

MELBOURNE CITY TOURIST SHUTTLE CONTRACT AND VISITOR SERVICE STRATEGY

Committee Future Melbourne (Finance and Governance)

Presenter Cr Shanahan

Purpose

1. To seek direction on the future of the Melbourne City Tourist Shuttle (MCTS).

Consideration at Committee

2. As a result of consideration at Committee, the following part of the recommendation endorsed by Committee was dealt with under delegation:
 - 2.1. *“endorse the draft Visitor Services Strategy and the priorities contained within the report; and”*
3. The remaining part of the recommendation is presented to Council for approval below.

Recommendation

4. That Council:
 - 4.1. endorse the Melbourne City Tourist Shuttle (MCTS) contract being extended until 30 June 2011 and request:
 - 4.1.1. Council officers immediately investigate the possible cost savings and potential revenue for the period 31 August 2010 to 30 June 2011;
 - 4.1.2. Council officers work with all stakeholders to determine maximum savings and future revenue so that a decision whether to continue the MCTS beyond June 30 2011 may be considered by Council early in 2011; and
 - 4.1.3. management develop a marketing strategy and value propositions for the utilisation of advertising opportunities for inside and outside the tourist shuttle bus as well as the bus stops and to report back to Council by the 31 August 2010 of the recommended actions.

Council Report Attachment:

1. Future Melbourne Committee, Agenda Item 10.2, 9 March 2010

9 March 2010

MELBOURNE CITY TOURIST SHUTTLE CONTRACT AND VISITOR SERVICE STRATEGY

Portfolio Finance and Governance

Division City Business

Presenter Jenny Ford, Manager Tourism Melbourne

Purpose

1. To seek Committee endorsement of the draft Visitor Services Strategy and direction on the future of the Melbourne City Tourist Shuttle (MCTS).

Recommendation from management

2. That the Future Melbourne Committee:
 - 2.1. endorse the draft Visitor Services Strategy and the priorities contained within the report; and
 - 2.2. advise Management whether it wishes to extend or terminate the Melbourne City Tourist Shuttle contract, which is due to expire on 31 August 2010.

Background

3. At the Finance and Governance Committee meeting on 9 February 2010, Council requested that matters relating to the Melbourne City Tourist Shuttle contract renewal and the draft Visitor Services Strategy, be presented in the open session of the March 2010 Finance and Governance Committee.
4. Visitors to Melbourne make an important contribution to the city's global reputation, its economy and the community. In 2008, 19.5 million people visited Melbourne, and spent approximately \$9.7 billion¹. This spending was distributed across at least 16 different industry sectors² and indirectly contributed to the development of services, facilities, events and infrastructure in the city. Visitors also form a valuable part of the city's cultural landscape, enhancing activity, diversity and the vibrancy of public streets and spaces.
5. Access to relevant information encourages visitors to Melbourne to do more, spend more, stay longer and return. Council influences these outcomes through the operation of its network of visitor services, strategically positioned to disperse visitors throughout the city.

¹ International Visitors' Survey and National Visitors' Survey, Tourism Research Australia, Year Ending December 2008.

² 5249.0 - Australian National Accounts: Tourism Satellite Account, 2007-08

6. The Council's visitor services play a critical role in shaping the visitor experience and maximising these potential benefits for Melbourne. Based on personalised contact provided by almost 400 volunteers and a core team of paid operational staff, the Council's visitor services form a comprehensive network of support, information and orientation for visitors. The network comprises:
 - 6.1. Melbourne Visitor Centre (MVC) at Federation Square;
 - 6.2. Melbourne Visitor Booth (MVB) in the Bourke Street Mall;
 - 6.3. City Ambassador Program (CAP), a roving service based on Swanston Street and in the Bourke Street Mall;
 - 6.4. Melbourne Greeter Service (based at MVC); and
 - 6.5. Melbourne Cruise Ship Program (CSP) - seasonal (usually November – April).
7. In the past six years, the number of people using Council's visitor services has doubled. The services now assist nearly 2 million visitors each year.
8. At the same time, the development of Docklands and the Melbourne Convention and Exhibition Centre (MCEC) means new visitor precincts and destinations continue to emerge. More city businesses and stakeholders are placing increasing demands on visitor services to leverage the benefits of the visitor economy.
9. The role of the Melbourne City Tourist Shuttle (MCTS) is distinct from the core visitor services outlined above. Its purpose is to orient visitors with the layout of the city; connecting visitors with key attractions as opposed to providing personalised information about the destination.
10. A free shuttle bus service was announced in April 2005 by the then Lord Mayor of Melbourne. The service was announced as an initiative that would be funded under the city car parking levy introduced to ease congestion.
11. The MCTS was established in March 2006 following a Council resolution on 1 February 2006 approving a 12 month trial. The original route was designed to run North/West across the city and to complement other transport services such as the City Circle Tram.
12. Following evaluation of the trial, tenders were sought for the current contract. At the June 2007 Council meeting, Driver Bus Lines Pty Ltd was awarded a three year contract, commencing 1 September 2007 with an option to extend for up to a further two years.
13. The current contract expires on 31 August 2010. In October 2009, Council was presented with 3 options for consideration relating to the service including:
 - 13.1. call for tenders for a new contract effective from 1 September 2010;
 - 13.2. extend the current contract. The conditions of contract allow for the extension of the current contract for up to 2 years; or
 - 13.3. cease the operation of the MCTS at the completion of the current contract.
14. At the Council meeting on 27 October 2009, Management was requested to prepare a cost benefit analysis of the proposed visitor strategy. It was also determined that, upon presentation of this information, Council would advise on the extension or termination of the Melbourne City Tourist Shuttle contract.

Key issues

Visitor Services Strategy

15. The draft Visitor Services Strategy (Attachment 1) addresses the major issues currently confronting Council's visitor services network. Those issues include:
 - 15.1. *capacity*: meeting growing visitor demand for the network's services from within existing resources;
 - 15.2. *supporting the city's newest precincts*: supporting new developments and local businesses by encouraging visitors to travel to Docklands, South Wharf and the new convention centre;
 - 15.3. *innovation in technology*: responding to changing consumer preferences for sourcing information;
 - 15.4. *effectiveness*: ensuring that available resources are directed to the services that deliver the best return for ratepayers, visitors, Council and industry; and
 - 15.5. *partnerships*: working with industry and government to deliver the best possible services and to maximise available resources through strategic, value-adding partnerships.
16. As a response to these issues, the draft Visitor Services Strategy recommends the following priorities:
 - 16.1. *Priority 1*: continue to invest in current visitor services;
 - 16.2. *Priority 2*: expand the visitor services network in the "Western Gateway"; and
 - 16.3. *Priority 3*: engage technology in the delivery of visitor services.

MCTS

17. The MCTS is not one of the core personalised visitor services and therefore was not specifically covered in the draft Visitor Services Strategy.
18. The MCTS is currently operating at a cost of approximately \$1.3million per annum. From its inception in early 2006, the service was funded from the car parking levy. Taking into account the rate increases outlined in the contract the annual cost is expected to be \$1.4 million in the 2010/2011 financial year.
19. In May 2009, Council resolved to cap the parking levy's contribution towards the cost of the service's operation at \$800,000 for the 2009/10 financial year. The remainder of the \$1.3 million operating cost is being funded from the Tourism Melbourne branch's budget – resulting in a bottom line impact of \$500,000 in 2009/10.
20. Council also resolved that no further parking levy funds were to be allocated to the MCTS' operation from 1 July 2010; the entire amount of around \$1.4 million per annum would instead need to be funded from Council's operational fund.
21. Approximately 300,000 people used the service during the 2008 calendar year. This number reduced to approximately 240,000 in 2009 following Council's October 2008 decision to extend the shuttle's route to Melbourne's sports precinct and Docklands. The costs associated with extending the route were offset by decreasing the service's frequency, which is a factor in the lower numbers of passengers carried by the service.
22. The shuttle operates every 30 minutes and is often at capacity. When this occurs, passengers may need to wait a further 30 minutes for the next bus.

23. The cost of the contract in 2009/10 is \$1.3 million. An average of 660 passengers travel on the MCTS each day.
24. By way of comparison, the flagship MVC at Federation Square has an annual operating budget of \$1million. The average daily visitor contact at MVC is 3357. The average for the core visitor services (MVC, MVB, and CAP) is 6900 per day at a cost of nearly \$2.3 million in 2009/10.
25. Also of interest are the average daily numbers for the City Circle Tram which is approximately 7,000 per day.
26. The satisfaction with Council's provision of the service is exceptionally high. Research indicates:
 - 26.1. 95 per cent of respondents rated the service as excellent or good;
 - 26.2. 63 per cent of users surveyed said they were encouraged to do more in Melbourne as a result of using the service; and
 - 26.3. most passengers access the service on their second or third day in Melbourne, often following a recommendation by one of Council's visitor services.
27. The original expectation of the service was to encourage visitors to board and disembark at individual attractions and precincts. Research covering GPS data tracking, user evaluation and feedback from the service provider indicate that the number people getting on and off at each stop is relatively low.
28. The most popular stops for passenger boarding average between 50 and 145 people per day. The remaining stops have averages below 30 passengers per day. The most popular stops are:
 - 28.1. Federation Square (144 average per day), Arts Centre, Queen Victoria Market and Harbour Town stops (83 average per day) and Royal Botanical Gardens and Shrine of Remembrance stops (50 average per day).
29. The most popular stops for disembarking average between 56 and 102 passengers per day. The remaining stops have averages below 50. The most popular stops are:
 - 29.1. Harbour Town (102 average per day), Arts Centre (80 average per day), Federation Square (63 average per day), Queen Victoria Market (78 average per day), and William Street, Royal Botanical Gardens and Shrine of Remembrance stops (56 average per day).

