

Progress Report 2

December 2016



The Tasmanian Visitor Economy Strategy 2015-2020

[www.T21.net.au]





A year ago we released the new and improved T21 –The Tasmanian Visitor Economy Strategy – our partnership with industry to increase demand for travel to Tasmania; air and sea access; investment in quality infrastructure; and capability and capacity to provide a great Tasmanian experience for our visitors.

Twelve months on, I am pleased to report that we are making strong progress to achieving the ambitious targets we've set, and to delivering on these key objectives.

Visitor numbers have grown to 1.17 million, with spending topping \$2 billion for the first time ever.

Occupancy rates are at record levels, with the benefits spread across our regions, and visitor satisfaction levels are high.

Investment has increased, demonstrating the private sector's confidence in our vibrant visitor economy, and getting to our island state is also becoming easier with airlines offering more seats, and our Spirits more sailings for our visitors.

Most importantly, our tourism industry is rising to the challenge and driving growth with new stand out experiences gaining national and international recognition.

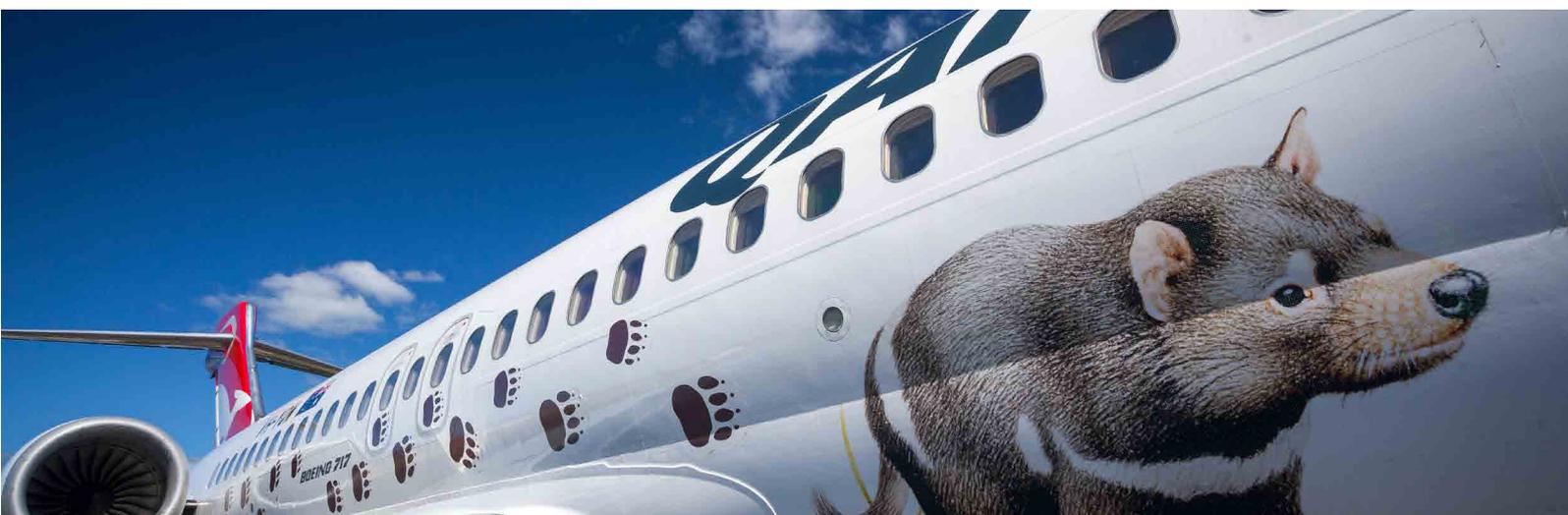
We are making great progress, and there are also challenges to deal with as we experience such strong growth in our visitor economy. But it's best done together, in partnership, and that's what T21 is all about.

I want to thank all those who have contributed to building our great visitor economy over this past 12 months and look forward to continuing to work with you to keep things heading in the right direction.

