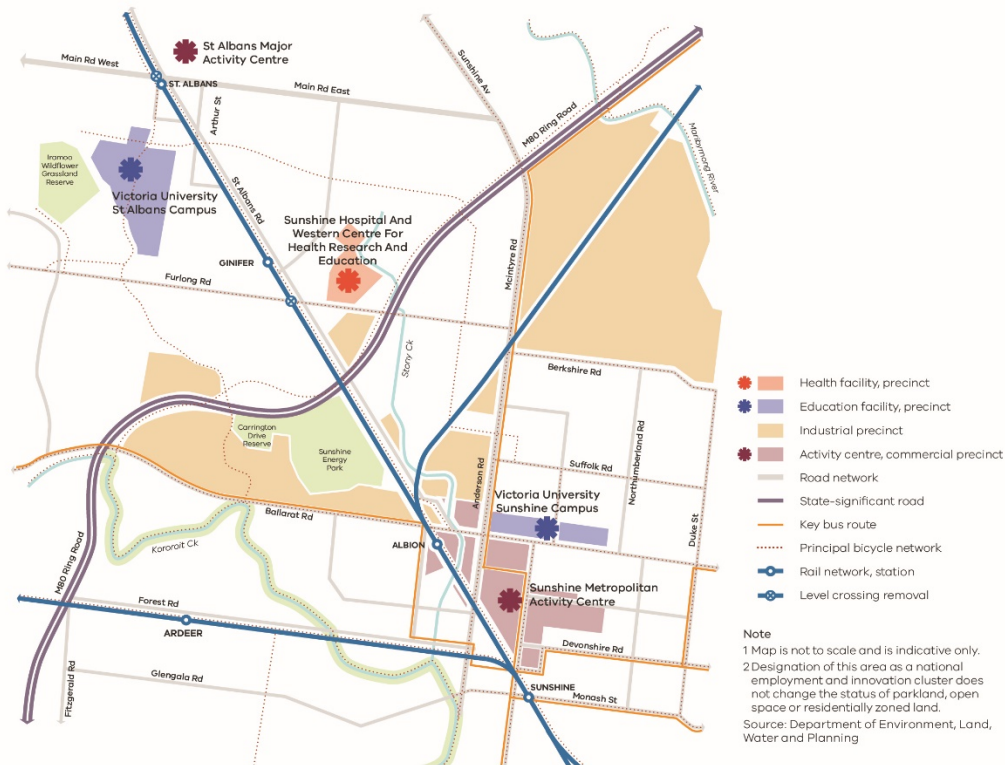


Melton and Wyndham have been identified as key growth areas for development in the West of Melbourne and as such there is significant investment being placed on infrastructure on the two regions.

Werribee, in Wyndham LGA has a booming population and has been suggested to be a logical location for a new satellite city in Melbourne’s West. However, this has still yet to be realised and requires political support to develop Melbourne using a polycentric model.

Sunshine is also an important area of growth for the region and has been recognised as one of only seven National Employment and Innovation Clusters, each with a demonstrated role in attracting national and international visitors, students and offering employment prospects. The Sunshine Skills Hub at Victoria University and the Western Hospital upgrade are two examples of significant investment in innovation in the area (WOMEDA, 2021). It is projected that Sunshine will benefit from \$2.3 billion investment into infrastructure into key employment areas in Sunshine, St Albans and Solomon Heights (Victorian Planning Authority, 2021) .

Figure 28. Sunshine National Employment Innovation Cluster map (Plan Melbourne, 2021)



Map 10

Sunshine National Employment and Innovation Cluster

Strengths

The cluster has the potential to build a critical mass of tertiary education, health-related training, health care, and retail and professional services, as well as facilitate private investment.