Benchmarking and revenue options

30. An independent consultant was engaged to undertake a benchmarking exercise to ascertain best practice models for delivering a shuttle service. Shuttle services operating in 20 major cities were studied. The review found that:
 - 30.1. the MCTS is the only entirely council funded tourist shuttle service in Australia. Commonly quoted comparisons - the Cities of Sydney, Brisbane, Adelaide, Perth and Newcastle - are either fully or part-funded by the state government. (Refer to Attachment 2 for transport examples); and
 - 30.2. there are many different operational models including a mix of government and industry funded models. The models reviewed cannot easily be applied to Melbourne due to government structures and regulatory restrictions.
31. Several options for offsetting costs and generating revenue have been explored. These were presented to Council in October 2009. As the information provided deals with legal advice relating to constraints on raising revenue and discusses contractual issues, the detail has not been provided in this open report.

Stakeholder feedback

32. The MCTS is regarded in the tourism industry as being a valuable service, adding to the visitor experience in a positive way. The Melbourne Cricket Club, ING, Tourism Alliance Victoria, Destination Melbourne Limited and the Melbourne Convention and Visitors Bureau have all tendered letters of support and endorsement about the service in the past 12 months.
33. At the request of Council in October 2009, a letter was sent by the Chief Executive Officer to 26 attractions and precincts seeking financial contribution for the ongoing service. Whilst the service is considered to add to the visitor experience, none of the attractions or precincts approached, indicated that they are prepared to contribute to the overall costs.

Integrated tourist transport system

34. As advised to Councillors in the February 2010 Committee report, peak tourism bodies are exploring the opportunity to more fully integrate Melbourne's tourist transport. Destination Melbourne Limited is steering the project established to investigate gaps, opportunities and possible efficiencies in the city's current visitor transport services. The study has only just started and is expected to be completed by the middle of the year.
35. A letter has been received by the Lord Mayor requesting a delay in a decision regarding the MCTS, pending a fuller exploration of the business case. City of Melbourne is collaborating on the project.
36. The role that the MCTS would play in an integrated system is not clear at this point in time. In addition, the role of the Council in the provision of transport is debateable. Council may wish to consider whether it should be playing a direct service provider role in transport, which is essentially provided by state government and private companies.

Time frame

37. The terms of MCTS contract provide that the contractor must be provided with notice one month prior to any extension.
38. Should Council decide to cease the operation of the MCTS at the completion of the service, a minimum of four months is required to allow for changes to communication and marketing

Finance

39. The cost of extending the MCTS contract is approximately \$1.4 million per annum. In 2009/10, \$800,000 of the service's operational cost is being funded from the parking levy. Consistent with the May 2009 Council resolution, in 2010/11, the total amount of operating the service would be funded from Council's funds.

Conflict of Interest

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

Legal

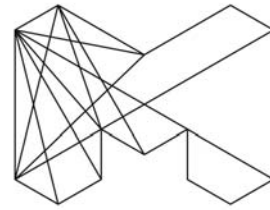
41. Legal advice has and will continue to be supplied as required in respect to the relevant issues.

Sustainability

42. The Melbourne City Tourist Shuttle has achieved Green Globe bronze benchmark accreditation as part of City of Melbourne's tourism operations.
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Attachments:

1. Draft Visitor Services Strategy
2. Transport examples – MCTS Benchmark Report



CITY OF MELBOURNE

Visitor Services Strategy 2009/10

City of Melbourne
Tourism Melbourne

December 2009

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EXECUTIVE SUMMARY

The City of Melbourne's visitor services network plays a critical role in inspiring visitors to Melbourne to do more, stay longer, spend more and come again. Based on a workforce of over 400 volunteers and a core team of paid operational staff, the visitor services network assists over 2 million visitors annually, a figure which has doubled over the past six years¹. Whilst this rapid growth demonstrates the success of the services, it also highlights the need for continued investment in the visitor services network to ensure that standards of excellence are maintained.

Coupled with this rapid growth is the need to plan for the expansion of the visitor services network. Expansion is necessary in order to meet the growing needs and demands of our tourism industry partners and stakeholders, and important as the city evolves geographically. Critically, each opportunity for expansion needs to be consistently evaluated and planned in line with existing operations and resourcing commitments.

Finally, there is a need to consider the evolving preferences and behaviour of consumers. Currently, the City of Melbourne's visitor services network is based on the provision of face-to-face services, although there is a growing need to consider the potential role of the internet and other electronic formats to deliver visitor services and complement existing services.

Objectives of the Strategy

The Visitor Services Strategy, building on the *City of Melbourne Tourism Plan 2007 – 2012*, will guide the planning, development and management of the visitor services network in Melbourne. It is based on the City of Melbourne's commitment to continuous improvement and has three main objectives:

- Address and plan for growth in demand for visitor services.
- Evaluate and respond to the need for new visitor services at major gateways to the city and in important visitor precincts.
- Consider the emerging role of technology in the delivery of visitor services in an evolving market context.

Key Priorities

The Visitor Services Strategy outlines three key priorities for visitor services in 2009/10.

Priority 1: Maintain and Enhance Standards of Excellence in Visitor Services

The first priority is to build on the City of Melbourne's visitor services strengths and successes, whilst addressing the weaknesses. It also raises the need to increase operational efficiencies in a climate of rapid patronage growth, foster and support the visitor services workforce and meet new environmental sustainability targets. The actions for 2009/10 are to:

- Implement the recommendations of the 2009 Volunteer Management Review, focusing on the ongoing training and engagement of the volunteer workforce and improved communications.
- Implement the 2009 Tourism Environmental Action Plan (TEAP), focusing on reducing waste, water use and carbon emissions through the adoption of sustainable practices in the visitor services network.
- Identify a framework for 'world's best practice' in the delivery of visitor services (as part of a broader destination benchmarking project). Evaluate the visitor services network against this framework, which should also measure the 'return on investment' provided by visitor services.

¹ City of Melbourne visitor services data 2003 - 2008, unpublished.

- Boost cross-training and up-skilling opportunities for Tourism Operations Supervisors, in order to increase roster flexibility, service capacity, succession planning and to meet expansion priorities in 2009/10 (refer priority 2).

Priority 2: Expand the Visitor Services Network into Melbourne's Western Gateway

Growth in the visitor services network, particularly at key gateways and visitor decision points, will allow Melbourne to continue to deliver an outstanding visitor experience and encourage visitors to do more, stay longer, spend more and come again.

The city's 'western gateway' has been identified as a potential location for a new visitor service/s. The western gateway generally refers to the evolving precinct at the western edge of the CBD grid where there is currently a shortfall in visitor services. Expansion of the visitor services network into the city's western gateway will capitalise on a strategic gateway location and create stronger links between existing visitor services, the city and the Melbourne Airport. It will also increase visitor activity and linkages between the convention centre, Docklands and established areas of the city. The actions for 2009/10 are to:

- Develop site selection criteria for evaluating future visitor services expansion opportunities.
- Identify and assess potential site/s within the western gateway in line with these criteria.
- Develop a detailed plan and business case for the development of a new visitor service at the identified site/s.
- Together with the Urban Design branch, boost visitor-oriented signs and wayfinding information at key connections to the western gateway, including at Docklands, Southbank, Crown Casino Complex, Southern Cross Station, Melbourne Convention and Exhibition Centre, South Wharf and North Wharf.

Priority 3: Engage Technology in the Delivery of Visitor Services

Technology in the delivery of visitor services is an increasingly relevant consideration for the City of Melbourne. The actions for 2009/10 are to:

- Develop a Tourism Melbourne Marketing and Communications Plan, focusing on the promotion of the visitor services network across a range of different information channels
- Pilot a new approach for answering the growing demand for online queries.
- Undertake an Electronic Tourist Information Strategy that will research changing consumer preferences and options for the application technology in the delivery of visitor services.

Implementation

The three priorities identified by the Visitor Services Strategy are linked to a program of implementation for 2009/10. The implementation will be undertaken in a staged manner and will be subject to resourcing.

1. INTRODUCTION

Visitors to Melbourne make an important contribution to the local economy, to the city and to the community. In 2007, 20.2 million people visited Melbourne, spending approximately \$8.8 billion². This spending was distributed across at least 16 different industry sectors³ and indirectly contributed to the development of services, facilities, events and infrastructure in the city.

Visitors also form a valuable part of the city's cultural landscape, enhancing activity, diversity and the vibrancy of public streets and spaces.

The City of Melbourne's visitor services play a critical role in shaping the visitor experience and maximising these potential benefits for Melbourne. Based on face-to-face contact provided by over 400 volunteers (and a core team of paid operational staff), the City of Melbourne's visitor services forms a comprehensive network of support, information and orientation for visitors, comprising:

- Melbourne Visitor Centre (MVC) at Federation Square.
- Melbourne Visitor Booth (MVB) in the Bourke Street Mall.
- City Ambassador Program (CAP), a roving service based on Swanston Street and in the Bourke Street Mall.
- Melbourne Greeter Service (based at MVC).
- Melbourne City Tourist Shuttle (MCTS).
- Melbourne Cruise Ship Program (CSP) - seasonal (usually November – April).

In the past six years, the number of people using the City of Melbourne's visitor services has doubled, with the services now assisting over 2 million local, domestic and international visitors annually. In addition, the growing needs of the local tourism industry places increasing pressure on visitor services to represent the interests of more businesses and stakeholders than ever before. Whilst these factors highlight the importance and success of the services, they place a strain on existing operations and emphasise the need for new efficiencies to be delivered across the network.

In addition to the need for investment in the existing network, opportunities for 'new' visitor services continue to be identified. It is the role of this Visitor Services Strategy to assess these opportunities for growth, and put forward the most strategically significant.