The Honourable Will Hodgman MP

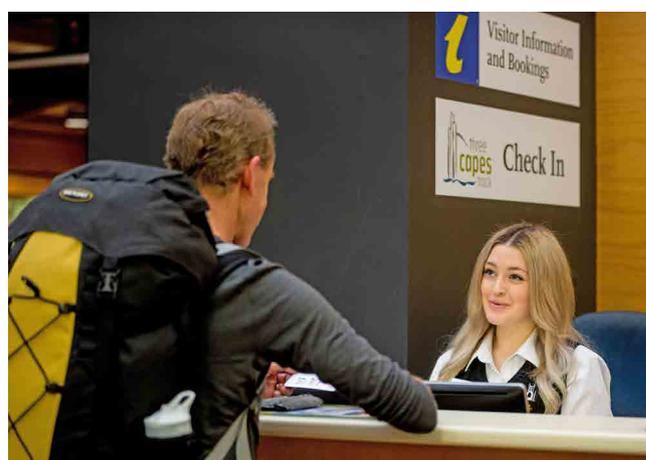
PREMIER

MINISTER FOR TOURISM, HOSPITALITY & EVENTS



Visitation to Tasmania

- In 2015-16, Tasmania attracted 1,167,900 visitors, 2 per cent more than the previous year for visitor numbers to the state.
- These visitors spent a total of \$2.05 billion throughout the state during their stay.
- They stayed a total of 10.20 million nights in the state, with each visitor staying an average of 8.7 nights.
- Around 553,900 people or 47 per cent of all visitors to Tasmania in 2015-16 came for the purpose of having a holiday.
- A further 308,800 people or 26 per cent of all visitors to Tasmania came to visit friends or relatives living here.
- Business and business event travellers accounted for another 238,600 visitors or 20 per cent of all visitors to Tasmania.
- Almost 1 million visitors or 86 per cent of all visitors to Tasmania in 2015-16 live in Australia.
- Victoria, New South Wales and Queensland accounted for 84 per cent of all interstate visitors to Tasmania in 2015-16.
- Tasmania welcomed a record 224,000 international visitors in 2015-16, with the USA, Hong Kong, and Singapore all recording significant growth during the year.





Our Priorities

Delivery of the T21 vision and visitation target requires a coordinated and collaborative approach across government and industry. To guide the growth and development of Tasmania's visitor economy, T21 focusses on four strategic priorities.

PRIORITY: Generate more demand for travel to Tasmania

This priority aims to market Tasmania effectively, to create a growing appeal for Tasmania, a desire or reason to visit, and the means for people to purchase their trip and travel here.

Progress on actions

Since the previous progress report of the T21 Visitor Economy Strategy in May 2016, the government and industry have:

- Appointed TNS Australia to deliver a tourism market research program through to June 2018
- Commenced new research into domestic tourism market segments for Tasmania
- Introduced a consumer demand research program for Tasmania in China, Hong Kong, NZ, USA, Singapore and India, in partnership with Tourism Australia
- Collaborated with Tourism Research Australia to conduct a China-specific destination visitor survey for Tasmania
- Launched the makeittasmania.com.au website and associated social media to promote the benefits of living in Tasmania
- Committed \$650,000 and established a steering committee to oversee the Tasmanian Brand Project
- Supported media visits from international and domestic markets including North America, Germany and Singapore and hosted familiarisation visits by international and domestic travel trade from key markets
- Participated in seven travel trade shows or sales missions targeting international markets
- Promoted Tasmania as a visitor destination as part of the Tasmanian India sales mission
- Invested around \$3.3 million in two domestic tourism marketing campaigns
- Worked with Tasmania's regional tourism organisations to develop brand-aligned content for marketing campaigns
- Undertook activities through the Qantas Airways MOU in domestic and international markets
- Delivered cooperative marketing campaigns, for example with Chinese online platform tuniu.com and in Germany with Tourism Australia and distribution partner DerTour
- Undertook cooperative marketing with commercial travel partners including Flight Centre, Helloworld, TripAdvisor, Expedia and RACQ in the domestic market
- Hosted the Tassie Specialist Conference
- Hosted the Talkabout Tassie Roadshow in Melbourne, Sydney and Brisbane
- Hosted the Tassie Cruise Exchange introducing cruise line and shore excursion executives to new Tasmanian experiences and products
- Committed \$1.25 million over 2 years to an Aviation Development Fund to grow demand in markets where future direct flights may be possible
- Promoted a winter incentive offer for the Three Capes Track.