Jobs

There are around 14,600 jobs in the cluster.¹⁴

Key attributes

The cluster is well placed to tap into the growing municipalities of Melbourne's west and diversify its education, research and health-related activities. The cluster is centrally located between the CBD and two western growth areas. It also has access to major road and rail networks. The cluster's connectivity will increase with the completion of the Metro Tunnel. The Metro Tunnel will provide a 15–20 minute train commute to the CBD and a direct link from the cluster to the south-eastern suburbs. Level crossing removals will further improve access to the cluster, and

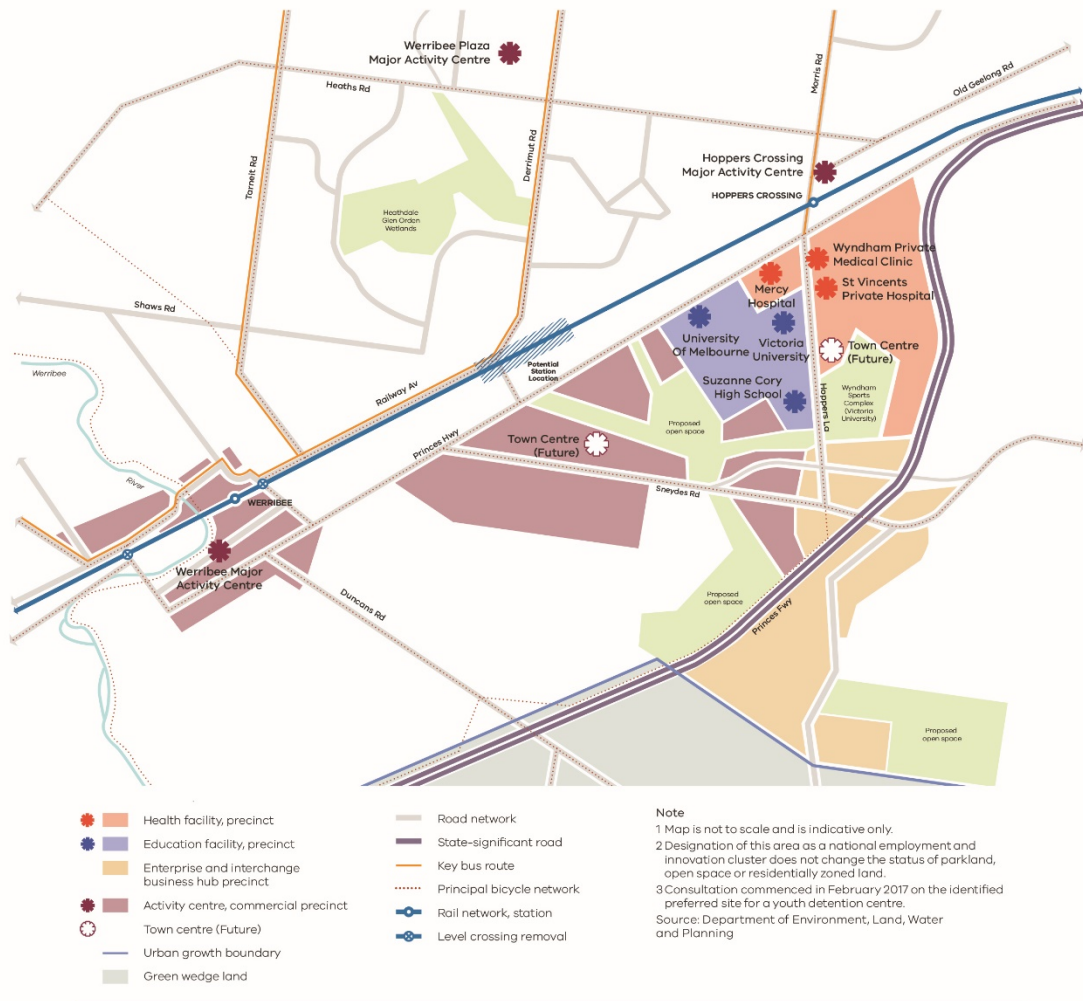
regional train services from Geelong, Ballarat and Bendigo will pass through the cluster at Sunshine railway station.

There is an opportunity for the cluster to be a central location for the increased provision of health and education services. For instance, Sunshine Hospital is an acute and sub-acute teaching hospital with approximately 600 beds (including mental health beds managed by North West Mental Health). In addition, the Western Centre for Health, Research and Education is a collaborative project between Victoria University, the University of Melbourne and Western Health, where training and research will be carried out. Victoria University has two campuses in the cluster, and other facilities to be developed in the cluster include the Joan Kirner Women's and Children's Hospital and the Sunshine Private Hospital.

The cluster also includes the Sunshine Metropolitan Activity Centre and the St Albans Major Activity Centre.