Against this backdrop, there is a need to consider evolving consumer preferences, innovation and the availability of different technologies in the delivery of visitor services. In this context it will be important to consider the potential implications for the City of Melbourne.

1.1 THE VISITOR SERVICES STRATEGY

The Visitor Services Strategy, building on the City of Melbourne Tourism Plan 2007 – 2012, guides the planning, development and management of the visitor services network in Melbourne. It is based on the City of Melbourne's commitment to continuous improvement and has three main objectives:

- Address and plan for growth in demand for services.
- Evaluate and respond to the need for new visitor services.
- Consider the emerging role of technology in the delivery of visitor services in an evolving market context.

² Tourism Victoria, Melbourne Market Profile Year Ending December 2007.

³ 5249.0 - Australian National Accounts: Tourism Satellite Account, 2007-08

2.2 POLICY CONTEXT

This Strategy is guided by two key City of Melbourne policies:

- *Future Melbourne*, which is the community of Melbourne's long-term plan for the future direction of all aspects of city life. *Future Melbourne* outlines six goals to achieve its vision to be a bold, inspirational and sustainable city in 2020, with 'a prosperous city', 'an eco-city' and 'a city for people' forming the key points of reference for this Strategy.
- *City of Melbourne Tourism Plan 2007 – 2012*, a plan for managing Melbourne as a tourist destination. The Tourism Plan is built around seven themes to guide tourism planning for the next five years and beyond, each of which have shaped and influenced the vision, principles and objectives for this Strategy.

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2. VISION, PRINCIPLES AND OBJECTIVES

The vision, principles and objectives form a long-term aspiration for the future of visitor services at the City of Melbourne.

They have been shaped and influenced by City of Melbourne policy and several stages of visioning and consultation.

Our vision for visitor services at the City of Melbourne is:

- To be recognised as a world leader in visitor services, inspiring visitors to Melbourne to do more, stay longer, spend more and come again.

Table 1 outlines the principles and objectives that provide the basis for achieving this vision.

Table 1 Principles and Objectives for Visitor Services at the City of Melbourne

Principles We will:	Objectives We will:
Deliver an outstanding visitor experience	• Connect visitors to the Melbourne experience
	• Strive for excellence in customer service
	• Be a one-stop-shop for visitors
Deliver a return on investment	• Maximise visitor dispersal and yield in the City of Melbourne
	• Perform a gateway role for wider Melbourne and regional Victoria
	• Be recognised for our contribution to the local economy, industry and the community
Innovate and commit to continuous improvement	• Strengthen the city's reputation and brand
	• Be recognised as a world leader in delivering visitor services
	• Explore new ways that visitor services can adapt to meet emerging opportunities
Foster passion for the job	• Be sustainable and reduce our carbon footprint
	• Attract and support a first-class workforce – volunteers and staff

3. PRIORITIES FOR VISITOR SERVICES 2009/10

In order to meet the vision, principles and objectives (outlined in Section 2) three strategic priorities have been identified for the visitor services network in 2009/10. They are:

- Maintain and enhance standards of excellence in visitor services.
- Expand the visitor services network into Melbourne's western gateway.
- Engage technology in the delivery of visitor services.

The strategic priorities represent important activity areas for 2009/10, after which they will be reviewed. It is important to note that in reviewing the Visitor Services Strategy, the strategic priorities may change, but the vision will not.

Priority 1: Maintain and Enhance Standards of Excellence in Visitor Services

Background

The City of Melbourne's visitor services have evolved significantly over the past decade, from a basic information desk in the Bourke Street Mall in 1989, to a highly professional operation that serves over 2 million visitors a year. Today, the six visitor services are distributed in a 'network' throughout the city, generally located in major visitor precincts and at strategic gateways to Melbourne. Each of the services has a defined role and is designed to reinforce the network, maximising efficiency and a good fit between the services and visitor need.

Over the last six years, there has been year-on-year growth in the number of visitors assisted through the visitor services network. Growth is linked to a range of factors, including increased efficiency; the introduction of new services; expansion of existing services over time and growth in the volunteer workforce. Importantly, the visitor services network has been able to expand and adapt in way that is responsive to overall growth in visitor numbers to Melbourne, changes in the way people choose to access information and also to the needs of the tourism industry and City of Melbourne's stakeholders.

Growth in visitors assisted is accompanied by very high satisfaction rates. The latest Annual Visitor Survey revealed that nine in ten (or 93%) survey respondents were satisfied with the visitor service that they used, with the majority giving the service either an 'excellent' (65%) or a 'good' (28%) rating. Almost all respondents said that their needs were 'fully met' by the service that they used (85%) and 99% of respondents said that they would recommend the service⁴.

What we will seek to achieve

- Invest in the staffing structure of visitor services, to build capacity, improve efficiency and meet succession planning targets.
- Invest in the continuous improvement of the volunteer workforce (in line with the 2009 Volunteer Management Review) focusing on ongoing training, engagement and communications.
- Invest in the implementation of environmentally sustainable operations across the visitor services network, in line with the 2009 Tourism Environmental Action Plan (TEAP).
- Invest in the physical layout of visitor services, to meet the evolving needs of visitors and staff.
- Strengthen forecasting, planning and reporting for the visitor services network.

⁴ City of Melbourne, Annual Visitor Survey 2008

Priority 2: Expand the Visitor Services Network into Melbourne's Western Gateway

Background

Melbourne is the main gateway for international and domestic visitors to Victoria and is an important focus for tourism activity, infrastructure and investment in southern Australia. As the city changes, opportunities to expand and better integrate the visitor services network are identified. This is particularly the case at major points of visitor entry and in key visitor precincts around the City.

Growth in the visitor services network, particularly at key gateways and visitor decision points, will allow Melbourne to continue to deliver an outstanding visitor experience and encourage visitors to do more, stay longer, spend more and come again.

In particular, the city's 'western gateway' has been identified as a potential location for a new visitor service/s. The western gateway generally refers to the evolving precinct at the western edge of the CBD grid where there is currently a shortfall in visitor services. The precinct is strategically significant as it is:

- **A major visitor gateway to Melbourne.** Southern Cross Station, located in the heart of the western gateway precinct, links the city with Melbourne Airport (via the Skybus service). The Station is also a major regional and metropolitan public transport hub for Melbourne and a retail attractor in its own right.
- **The home of conventions and business events in Melbourne.** The newly-developed MCEC/ South Wharf precinct comprises a world-class convention and exhibition centre and offers a valuable opportunity to better connect high-yielding conference and business events visitors to the Melbourne experience.
- **The main link between Docklands and the CBD.** There is a recognised need for better integration between the evolving Docklands precinct and established areas of the city. Currently the most important pedestrian and public transport links between Docklands and the CBD are located within the western gateway.
- **An important tourism precinct in the city.** The western gateway is home to significant clusters of commercial accommodation properties, including hotel rooms and serviced apartments. In addition the precinct supports a range of visitor attractors, including Etihad Stadium, Melbourne Aquarium and major retail centres at Docklands and South Wharf.

What we will seek to achieve

- Strengthen the link between the visitor services network and the city's evolving western gateway precinct.
- Capitalise on the gateway location of Southern Cross Station and the opportunity to influence visitors as early as possible in their journey/ at a key decision point.
- Tap into the high-yielding conference and business events market centred on the newly-developed MCEC/ South Wharf precinct. Improve integration between the MCEC/ South Wharf precinct, the city and Docklands.
- Increase visitor access between Docklands and established areas of the city, particularly in terms of walking trips.
- Build on the tourism potential of the western gateway and boost visitor activity in the area.

The western gateway opportunity is further explored in the following map.



CITY OF MELBOURNE

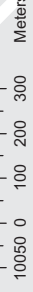


- WESTERN GATEWAY PRECINCT (INDICATIVE)
- CITY CIRCLE TRAM
- MELBOURNE CITY TOURIST SHUTTLE
- MELBOURNE VISITOR BOOTH
- MELBOURNE VISITOR CENTRE (FLAGSHIP SERVICE)
- CITY AMBASSADOR ROVING ZONE (INDICATIVE)
- PROPOSED VISITOR INFORMATION CENTRE
- OBJECTIVES FOR MOVEMENT

Docklands Context 2009 - 2020

Resident Population	(2009)	(2020)
6,500	17,000	
Total Workers	(2009)	(2020)
12,000	40,000	
Visitors Annually	(2009)	(2020)
8 million	20 million	
Development Investment	(2009)	(2020)
\$5.5 billion	\$12 billion	

MCEC 2010/11
15 major conferences, attracting 27,000 business visitors. Equal to 156,000 delegate days with an economic impact of \$158 million.



Priority 3: Engage Technology in the Delivery of Visitor Services

Background

The emerging role of technology and the internet in delivering visitor services is an important consideration for the Visitors Services Strategy.

Recent City of Melbourne analysis of the International Visitor Survey (IVS - undertaken annually by Tourism Australia) revealed that for the period 2003 – 2008, the use of the internet for accessing information about a visit to Melbourne has grown from about 24% of visitors in 2003 to 67% in 2008⁵. This snapshot of extraordinary growth is in many ways representative of the growing role of the internet and technology in our lives and most particularly, in accessing visitor information and travel planning. On the other hand, use of the City of Melbourne's visitor services (based on face-to-face contact) more than doubled in the five year period 2003 – 2008. The implication of this is that whilst the internet and technology are growing in significance, the core role that face-to-face visitor services play remains strong.

Based upon an initial assessment, there may be opportunities to engage technology and the internet in the delivery and communication of visitor services order to:

- Increase awareness of the visitor services network to potential visitors.
- Increase the capacity to answer online queries.
- Service visitor needs 'after-hours', particularly at key visitor gateways.
- Communicate with visitors across a broader range of information channels and reduce the use of paper-based communications, where practical.