PRIORITY: Grow air and sea access capacity

Access is a critical element of the Tasmanian visitor economy. As an island, the supply of adequate air and sea services connecting Tasmania to the Australian mainland and the world is crucial for the growth and development of its economy and achieving the vision of 1.5 million visitors a year.

Progress on actions

Since the previous progress report of the T21 Visitor Economy Strategy in May 2016, the government and industry have:

- Invested over \$225,000 in domestic cooperative marketing programs with access partners, including Qantas, Virgin and TT Line
- Commenced an evaluation of Tasmania's time-sensitive freight market including for individual commodities
- Completed work on a \$1.5 million mooring dolphin at Burnie Port to accommodate ships up to 315m long
- Completed upgrades to Hobart port at Macquarie 2 and 3
- Invested \$150,000 in a winter subsidy for Maria Island Ferry
- Appointed an operator for a new, year round regular passenger ferry service to Maria Island National Park.

PRIORITY: Invest in quality visitor infrastructure

Investment in private and public infrastructure is the backbone for growing the visitor economy. For Tasmania to achieve 1.5 million visitors a year by 2020 requires the ongoing development of exciting new visitor experiences to drive interest in Tasmania, stimulate visitor demand and encourage travel within the state.

Progress on actions

Since the previous progress report of the T21 Visitor Economy Strategy in May 2016, the government and industry have:

- Commissioned accommodation supply analyses for the East Coast, North West Coast and King Island
- Approved four leases/licences through the EOI process for tourism investment in Tasmania's World Heritage Area, national parks and reserves
- Released the inaugural Parks 21 progress report
- Approved eight projects under the \$5 million Tasmanian Government's Regional Revival Fund
- Released a Tasmanian Visitor Engagement Strategy
- Administered the 2016-17 round of the Tourism Demand-Driver Infrastructure Fund
- Released for comment a draft Tasmania's Cycle Tourism Strategic Action Plan
- Released for comment a draft Agri-Tourism position paper
- Released the Tasmanian Museum and Art Gallery Strategic Plan 2016-2021
- Commenced a comprehensive review of government contracts with bus service providers to ensure efficient and effective support connections between towns, cities and schools
- Incorporated active transport options [walking and cycling] in road works planning and improvements



- Undertook road shoulder widening on popular cycling routes
- Completed 29 projects through the \$8 million Tourism Infrastructure fund
- Tenders issued for completion of the Cape Raoul stage of the Three Capes Track project
- Completed a Tasmanian Planning Commission review of the Tasmanian Wilderness World Heritage Area Management Plan
- Completed and launched the free Wi-Fi network project
- Approved 12 tourism projects under the Tasmanian Jobs and Investment Fund achieving total public-private investment of \$18.5 million.

PRIORITY: Building capability, capacity and community

Tasmania has a welcoming culture. The friendliness and helpfulness of Tasmanians is a regular and frequent response from visitors about their Tasmanian travel experience. There is a need to sustain and build the state's reputation further and ensure that Tasmania is able to provide a high quality workforce for the future.

Progress on actions

Since the previous progress report of the T21 Visitor Economy Strategy in May 2016, the government and industry have:

- Provided a further \$150,000 a year for four years to support Business Events Tasmania marketing and coordination activities, including additional resources in the North of the State and increased focus on international markets
- Released the preliminary Tourism and Hospitality Workforce Audit report
- Continued the roll-out of the Great Customer Experience Program
- Provided \$300,000 as a special release skills fund to support the delivery of training identified through the Great Customer Experience program
- Released the 'Join the Industry' grants program for international student cookery graduates
- Prepared a THA Hospitality Workforce Plan to promote careers in hospitality and tourism
- Established a team of THA young ambassadors to engage with schools and students state-wide to promote the benefits of working in the industry
- Passed legislation to facilitate the entry of ride-sharing services in Tasmania
- Reviewed draft provisions and feedback on accommodation sharing under the State Planning Provisions
- Entered into an agreement with the Tourism Research and Education Network, along with the University of Tasmania, the Department of State Growth and the Queen Victoria Museum and Art Gallery, to coordinate tourism related research initiatives
- Provided funding to help the Tasmanian Aboriginal community establish the guided multi-day wukalina cultural walk
- Held a series of statewide activities celebrating the centenary of Tasmania's national parks
- Completed Destination Action Plans for West Coast, Bruny Island and Tasman, and commenced for Heritage Highway, Derwent Valley and Coal River, Central Highlands, Circular Head, Waratah Wynyard and Central Coast.