Key partners for the future of this cluster include Brimbank City Council, the University of Melbourne, Victoria University and Western Health.

Figure 29. Werribee National Employment and Innovation Cluster map (Plan Melbourne, 2021)



Map 11

Werribee National Employment and Innovation Cluster

Strengths

The cluster can build on its existing health, education and high-tech research jobs on the site of the former State Research Farm.

Jobs

The cluster is currently home to around 8,400 jobs¹⁵ and could ultimately support more than 50,000 predominantly white-collar jobs¹⁶ in health, education and high-tech research.

Key attributes

The cluster includes the University of Melbourne Veterinary Hospital, the University of Notre Dame, Victoria University, the Werribee Mercy Hospital, the Wyndham Private Medical Centre, the CSIRO, the Suzanne Cory High School and a range of high-tech research companies in the food and agricultural industries. Many of these white-collar job providers have significant expansion plans for the next 20 years. A site for a new hospital has also been purchased within the cluster by St Vincent's Private Hospital.

Key partners for the future of this cluster include Wyndham City Council, the University of Melbourne, Victoria University and Mercy Hospital.

Significant State and Federal investments are already being made to the Western Melbourne region in recognition of its growth and detailed below are some of the key investments that will impact tourism in the region and the opportunity for Visitor Economy jobs in the area.

The airport rail link will provide significant opportunities for Melbourne's West, with 15 kilometres of new track between Melbourne Tullamarine Airport and Sunshine station and suggested stops at Sunshine and Footscray. The project is proposed to be completed in 2029 (Victoria State Government, 2021a). Significant capital investment is also being made to develop the Avalon Airport as a second international air terminal.

Further government investment in transport in the region is also being made including \$2 billion from the State and \$2 billion from the Federal Government for the Geelong Fast Rail project, including track upgrades between Werribee and Laverton, which will increase the capacity and services on the Werribee line (Victoria State Government, 2021a). There are also planned improvements to the bus services in the region (Victoria State Government, 2018).

A key asset for the region, the State government has committed \$84 million to upgrade to the Werribee Open Range Zoo, including a new home for the Asian elephant herd, a sky walkway over the current safari area, a new waterhole area and a special area for the bison and rhinos (Victoria State Government, 2020).

The State Government announced a \$33.5 million investment to Museum's Victoria to upgrade three of Melbourne's Museums in May 2021, including Scienceworks in Spotswood in Melbourne's West (Museums Victoria, 2021). This investment will provide significant opportunities for the region. Renovation/ redevelopment to the Seaworks Museum in Williamstown is also in the pipeline. A number of other developments in the pipeline include a new Vietnamese Museum, and a new Performing Arts facility and Whitten Oval redevelopment and a substantial expansion of the Highpoint shopping centre (Western Melbourne Tourism, personal communication, September 15, 2021).

Sports venue investment and improvement works are also in the pipeline or in process. These include, the new Western United A-League Soccer Stadium at Tarneit, a major leisure precinct development at Moonee Valley Racecourse and ongoing expansion at Essendon Fields.

Significant cycling trail infrastructure will come to fruition as part of the Westgate Tunnel project to provide further new connectivity to explore the region by bike and there is also an expanding supply of hotel accommodation.

Table 7. Regional strengths and challenges identified in the DELWP 5-year strategic plan 2018-2022 for the Western Melbourne Region (Victoria State Government, 2018)

Strengths	Challenges
Access to passenger travel and freight hubs such as Melbourne Airport, Avalon Airport and the Port of Melbourne	Addressing road congestion and access to public transport services in outer suburbs
Development-ready employment land Growing workforce	Activating new employment centres, Footscray Learning Precinct
Victoria University / TAFE campuses	Youth employment
Improving links to regional centres – Geelong, Ballarat, Bendigo	Social inclusion and addressing disadvantage
Opportunities for city-shaping transport initiatives, such as the Metro Tunnel Project and a future airport rail	'Greening' the Western region
Opportunities for start-ups, creative industries and entrepreneurs in urban renewal precincts, especially in Sunshine and Footscray, to expand on the region's cultural precincts and creative economy	

9. DEVELOPMENT AND RECOVERY OPPORTUNITIES

Prior to the COVID-19 pandemic, it was suggested that the industry could, and should, become an 'Industry of Choice', with a proactive approach to gender equality, workers' rights and sustainability (APEC, 2017). The findings of this review and analysis of data suggest that the Visitor Economy in Victoria and particularly in Melbourne have suffered a substantial loss of human and financial capital. This loss adds to existing workforce retention and attraction challenges and further damages the industry image as an employer of choice. In this context, there needs to be a focus on pre-existing industry challenges, especially investment in human resources practices to improve workforce retention and recruitment.