What we will seek to achieve

- Develop a Tourism Melbourne Marketing and Communications Plan, focusing on the promotion of the visitor services network across a range of different information channels.
- Pilot a new approach for answering the growing demand for online queries.
- Undertake an Electronic Tourist Information Strategy that will research changing consumer preferences and options for the application technology in the delivery of visitor services.

⁵ Tourism Australia, International Visitor Survey 2008, unpublished data.

4. IMPLEMENTATION

The three priorities identified by the Visitor Services Strategy are linked to a program of implementation for 2009/10. Implementation will be undertaken in a staged manner and will be subject to resourcing.

The Implementation program is outlined in Table 2.

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Table 2 Implementation Program for the Visitor Services Strategy 2009/10

Strategic Priority	Recommendation	Action	Tourism Melbourne Responsibility	Timing
<p>Maintain and Enhance Standards of Excellence in Visitor Services</p>	<ul style="list-style-type: none"> Invest in the staffing structure of visitor services, to build capacity, improve efficiency and meet succession planning targets. 	<p>1.1 Continue to cross train Tourism Operations Supervisors in all visitor services program requirements, increasing roster flexibility and service capacity. This is also important in order to meet expansion priorities in 2009/10 (refer 2.1 – 2.4, below).</p> <p>1.2 Identify and support higher duties and secondment opportunities for tourism operations staff, in order to maximise their breadth of experience.</p> <p>1.3 Formalise the Student Tourism Officer Program to support succession planning of operational staff.</p>	<p>Tourism Operations</p>	<p>2009/10</p>
	<ul style="list-style-type: none"> Invest in the continuous improvement of the volunteer workforce (in line with the 2009 Volunteer Management Review) focusing on ongoing training, engagement and communications. 	<p>1.4 Implement the recommendations of the 2009 Volunteer Management Review, focusing in particular on improved communications and engagement of volunteer workforce and their ongoing training.</p> <p>1.5 New training modules to be developed to continually improve product knowledge of operations staff and volunteers.</p>	<p>Tourism Operations</p>	<p>2009/10</p>
	<ul style="list-style-type: none"> Invest in the implementation of environmentally sustainable operations across the visitor services network, in line with the 2009 Tourism Environmental Action Plan (TEAP). 	<p>1.6 Implement capital works program and outcomes of Electronic Tourist Information Strategy (refer 3.3, below).</p> <p>1.7 Implement the recommendations of the 2008 Storeroom Review.</p> <p>1.8 Implement the visitor services included within the 2009 Tourism Environmental Action Plan (TEAP).</p>	<p>Tourism Operations</p>	<p>2009/10</p>
	<ul style="list-style-type: none"> Strengthen forecasting, planning and reporting for the visitor services network. 	<p>1.8 Review the visitor services research program.</p> <p>1.9 Begin biannual Tourism Melbourne Tracking and Insights reporting, which will include an analysis of the visitor services network against a backdrop of broader tourism issues and trends.</p>	<p>Destination Management</p>	<p>2009/10</p>

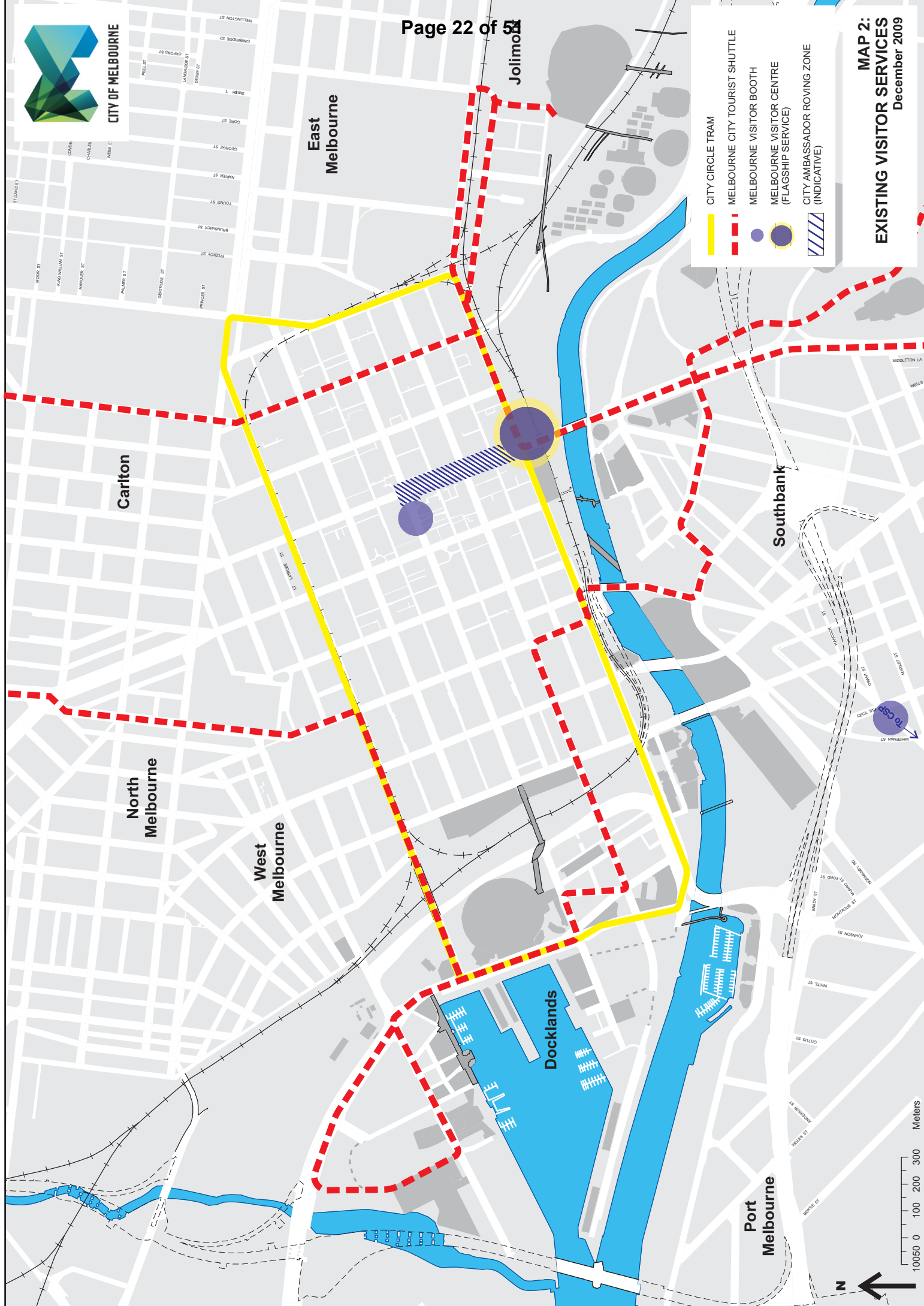
Strategic Priority	Recommendation	Action	Tourism Melbourne Responsibility	Timing
<p>Expand the Visitor Services Network into Melbourne's western gateway</p>	<ul style="list-style-type: none"> Further investigate the opportunity to develop a new visitor service at Melbourne's western gateway. 	<p>2.1 Develop site selection criteria for assessing any future visitor service expansion.</p> <p>2.2 Identify and assess possible visitor service expansion sites in the western gateway precinct against these criteria.</p> <p>2.3 Develop a detailed plan and business case for the selected expansion site/s.</p>	<p>Destination Management</p>	<p>2009/ 10</p>
	<ul style="list-style-type: none"> Boost visitor-oriented signage at Docklands and throughout Melbourne's western gateway. 	<p>2.4 Liaise with the Design Branch on their Docklands Signage Strategy in order to influence location and content of visitor signs at Docklands.</p>	<p>Destination Management</p>	<p>2009/10</p>
	<ul style="list-style-type: none"> Increase exposure of the visitor services network to local, domestic and international visitors on the internet. 	<p>3.1 Develop a Tourism Melbourne Marketing and Communications Plan, focusing on the promotion of the visitor services network across a range of information channels.</p>	<p>Business Development</p>	<p>2009/10</p>
	<ul style="list-style-type: none"> Increase the capacity to answer online queries about Melbourne. 	<p>3.2 Pilot a new approach for answering growing demand for online queries.</p>	<p>Business Development</p>	<p>2009/10</p>
<p>Engage technology in the delivery of visitor services</p>	<ul style="list-style-type: none"> Further investigate the relationship between visitor services and emerging forms of technology. 	<p>3.3 Undertake an Electronic Tourist Information Strategy that will research changing consumer preferences and options for the application technology in the delivery of visitor services.</p>	<p>Business Development Destination Management</p>	<p>2009/10</p>






APPENDIX A: EXISTING VISITOR SERVICES NETWORK (MAP)

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CITY OF MELBOURNE



-  CITY CIRCLE TRAM
-  MELBOURNE CITY TOURIST SHUTTLE
-  MELBOURNE VISITOR BOOTH
-  MELBOURNE VISITOR CENTRE (FLAGSHIP SERVICE)
-  CITY AMBASSADOR ROVING ZONE (INDICATIVE)

10050 0 100 200 300 Meters



APPENDIX B: SUPPORTING ANALYSES

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1 Visitors to Melbourne

Melbourne performs very strongly in the Australian market context and continues to attract visitors across all visitor markets. In 2007, there were 20.2 million visitors to Melbourne, of which 7.8 million were overnight visitors (international and domestic) and 12.2 million were daytrip visitors.

Over the long-term there has been growth in the number of overnight visitors. Between 1999 and 2007, the number of domestic overnight visitors grew at an average annual rate of 2% and international overnight visitors by almost 4%. During the same period, day trip visitors marginally declined (-3.3 %), although in the short-term, numbers have risen quite sharply (9.5% in 2006 – 2007)⁶.

Table 3 outlines the growth context for visitors to Melbourne between 1999 and 2007.