Measuring Progress

T21 – The Tasmanian Visitor Economy

Strategy measures five key indicators of growth in the Tasmanian visitor economy and progress towards achieving annual visitor numbers to Tasmania of 1.5 million by 2020.

These are:

- **Volume** – the number of visitors coming to Tasmania
- **Expenditure** – how much visitors are spending in Tasmania
- **Employment** – the number of direct and indirect jobs being created in Tasmania
- **Dispersal** – the regional share of all visitor nights spent in Tasmania
- **Satisfaction** – the quality of the experience being provided to our visitors

Volume

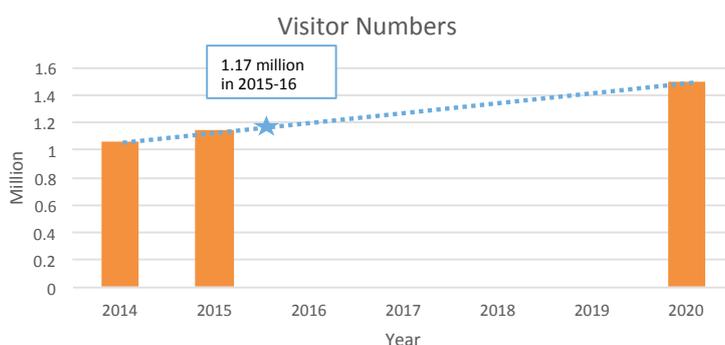
This measures how we are tracking towards our target of annual visitor numbers to Tasmania of 1.5 million by the year ending December 2020. Visitor Growth generates additional visitor spending, job creation and regional dispersal.

Data source: Tasmanian Visitor Survey, Tourism Tasmania

Base line: 1,068,000 visitors in YE 2014

Progress: 1,167,900 visitors in FY 2015-16

2020 Goal: 1,500,000 visitors for YE 2020



Expenditure

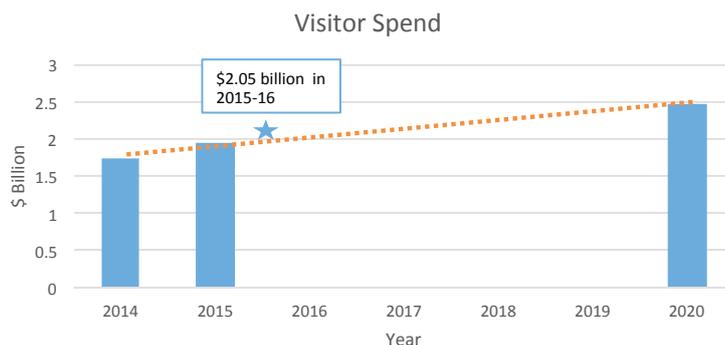
How much our visitors are spending across the Tasmanian economy is a measure of the export value of the Tasmanian visitor economy. Increased visitor spending generates capital investment and employment growth.

Date source: Tasmanian Visitor Survey, Tourism Tasmania

Base line: \$1.75 billion in YE 2014

Progress: \$2.05 billion in FY 2015-16

2020 Goal: \$2.47 billion for YE 2020¹



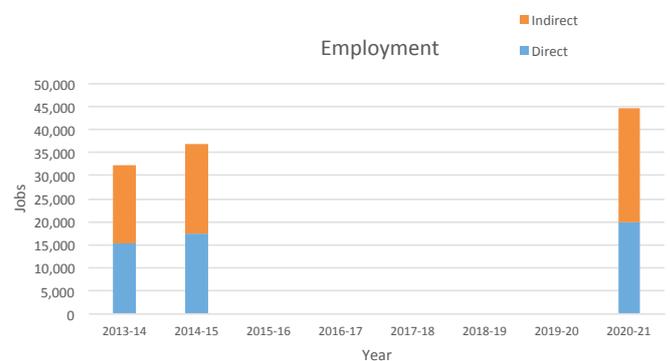
¹ Assumes the average spend per visitor in 2014 is the same in 2020



Employment

The number of direct and indirect jobs within the Tasmanian visitor economy measures growth in the tourism industry, capital investment, and its flow through the broader Tasmanian economy.