Data gathered from the Melbourne region showed that business owners identified digital marketing skills and understanding changing markets, resilience development (risk management, business planning etc) and financial and mental health support were all key skills that many businesses need to move forward beyond the pandemic. Despite the importance of moving into the digital age and adopting digital technologies, data also showed that many SMEs are finding transitioning to use of digital platforms and skills difficult and there is reticence towards digital adoption (Deloitte Access Economics, 2015). The use of larger businesses to assist smaller ones was suggested as one way to overcome such reticence. This type of approach was mentioned as being acceptable by a number of businesses in the Resilience project conducted by the researchers at the School for the Visitor Economy in (Lindsay-Smith et al., 2020).

Some of the key employee capacity gaps were described as customer service and digital skills and many businesses struggled to recruit cleaners and hospitality staff such as chefs. The analyses also suggested that a lack of training courses for upskilling staff, owners and management was not necessarily the key problem facing the industry, with most businesses facing recruitment issues and felt that many applicants lacked appropriate experience. There was a preference for in-house training and many lacked time or money for external course development. In the analysis of the available training available for the industry one key gap does exist that is relevant for Melbourne's West. There is very little available that tailors for diverse Visitor Economy business owners. When undertaking development, many SMEs prefer mentoring type courses to more formal ones.

The investment in Melbourne's West as a key growth area in Victoria does offer great economic development opportunities for the region. Given that the Visitor Economy have been one of the hardest hit industries, projects that may boost this sector should be prioritised or fast tracked to aid the recovery process. For example, the airport rail link, upgrading the Maribyrnong River Trails and the upgrade of Scienceworks Museum. It is also vital to maintain consideration of the importance of the Sunshine Train station as a key Visitor hub in the region during the airport rail upgrades.

Other key areas for growth that will be important for the industry will be utilising the opportunity that the Visitor Economy offers as generating employment with low barriers to entry, flexible work and options for part-time and casual roles and a focus on attracting labour pools that are typically underemployed. This includes indigenous employees, women, people with a disability and the long-term unemployed. Older adults also offer a pool of workers which is growing and who are likely to have many transferrable skills for Visitor Economy jobs (Austrade, 2021). Prior to the pandemic, older adults were already being highly utilised across the sector for this reason.

10. CONCLUSION

The purpose of this report has been to provide an overview and context for the visitor economy development needs of Melbourne's west, as the background to a larger project with the aim to identify strategic priorities for industry recovery and development in a changed environment post COVID-19. This is particularly important given that the region does not have a strong image as a visitor destination, despite its numerous destination assets, attractions and opportunities. The report highlights the region's socio-economic characteristics showing the significant ethnic diversity of the region, its changing and growing population, and the substantial infrastructure development currently underway or planned for the near future. It also describes its visitor characteristics, and in particular the importance of VFR to the region. It is important that potential opportunities to flow from this visitor base are considered in investment plans.

The report also reviews the available data relating to the impact of COVID-19 on the region and the sector. These include major skills and labour gaps in the sector as well as a decline in the image of the visitor economy as a source of employment. The pandemic has exacerbated pre-existing workforce challenges as well as revealing that there is a need for training and that there are barriers to accessing training.

SMEs, who make up around 98% of the businesses in tourism, have particular skills challenges which arise from typically operating with low levels of cash reserves. This lack of resources, results in lack of planning, limited training and results in high turnover even though retaining existing staff would be more financially beneficial in the long term. In the current climate during a global pandemic, these small businesses have been hardest hit and are likely to have no reserves left to consider investing in future staff planning and will likely require financial assistance to do so.