Table 3 Melbourne Visitor Growth Context

Year ending December	Visitor Numbers					2007 Yield (+000)
	1999	2006	2007	Ave. Annual Growth 99 - 07	% change 06-07	
Domestic						
Overnight Visitors (+000)	5,550	6,609	6,497	+2.0%	-1.7%	\$4,500,000
Visitor Nights (+000)	17,397	19,944	18,966	+1.1%	-4.9%	-
Daytrip Visitors (+000)	15,994	11,187	12,252	-3.3%	+9.5%	\$1,400,000
International						
Overnight Visitors (+000)	1,015.1	1,357.8	1,377.3	+3.9%	+1.4%	\$2,900,000

Source: Tourism Victoria: Melbourne Market Profile Year Ending 2007

International Visitors

The international visitor market is growing at a healthy rate and represents a high yield for Melbourne in terms of expenditure, return visits and visitor nights. In particular:

- International visitor expenditure in Melbourne in 2007 was estimated at \$2.9 billion, with visitors spending on average \$2,084 per visit.
- Over half (54%) of international visitors to Melbourne in 2007 were on a 'return visit'. This is slightly higher than the average proportion of return visits (51%) for the other Australian capital cities.
- The international visitor market yields 59% of total visitor nights in Melbourne. Generally, international visitors stay for either short visits (between 1–7 nights) or for very long visits (15+ nights).
- Melbourne plays an important gateway role for international visitors: of all international visitors to Victoria in 2007, 60% entered Australia via Melbourne. Of all international visitors to regional Victoria, 54% entered Australia via Melbourne⁷. This highlights the importance of Melbourne's visitor services in delivering the visitor welcome, and also in 'on-selling' visitors to tourism regions beyond Melbourne.
- According to February 2009 data released by Melbourne Airport, Melbourne is the only east coast capital city airport that has recorded 27 consecutive months of international

⁶ Tourism Victoria: Melbourne Market Profile Year Ending December 2007.

⁷ Tourism Australia, International Visitor Survey 2008, unpublished data.

passenger growth. International passengers for January 2009 increased by 4.5% on the same period in 2008, resulting in 20,000 more international passengers through Melbourne Airport. Growth in inbound international passengers to Melbourne was particularly driven by arrivals from Hong Kong, Malaysia, India and Taiwan⁸.

Domestic Visitors

Domestic visitors are Melbourne's core visitor market, with domestic overnight visitors in particular being estimated to be worth \$4.5 billion to the local economy annually (average \$239 per night - based on 2007 data). In addition:

- 62% of domestic overnight visitors are from the interstate market, with almost half (48%) of this number coming from NSW. 38% of domestic overnight visitors are from the intrastate market.
- Domestic daytrip visitors are on the rise. In 2007, 12.2 million daytrip visitors spent about \$1.4 billion (equal to \$111 for each daytrip).

Domestic Visitors - Capital City Context

Melbourne also performs strongly compared with other capital cities. According to the 2007 Roy Morgan Holiday Tracking Survey (an annual telephone survey of Australians regarding holiday travel):

- In recent years, Melbourne has eclipsed Sydney as the most visited holiday destination amongst the capital cities.
- Melbourne recorded the highest revisitation preference of the Australian capital cities, with more than half of all visitors to Melbourne (in the last twelve months) indicating a preference to return to the city for another holiday within the next two years.

2 Visitor Forecasts

The role of visitor services in maximising the visitor contribution (economic and otherwise) will be all the more important in the context of the global financial crisis and its potential impact upon total visitor numbers.

The following outlines national visitor forecasts (December 2008) and the likely extent of the impact caused by global financial crisis:

- For the period 2007 – 2017, it is expected that there will be average annual growth of 3.7% across all international source markets to Victoria. In the key markets of China and India, average annual growth is expected to be much higher (10.3% and 17% respectively).
- In domestic visitor markets to Victoria, change is expected to be more modest, with average annual growth projected at 0.5% for the same period.⁹
- Globally, lower world economic growth is expected to have a negative impact on world tourism. These impacts however, could be partly offset locally, by several factors including:
 - Devaluation of the Australian dollar;
 - The recent fall in the price of oil;
 - A relatively optimistic outlook for the Australian economy; and
 - An anticipated increase in the number of international airline seats arriving in Australia.

⁸ Melbourne Airport Media, February 2009.

⁹ Tourism Victoria Research Unit, Forecasts December 2008.

3 City of Melbourne Visitor Services Network

The City of Melbourne's visitor services have evolved significantly over the past decade, from a basic information desk in the Bourke Street Mall in 1989, to a network of six visitor services serving over 2 million visitors a year. Today, the City of Melbourne's visitor services comprise:

- Melbourne Visitor Centre (MVC) at Federation Square.
- Melbourne Visitor Booth (MVB) in the Bourke Street Mall.
- City Ambassador Program (CAP).
- Melbourne Greeter Service (based at MVC).
- Melbourne City Tourist Shuttle (MCTS).
- Melbourne Cruise Ship Program (CSP) - seasonal (usually November – April).

The six visitor services are distributed in a 'network' throughout the city, generally located in major visitor precincts and at strategic gateways to Melbourne. Each of the services has a defined role and is designed to reinforce the network, maximising efficiency and a good fit between the services and visitor need.

The concept of the visitor services being part of a network has also evolved over the years. Six years ago, the MVC and MVB accounted for almost 95% of total visitor services users, whilst the CAP and CSP (which were at the time in their infancy) played very small roles. By 2008 however, visitors are spread much more evenly across the different services, representing a strengthened network that increasingly meets the needs of visitors and our stakeholders. The distribution of visitors across each of the services for 2003 and 2008 is illustrated in Figure 3.

Figure 3 Strengthening the Network: Number of Visitors by Service, 2003 & 2008¹⁰



Source: City of Melbourne, Visitor Statistics (unpublished data) 2009.

4 Visitors Assisted

Over the last six years, there has been year-on-year growth in the number of visitors assisted by the City of Melbourne's visitor services. Growth is linked to a range of factors, including increased efficiency in the network (as a result of improved recruitment, training and support); the introduction of new services; expansion of existing services over time and growth in the volunteer workforce. Importantly, the visitor services network has been able to expand and adapt in way that is responsive to overall growth in visitor numbers to Melbourne, changes in the way people choose to access information and also to the needs of the tourism industry and City of Melbourne's stakeholders.

Table 4 outlines the number of visitors assisted across the visitor services network between 2003 and 2008.

¹⁰ The MGS is not included in this analysis due to statistical inconsistency. The MCTS was not in operation until 2006.

Table 4 Visitors Assisted across the Visitor Services Network 2003 - 2008¹¹

Year	2003	2004	2005	2006	2007	2008
	1,045,020	1,154,785	1,695,187	2,067,816	2,072,625	2,105,706

Source: City of Melbourne, Visitor Statistics (unpublished data) 2009.

Growth in the number of visitors assisted is also accompanied by very high satisfaction rates. The City of Melbourne has always collected information about how visitors use and rate the services and since 2006, this information has been consolidated into an Annual Visitor Survey (AVS). The AVS is an independent survey commissioned by the City of Melbourne which provides a snapshot of users for the core visitor services (MVC, MVB and CAP).

The latest Annual Visitor Survey revealed that 2007's high satisfaction levels were exceeded in 2008. Nine in ten (or 93%) survey respondents were satisfied with the visitor service that they used, with the majority giving the service either an 'excellent' (65%) or a 'good' (28%) rating.

In addition, almost all respondents said that their needs were 'fully met' by the service that they used (85%). 11% responded that their needs were 'partially met', whilst only 3% said that their needs were 'not met'. 99% of respondents said that they would recommend the service.

In 2009 the AVS is being expanded to include the MCTS. It will be conducted between April and May and the findings will assist the City of Melbourne to measure the performance of the visitor services against the vision, principles and objectives that are articulated in Section 2 of this report.

5 The Volunteer Workforce

The City of Melbourne is one of the largest volunteer recruiters in Victoria, with over 400 volunteers active across the visitor services network (excluding MCTS). Our volunteers - recognised for their professionalism, knowledge of the city and passion for their job - are selected through a rigorous recruitment and induction process, and become part of an ongoing training and professional development program which continues for the duration of their engagement with the City of Melbourne.

Volunteers are also trained to be objective and unbiased, which means that they equally and without prejudice represent the needs of the tourism industry and the City of Melbourne's stakeholders.

Volunteer Program Focus Groups

As part of a broader Volunteer Management Strategy, Tourism Melbourne recently commissioned Victoria University's Centre for Tourism Services and Research to undertake a series of focus groups with volunteers to investigate their motivations, perceptions of the program and levels of satisfaction with the program. The volunteers' focus groups revealed that most volunteers choose to participate in the program because they enjoy the opportunity to socialise, want to broaden their horizons, give back to community, learn new skills and are passionate about Melbourne.

The focus groups explored what makes the City of Melbourne's volunteer program so successful. Most volunteers acknowledged the size, visibility and professionalism of the program and the scope and responsibility of the volunteer role. The breadth and high-quality nature of training sessions, familiarisations and forums were also cited. Finally, it was noted that the good communication that exists between volunteers and Tourism Melbourne staff - which is a basic, yet fundamental requirement - underpins all that is successful about the program.

The reasons why volunteers would stop participating in the program were also explored. Generally the volunteers did not want the standards and focus of the program to change, with volunteers saying that they would stop participating if the level of professionalism in the

¹¹ The MGS is not included in this analysis due to statistical inconsistency

program was to decline; the inherent values of the City of Melbourne were to shift or if the visitor services became too diversified and shifted away from providing visitor information.

In summary, the focus groups revealed that the volunteers have a clear sense of pride in being involved with the program and value the high-quality nature of the training, service delivery and ongoing support, as well as personal rewards including the opportunity to socialise and gain new skills.

6 The Visitor Services in Detail

Table 5 (next page) outlines in detail each service within the visitor services network, including hours of operation, role and strengths, user profile, the human resources (staff and volunteers) per shift and the number of visitors assisted for each service 2003 – 2008.

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Table 5 City of Melbourne Visitor Services Network – In Detail

Service	Opening Hours	Role and Strengths	Users	HR per shift	Visitors Assisted
Melbourne Visitor Centre (MVC)	7 days 9am – 6pm	<ul style="list-style-type: none"> Flagship service – first point of call for visitors Both face-to-face and self-service options Focus on in-depth and integrated information – Melbourne attractions and events, directions, public transport and touring in regional Victoria Strategic location – nexus of main roads and public transport and pedestrian hub 	<ul style="list-style-type: none"> 'Free and Independent Travellers' (FITs) visitors across all age groups high volumes of international visitors 	S: 4 IO: 2 V: 8	<ul style="list-style-type: none"> In 2008, the MVC assisted 890,081 visitors, representing 42% of all visitors assisted by the City of Melbourne visitor services. Total growth between 2003 and 2008 is 14.6%.
Melbourne Visitor Booth (MVB)	Mon – Sat 9am – 5pm Sun 10am – 5pm	<ul style="list-style-type: none"> Quick, visitor information and directional service - face-to-face contact Focus on directions and information about shopping, Melbourne attractions, events and public transport Supplemented by City Ambassadors at peak times 	<ul style="list-style-type: none"> As above, plus: <ul style="list-style-type: none"> - City workers - Shoppers - Students 	S: 1-2 V: 3	<ul style="list-style-type: none"> In 2008, the MVB assisted 571,374 visitors, representing 27% of all visitors assisted by City of Melbourne visitor services. Total growth between 2003 and 2008 was 172%.
City Ambassadors Program (CAP)	Mon – Sat 10am – 4pm Sun 11am – 3pm	<ul style="list-style-type: none"> Roving face-to-face service – and the 'face' of Tourism Melbourne. Contributes to the sense that Melbourne is a safe and welcoming city Mobile, adaptable service - provides a link between the MVC and MVB Focus on directions and information about public transport, shopping, Melbourne attractions and events 	<ul style="list-style-type: none"> Mix of all types of people – locals and visitors 	S: 1-2 V: 8	<ul style="list-style-type: none"> In 2008, the CAP assisted 286,187 visitors. The CAP has grown significantly since 2003 (its third year of operation). Total growth in visitors assisted (2003 – 2008) was 450%. The CAP now represents 13.6% of all visitors assisted (up from 5% in 2003).
Cruise Ship Program (CSP)	Seasonal (usually Nov – April)	<ul style="list-style-type: none"> Quick face-to-face service - efficiently accommodates high volumes of enquires in a short period of time Focus on directions and information about shopping, Melbourne attractions, events and public transport Tailored collateral to meet the needs of single-day visitors to Melbourne 	<ul style="list-style-type: none"> FIT cruise ship passengers – generally international and interstate visitors to Melbourne for one day 	Varies - ship size	<ul style="list-style-type: none"> In 2008, the CSP assisted 36,848 visitors, which represents a staggering 156.6% growth on 2007. The scope of the CSP has been expanded in recent years (leading to high growth rates) with the service now provided for all cruise ship arrivals at Station Pier, Port Melbourne.
Melbourne City Tourist Shuttle	7 days 10am – 4pm	<ul style="list-style-type: none"> Hop on, hop off shuttle service designed to link key attractions in Melbourne and disperse visitors throughout the City of Melbourne. 13 stops, 1.5 hour round trip Designed to complement (but not duplicate) existing public transport services including the City Circle tram. 	<ul style="list-style-type: none"> Mix of all types of people – locals and visitors 	1 bus driver per service	<ul style="list-style-type: none"> In 2008, the third year of its operation, the MCTS recorded 321,216 passengers.
Melbourne Greater Service	7 days, departs daily at 9.30am	<ul style="list-style-type: none"> Specialised, tailored and multilingual face-to-face service Free 2 – 4 hour orientation of the city Also used for VIP visitors/ tours for special guests 	<ul style="list-style-type: none"> Generally visitors to Melbourne with limited time to spend 	S: 1 V: up to 3	<ul style="list-style-type: none"> In 2008, the MGS assisted 1,618 visitors. Note that this figure cannot be compared to previous years, due to change in nature of service delivery in November 2008.

Key: S = supervisor, IO = (paid) information officer, V = volunteer

MELBOURNE CITY TOURIST SHUTTLE
SHUTTLE BENCHMARKING SUMMARY
July 2009

The cities below represent a broad spread of different models available to enable discussion and the subsequent development of an improved model for Melbourne. **They are not an exhaustive** list of what is available and in many instances, non-tourism based services have been included if they represent a new idea or concept relevant to this project.

International

Penang, Malaysia - Free	
Name of Service	Penang CAT (Central Area Transit)
Description/ Areas Service	Inner city. From the Raja Tun Uda Ferry Terminal in Weld Quay to Komtar, with 19 stops along the 8km round trip.
Frequency	Every 20 minutes
Intended target market & rational.	For locals with aim to reduce traffic.
Model Funding Type	Local & State Govt. (State government claim to fund at RM50,000 a month, or RM600,000 a year, through the Penang Municipal Council.)
Model Transport Type	Zero Fare bus
Other Comments	3 buses - Buses hold 49 pax with 29 seats. No advertising.
Revenue Sources	Nil
Service Hours	6am to midnight.
URL & Refs	http://www.visitpenang.gov.my/portal/getting-to-penang/getting-around/429-cat.html http://www.mppp.gov.my/cat;jsessionid=62FAE42E60FA4D4DAF4BA4BD5ECF94ED http://thestar.com.my/news/story.asp?file=/2009/1/23/nation/20090123153843&sec=nation http://www.penang-traveltips.com/rapid-penang-cat-free-shuttle-bus-service.htm
User Costs	Free

Christchurch, NZ- Free	
Name of Service	Christchurch City Centre Free Shuttle Service / Red Shuttle Bus
Description/ Areas Service	Inner city. The 22-stop-route links the Casino in the north and Hoyts 8, Science Alive and the Christchurch Polytechnic in the south via Colombo Street
Frequency	Day Route - every 10 mins. Night Route - every 15 mins
Intended target market & rational.	Shoppers and tourists - The inner cultural and shopping centre is very spread out. Improved access is necessary to attract shoppers back from the suburban malls.
Model Funding Type	Local Council - The Christchurch City Council pays Redbus \$450 000 a year to run the service. Sponsorship has also been received from the Department Store, Smith's City, located on the Shuttle route.
Model Transport Type	Zero Fare, Low emission / hybrid buses. 41 Pax capacity
Other Comments	4.2 km route, 75k passengers per month.
Revenue Sources	Local Govt. Sponsorship (Smith's City)
Service Hours	Day Route - 7.30am to 7pm Night Route - 7pm to 10.30pm
URL & Refs	http://www.ccc.govt.nz/QuickAnswers/Community/PublicTransport/F822.asp http://www.christchurch.org.nz/Maps/CityCentreShuttleService.asp http://www.nzine.co.nz/features/designline3.html
User Costs	Free

Manchester, UK – Free	
Name of Service	Metroshuttle free city centre bus services
Description/ Areas Service	3 x Metroshuttle circles - link all of the city centre railway stations, the main NCP car parks, and many bus and Metrolink tram stops. Links bus and train stations and city's Car Parks, Metrolink Stations, Shopping Districts, Places of Work, Tourist Attractions and Bus Terminals, while the Bolton Metroshuttle, numbered 500, links Bolton Bus Station, Bolton Train Station and the town's shops and attractions.
Frequency	Every 5 minutes on Service 1 (orange), every 10 minutes on Service 2 (green) and every 10 minutes on Service 3 (purple).
Intended target market & rational.	Workers, shoppers and tourists
Model Funding Type	Partnership between GMPTE, Manchester City Council, National Car Parks and the property developer Allied London
Model Transport Type	Zero Fare Free transport for all target markets. Aim to facilitate working, shopping and leisure activities in the city
Other Comments	Appears to be a successful model – (Wikipedia – Future council plans are for more - high-quality town centre bus services that links key public transport nodes and car parks with the main retail, commercial, leisure and cultural destinations)
Relevance to MCTS	10/10
Revenue Sources	Council & sponsorship (car park company and property developer) and advertising. First Manchester provides a publicity contribution. The free service costs approximately £1.2million each year (source: Buses Magazine)
Service Hours	7am to 7pm
URL	http://www.gmppte.com/buses/metroshuttle.cfm http://en.wikipedia.org/wiki/Metroshuttle
User Costs	Free

Birmingham, UK - Free	
Name of Service	Stationlink Free City Shuttle Bus
Description/ Areas Service	City Centre. Service between stations and hubs eg markets and links to key business, shopping and cultural areas of the city. Stationlink gives visitors to the city confidence in getting between Birmingham’s public transport interchange points and the shopping and business areas of the city.
Frequency	Every few minutes
Intended target market & rational.	Commuters and tourists. Link transport nodes with shopping and business areas.
Model Funding Type	The service will be free initially thanks to £250,000 from Centro-PTA to fund the first year. (2006)
Model Transport Type	Zero Fare transport. Local governments funded
Other Comments	Inner city transport service mainly for locals. "Stationlink is about giving people a convenient, reliable and easy way of getting from the station to where they want to be at no extra cost once they step off a train, tram, coach or bus," Councillor Gurcharan Sidhu, lead member for buses for Centro-PTA, which is funding the project.
Revenue Sources	Local Council. (Council is searching for funding from rail and coach companies, and general sponsorship in order to continue the operation)
Service Hours	Monday to Saturday. 7am to 6pm
URL	http://centro.journalistpresslounge.com/centro/news/index.cfm/fuseaction/details/id/B5201CDF-13D3-97AA-2DB02D6E5DE3C679/cnt/1/ref/main/type/News%20releases/ses/1.cfm http://centro.journalistpresslounge.com/centro/companyinformation/fastfacts/index.cfm http://www.birmingham.gov.uk/GenerateContent?CONTENT_ITEM_ID=14897&CONTENT_ITEM_TYPE=0&MENU_ID=12107
User Costs	Free

Bogota, Colombia – Mix of free & paid	
Name of Service	Feeder Buses (Rutas Alimentadoras) for Transmilenio
Description/ Areas Service	Operate around neighbourhood streets in Bogota and bring people for free to main Transmilenio stations.
Frequency	Every couple of minutes depending on location
Intended target market & rational.	General commuters
Model Funding Type	Government
Model Transport Type	Zero Fare buses leading to paid public transport system.
Other Comments	
Revenue Sources	Ticketing (limited)
Service Hours	4am to midnight.
URL	Transmilenio: http://www.transmilenio.gov.co/WebSite/English_Default.aspx Feeder Buses: http://www.transmilenio.gov.co/WebSite/Contenido.aspx?ID_REDIRECT=RutasAlimentadoras_Horarios
User Costs	Free for neighbourhood section, paid for commuter.