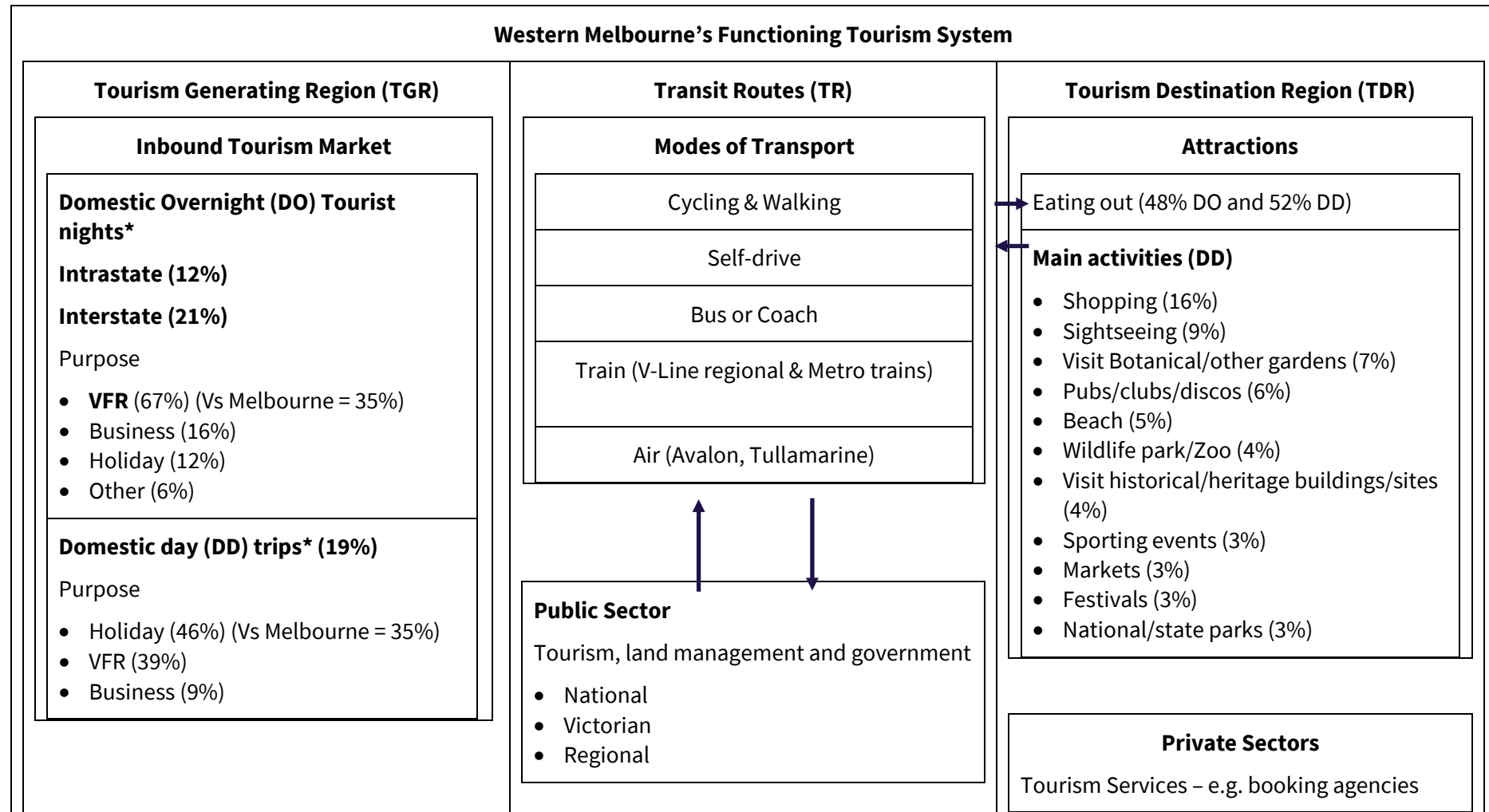
In a growth region with multiple infrastructure investments that will likely be beneficial for the visitor economy, there will be many future opportunities if the skill and workforce challenges can be addressed adequately. Whilst there are many training programs on offer at the moment, the literature indicates that lack of tourism experience is often a reason managers cannot find appropriate staff. This trend is exacerbated in times of lock downs where on-site training is not possible. Training programs also appear to be not specific enough for the needs of the tourism industry and as business owners are time poor they find it challenging to fit training into their schedules. Additionally, there are very few training options for culturally and linguistically diverse business owners and managers, who are common in the Western Melbourne region.