Madrid, Spain – Paid, 17 Euro, AUD \$29	
Name of Service	Madrid VISION (tour plus key attractions)
Description/ Areas Service	2 Routes. Historical Madrid (Royal Palace, the Paseo del Prado and the Puerta de Alcalá) and Modern Madrid (Salamanca neighbourhood and Paseo de la Castellana).
Frequency	Every 8 minutes in summer/ Every 15 minutes in winter
Intended target market & rational.	Tourists
Model Funding Type	Commercial. Private enterprise. Joint venture between- PULLMANTUR, TRAPSATUR, JULIATRAVEL and TRAPSA
Model Transport Type	Tourist bus. Hop on Hop off
Other Comments	MadridCard*. Madrid Eventos** - *MadridCard – MadridCard is a tourist card that gives visitors to Madrid the chance to use the Madrid VISION transportation service plus , free entrance to more than 40 museums, Madrid Zoo and Aquarium, Imax, etc. **Madrid Eventos – The Madrid VISION buses are also available for rent for private functions. E.g. Transportation method for a wedding.
Revenue Sources	Ticket sales
Service Hours	Variable based on season (10am-9pm extending to 12am during summer)
URL	http://www.madridvision.es/en/index.php
User Costs	Adult (1 day) 17 euros Child (1 day) 8.5 euros https://www.madridvision.es/en/billetes/taquilla.php

London, UK – Paid, £24, AUG 48	
Name of Service	Hop On, Hop Off bus services. Operated now by several companies since Govt service opened up in 1983. An example of two companies is - Arriva (with various subbrands), and Big Bus (original tour).
Description/ Areas Service	6 bus routes. The Original Tour, The City Sightseeing Tour, The Museum Tour, The Loop Line, The Station Connector, The Capital Connector. (plus – options for Walking Tour, River cruise).
Frequency	Every 15 minutes
Intended target market & rational.	Tourists, commercial requirement.
Model Funding Type	Private. Arriva Co. (http://www.arriva.co.uk/)
Model Transport Type	Tourist. Hop on hop off
Other Comments	Features*. Competitor** - * Features - Hop on, Hop off, Live Guides, Language Commentaries, 24-Hour Tickets, modern fleet, free river cruise, free walking tours, free kids club, Attraction tickets **Competitor Info: The Big Bus London Sightseeing Tour Hop on Hop off, http://london-tour.conciergedesk.co.uk/big-bus-main.htm
Revenue Sources	Ticketing and advertising (bus sides, brochures, ticket stubs etc)
Service Hours	Depends on route. Main ones go from 8 am till midnight.
URL	http://www.theoriginaltour.com/ , http://www.city-sightseeing.com/
User Costs	Adult (1 day) 24 pounds, Child (1 day) 10 pounds http://www.theoriginaltour.com/tour_information/page_109.html

Mexico City, Mexico – Paid, \$A15	
Name of Service	Turibus
Description/ Areas Service	Historical Centre (National Palace, Cathedral, Templo Mayor)
Frequency	Low season: every 30-40 minutes, High season: every 15 minutes
Intended target market & rational.	Tourist, commercial requirement.
Model Funding Type	Private. (ADO)
Model Transport Type	Ticketed, Tourist bus. Hop on hop off
Other Comments	Night Tour* - Special Features*Night Tour - Friday and Saturday (9pm to 1am). Travels around the city to show mainly Mexico city's nightlife.
Revenue Sources	Ticketing
URL	http://www.turibus.com.mx/
User Costs	Adult (AUS15) Child (AUS6) http://www.turibus.com.mx/index.php?option=com_content&task=view&id=7

Barcelona, Spain Paid, 21 euro / AUD 37	
Name of Service	Two services – Govt (TMB / Barcelona Bus Turistic) & “Barcelona Tours” Private (Pullmantur)
Description/ Areas Service	Double Decker / Hop on Hop Off, 44 bus stops with 3 routes, 10 languages via autoguide. Discount book for attractions close to stops. Information officers on board
Frequency	5-25 mins season dependent.
Intended target market & rational.	Tourist market
Model Funding Type	2 services. 1 x Govt service – partnership between Barcelona Turisme & TMB ¹ (Transport Metropolitans de Barcelona. Also other buses operated by Pullmantur (priv. compny.)
Model Transport Type	Tourist. Hop on hop off double decker bus with sliding roof.. 3 routes with 44 stops (see images in appendix)
Relevance to MCTS	10/10 – because 1/ tourist website offers a clear range of exploring the city based on various budgets (bike to helicopter). - http://www.barcelonaturisme.com/Morning-tour-in-Barcelona/_vf-SMIY1yIuKQTV1aq4gkPlyb8Y3xqV3iUjTH9ggfIG71EhI7hBtWQ . 2/ Also the Barcelona Card is a good example of the city combining strong offers from transport operators, attractions. (sold at travel agencies and online with pickup at central city areas plus airport) See image in appendix.
Revenue Sources	Ticketing (offered to all city travel agencies.)
URL	http://www.barcelonaturisme.com/Barcelona-Bus-Turistic/_vf-SMIY1yIuKQTV1aq4gkPlyb8Y3xqV3iUjTH9ggfIG71EhI7hBtWQ http://www.tmb.net/en_US/barcelona/moute/targetes/ts/anglesbus/html/info/info.htm http://www.barcelona-tourist-guide.com/en/tour/barcelona-bus-tour.html
User Costs	Adult 18.90 (web) or 21 Euro, Child 11.70 (web) or 13 euro. (all 1day)

¹ Turisme Barcelona is an agreement between Barcelona Municipal Council, the Barcelona Official Chamber of Commerce, Industry and Shipping, and the Foundation for the Promotion of Barcelona in 1993,

Athens, Greece 5 Euros / AUD 8	
Name of Service	"Athens Sightseeing public bus". "Line 400"
Description/ Areas Service	Public sightseeing service / City of Athens area / ticket
Frequency, times	High season 7.30 – 21.00 every 30mins. Shoulder 9-6pm every 30. Low season: 10-4pm every 30 minutes. Duration – 80-90mins
Intended target market & rational.	Tourist
Model Funding Type	Government provided service
Model Transport Type	Ticketed Tourist / Public bus. Hop on hop off. Run by Oasa (Athens' public bus company).
Other Comments	24-hour validity for sightseeing bus PLUS metro & suburban buses & rail lines (except airport shuttle). / doesn't include attractions' entrance. Competitor is the City Sightseeing Bus (Double-Decker open top bus for 18 euro)
Relevance to MCTS	10/10 – since this is an example of a city council charging a basic fee for a (ecofriendly service that complements other more expensive competitive offers
Revenue Sources	Ticketing (onboard purchase only)
URL	http://www.oasa.gr/index.asp?lang=en http://www.athensguide.com/sightseeing-bus.htm http://www.virtualtourist.com/travel/Europe/Greece/Prefecture_of_Attica/Athens-426812/Transportation-Athens-Athens_Sightseeing_public_bus_Line_400-BR-1.html
User Costs	5 Euro (includes public transport access)

Strasbourg, France 5,30 Euros / AUD 8	
Name of Service	Minitram (see appendix for image)
Description/ Areas Service	Tram shuttle / Public sightseeing service / ticketed
Frequency, times	Each 40 minutes – Peak – 9-9pm, off peak – 9 – 4.30pm
Intended target market & rational.	Tourist. Strasbourg streets and lanes can be very narrow – these small vehicles are able to easily navigate these areas.
Model Funding Type	Local Govt (Council) provided service & Office of Tourism (possibly equivalent of Tourism Victoria)
Model Transport Type	Tourist / Public. Hop on hop off.
Other Comments	Possibly lower cost option for Melbourne. If CoM is prevented from charging fares for buses it could consider this as a point of difference in the market.
Relevance to MCTS	10/10
Revenue Sources	Ticketing (off vehicle purchase only)
URL	http://www.cts-strasbourg.fr/Sed%C3%A9placér/R%C3%A9seaubusettram/Minitram/tabid/67/language/fr-FR/Default.aspx www.ot-strasbourg.com - office of tourism
User Costs	5,30 Euros

Australia

Australia	
Sydney, Australia - Free	
Name of Service	Route 555 / CBD Shuttle
Description/ Areas Service	Limited CBD shuttle between key transport hubs
Frequency	Each 10mins
Intended target market & rational.	Commuters, travellers (between hubs) and tourists)
Model Funding Type	State Government funded
Model Transport Type	Traveller / commuter shuttle to ease congestion and improve links between hubs.
Relevance to MCTS	6/10 – is a short link service to link hubs. But is evidence of state govt funding to alleviate this problem.
Revenue Sources	Nil
Service Hours	9.30am to 3.30pm weekdays, with a late finish of 9pm on Thursday evenings. Weekend services run 9.30am to 6pm.
URL & Refs	http://www.sydneybuses.info/free-cbd-shuttle.htm , www.sydneybuses.info , http://www.131500.com.au/servicechanges/service_change_detail.asp?item_id=32450
User Costs	Nil

Melbourne, Australia – Free (Tram)	
Name of Service"	"Free Tourist Tram" City Circle Tram
Description/ Areas Service	CBD circular transport service
Frequency	Each 12mins (peak services
Intended target market & rational.	tourists
Model Funding Type	State Government funded via Metlink
Model Transport Type	Zero Fare
Relevance to MCTS	
Revenue Sources	Nil
Service Hours	10-6pm Sun to Wed. Peak services on 10-9pm for Thurs – Sat.
URL & Refs	http://www.metlinkmelbourne.com.au/route/view/1112
User Costs	Nil
Melbourne, Australia – Free (Nightrider Bus)	
Name of Service"	Night rider bus
Description/ Areas Service	CBD to suburbs midnight+ transport service
Frequency	Each 12mins (peak services
Intended target market & rational.	Local youth for safe transit.
Model Funding Type	State Government funded via Metlink
Model Transport Type	Ticketed bus
Relevance to MCTS	10/10. Since this is possible evidence that the State Govt should be funding a Melbourne tourist bus service. Night righter is a service that alleviates a community problem (safety, late night transport for youth) for one demographic grouping (youth). Using a similar argument – the State Govt should fund transport for a community problem (tourists experiencing problems getting to and from city attractions) for one demographic grouping. Also –at the very least, travellers should be charged a Metlink fare.
Revenue Sources	Nil
Service Hours	10-6pm Sun to Wed. Peak services on 10-9pm for Thurs – Sat.
URL & Refs	http://www.metlinkmelbourne.com.au/timetables/nightrider/
User Costs	Nil

Brisbane, Australia - Paid	
Name of Service	Brisbane CAT
Description/ Areas Service	Transporting people between key residential nodes and CBD and filling gaps left by public transport as result of geographic barrier (in this case caused by river), 13 cats.
Frequency	Each 10 mins
Intended target market & rational.	Commuters, travellers, tourists.
Model Funding Type	Local Council (Underwritten by Brisbane City), Run by Transdevel. TSL
Model Transport Type	Commuter plus traveller & community
Other Comments	<ul style="list-style-type: none"> • Users - span across two main types – commuters 41% (Mon-Fri during peak times), and sightseeing 20% (locals, tourists) during off peak. • Key benefits of service – large vehicles that can carry large amounts of people and their accessories (prams etc). • Jointly meets needs of commuter and tourist markets. • Approx 162 pax per vehicle, approx 100k trips per week, 2.9m per annum.
Relevance to MCTS	10/10 – provides evidence of a cross community service that spans weaknesses in transport system between nodes – paid for by larger council (equivalent of group of Melb. Municipalities or State Govt.)
Revenue Sources	Ticketing supplemented with advertising revenue.
Service Hours	Early to late
URL	http://www.brisbane.qld.gov.au/BCC:BASE::pc=PC_1231 , http://www.translink.com.au/fares.php
User Costs	Avg \$5 per adult per day (range from \$5 - \$38pd).

Brisbane, Australia – Free	
Name of Service	Loop Service Two free loop services - Free Downtown Loop Service and Free Spring Hill Loop Service
Description/ Areas Service	Brisbane's CBD - Central Station, Queen Street Mall, City Botanic Gardens, Riverside Centre, QUT and King George Square
Frequency	Each 10 mins
Intended target market & rational.	Tourists and locals
Model Funding Type	State Government
Model Transport Type	Zero Fare Bus
Other Comments	* Free Spring Hill Loop Bus Service – Runs approximately every 10 minutes. Features 12 stops in key locations around the city and connects with Brisbane's Downtown Loop
Relevance to MCTS	6/10 – is more of a commuter service.
Revenue Sources	Nil
Service Hours	Between 8:10am and 6:05pm, Monday to Friday only.
URL	http://www.brisbane.qld.gov.au/BCC:BASE::pc=PC_2555
User Costs	Free

Adelaide, Australia - Free	
Description/ Areas Service	Free Terrace Tram - South Terrace to North Terrace, Jetty Road, City Loop
Frequency	Every 15 minutes
Intended target market & rational.	Travellers, tourists, commuters. Links retail, tourist & cultural areas
Model Funding Type	State government
Model Transport Type	Tourists & locals
Name of Service	Free City Service: Adelaide Free Bus and Free Terrace to Terrace Tram
Relevance to MCTS	6/10
Revenue Sources	Nil
Service Hours	8am to 6pm (Monday-Friday) 9am to 6pm (Saturday, Sunday, and Public Holidays)
URL	http://www.adelaidemetro.com.au/routes/cityservices.html
User Costs	Free

Perth, Australia - Free	
Name of Service	Central Area Transport Service CATS and Free Transport Zone FTZ (bus, train free within zone)
Description/ Areas Service	Perth city centre, 1 bus route in Fremantle and four bus routes in Joondalup
Frequency	Every 5 to 10 minutes
Intended target market & rational.	
Model Funding Type	State Government. Operated by Path Transit Co. http://path.com.au/
Model Transport Type	Tourists and locals
Other comments	Rationale for the services is: reduced congestion & greener services (gas operated.
Relevance to MCTS	10/10 (see appendix for Perth CAT MAP) – this model provides a suggestion that the State Govt should look at an alternative and complementary route to the Melb. City Circle Tram. There are 3 Perth CAT CBD routes that operate in patterns that distribute people to all ends of the city – not just confined to patterns such as the tram circle route (in Melb).
Revenue Sources	Nil
Service Hours	Different times for different buses, mainly from 7 am until 7pm
URL	http://www.transperth.wa.gov.au/UsingTransperth/FreeTransperthServices/tabid/146/Default.aspx , http://www.lookatwa.com.au/Transport/cats.html http://www.transperth.wa.gov.au/UsingTransperth/Highfrequencybusservices/tabid/143/Default.aspx
User Costs	Free

Newcastle, Australia - Free	
Name of Service	Newcastle Fare free Bus Zone
Description/ Areas Service	City centre
Frequency	Depends on route.
Intended target market & rational.	Mainly for locals (Park and ride program to ease traffic issues)
Model Funding Type	From - Honeysuckle Development Corporation (corp. owned by Govt of NSW) and the Government of New South Wales.
Model Transport Type	Zero Fare Bus
Relevance to MCTS	6/10
Revenue Sources	Nil
Service Hours	7:30am to 6pm
URL	http://www.newcastle.nsw.gov.au/discover_newcastle/getting_around/fare_free_bus
User Costs	Free

Geelong, Australia – Free & Paid, \$2	
Name of Service	Free Central Geelong Service
Description/ Areas Service	Central Geelong. Connects hopping, dining, professional services, attractions, events & entertainment in Central Geelong with car parks outside of the city centre.
Frequency	Every 10 minutes
Intended target market & rational.	Commuters, to link car parks with retail & commercial hubs
Model Funding Type	Local Government funded with support from State Govt & Geelong Marketing (http://www.centralgeelong.com.au/2009/central-geelong-shuttle.html)
Model Transport Type	Ticketed bus – “Park & ride”. Intended for locals to park on one of over 9300 car parks and then hop on the bus to get into the city centre.
Other Comments	
Revenue Sources	Co-funding from State Govt.
Service Hours	All year - 7.30 to 10am and 4 to 6pm (Monday to Friday/all year), 10am to 4pm (summer)
URL	http://www.geelongaustralia.com.au/news/news/article.aspx?id=8cb33bf93c78f37
User Costs	Free for bus only or \$2 including the all day car park.

Parramatta, Australia – Free	
Name of Service	The Loop
Description/ Areas Service	Bus between station and city areas.
Frequency	Every 10 minutes
Intended target market & rational.	Tourists, residents, and commuters by connecting these groups to commercial, retail and recreational landmarks of the city centre.
Model Funding Type	Local Govt. underwritten with sponsorship funding by local club and shopping centre.
Model Transport Type	Zero fare bus
Revenue Sources	Nil (Local Govt Funded with call for State Govt Funding)
Service Hours	7-6.30pm M-F (Also on Sat / special hours), (Also peak services)
URL	http://www.parracity.nsw.gov.au/traffic_and_transport/transport/the_loop http://www.parramattasun.com.au/news/local/news/general/lord-mayors-boarding-call/1529705.aspx?src=rss
User Costs	Nil

FINANCE ATTACHMENT

MELBOURNE CITY TOURIST SHUTTLE CONTRACT AND VISITOR SERVICE STRATEGY

The cost of extending the Melbourne City Tourist Shuttle contract is approximately \$1.4 million per annum. In 2009/10, \$800,000 of the service's operational cost is being funded from the parking levy. Consistent with the May 2009 Council resolution, in 2010/11, the total amount of operating the service would be funded from Council's funds in the event this service is extended.

The funding of the Melbourne City Tourist Shuttle if required will be subject to the 2010/11 annual budget approval process.

Phu Nguyen
Acting Manager Financial Services

LEGAL ATTACHMENT

**MELBOURNE CITY TOURIST SHUTTLE CONTRACT AND VISITOR SERVICE
STRATEGY**

Legal advice has and will continue to be supplied as required in respect to the relevant issues.

Kim Wood
Manager Legal Services