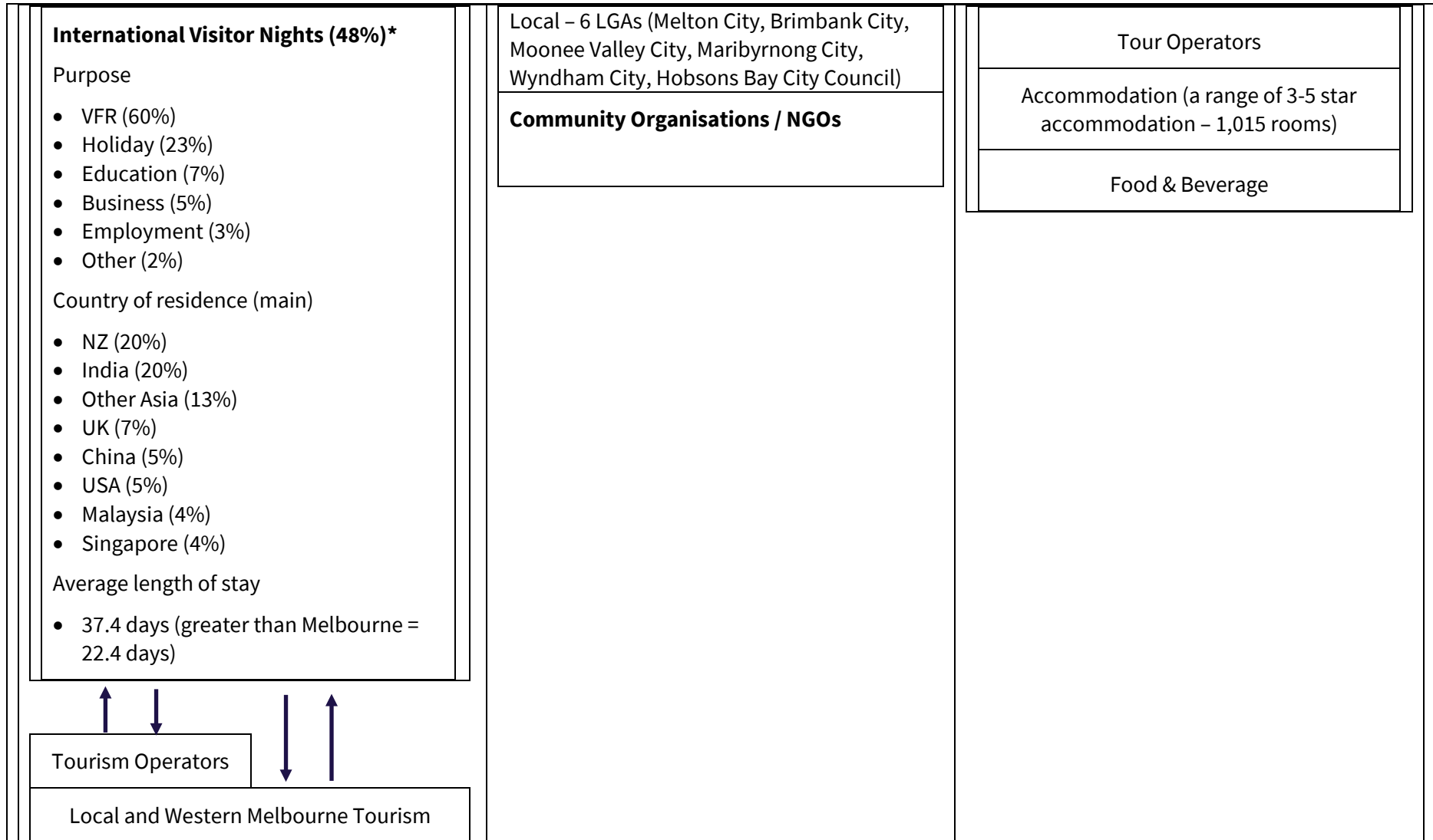
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APPENDIX 1: FUNCTIONING TOURISM SYSTEM: WESTERN MELBOURNE





* Source: Tourism Research Australia – NVS and IVS –2018 – compiled by Urban Enterprise, 2019. (Doc 17)