Date source: Tourism Satellite Account, Tourism Research Australia
 Base line: 15,200 Direct + 17,000 Indirect in FY 2013-14*
 Progress: 17,500 Direct + 19,200 Indirect in FY 2014-15
 2020 Goal: 20,000 Direct + 24,500 Indirect for FY 2020-21**

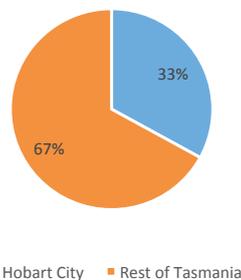


Dispersal

Measuring the share of all visitor nights spent outside Hobart City is a practical measure of whether regional Tasmania is sharing in the visitor growth.

Data source: Tasmanian Visitor Survey, Tourism Tasmania
 Base line: 66% of visitor nights in Tasmania were outside Hobart City in YE 2014
 Progress: 67% of visitor nights in Tasmania were outside Hobart City in FY 2015-16
 2020 Goal: 66% of all visitor nights in Tasmania are outside Hobart City

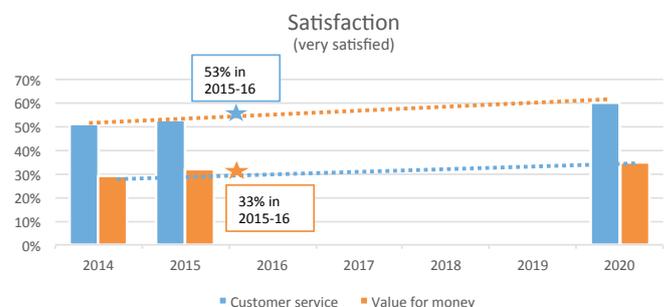
Visitor Nights



Satisfaction

Measuring visitors' level of satisfaction with their Tasmanian trip is a useful indicator of the extent to which the destination and the workforce have exceeded expectations. This is likely to result in more word of mouth endorsement and repeat visits.

Date source: Tasmanian Visitor Survey, Tourism Tasmania
 Base line: 51% of visitors were very satisfied with customer service in YE 2014 and 29% were very satisfied with value for money
 Progress: 53% of visitors were very satisfied with customer service in FY 2015-16, and 33% were very satisfied with value for money
 2020 Goal: 60% and 35%



* In 2014-15, The Australian Bureau of Statistics and Tourism Research Australia conducted a review of supply-side data and adjusted key industry ratios used for calculating the contribution of tourism in the national and state Tourism Satellite Accounts. As a result of the review and new benchmarks, the previously reported base line figures for tourism employment in Tasmania in 2013-14 have been readjusted.

** With the adjustment in base line data, the previously documented 2020 Goal for indirect employment in Tasmania has also been readjusted by the same amount.

² Based on known variables as at 2014-15



T21 – Governance

Premier’s Visitor Economy Advisory Council

The Premier’s Visitor Economy Advisory Council monitors overall progress on the key actions and agrees on new, strategic actions required to achieve the Government’s vision of 1.5 million annual visitors to Tasmania by 2020.

The council also engages with key stakeholders in the visitor economy to identify new opportunities for growth.

The Premier of Tasmania chairs the council.

Membership of the council includes:

- Minister for State Growth (Deputy Chair)
- Chair, Tourism Industry Council of Tasmania
- Chair, Tourism Tasmania
- President, Tasmanian Hospitality Association
- Secretary, Department of State Growth
- CEO, Tourism Tasmania
- Secretary, Department of Primary Industries, Parks, Water and the Environment

The council meets quarterly and issues public reports on progress against the T21 priorities every six months.

One report will be presented to the annual Tasmanian Tourism Conference in May of each year and provide the previous calendar year’s results, while the second report will be made in December each year and will provide the previous financial year’s results.

T21 Steering Committee

The T21 Steering Committee oversees and coordinates the delivery and reporting against the T21 actions by the relevant organisations. The committee meets quarterly and reports on progress to the Advisory Council.

The CEO of Tourism Tasmania chairs the T21 Steering Committee.

Membership of the committee includes:

- Secretary, Department of State Growth
- Secretary, Department of Primary Industries, Parks, Water and the Environment
- General Manager, Parks & Wildlife Service
- Deputy Secretary, Cultural and Tourism Development, Department of State Growth
- CEO, Tourism Industry Council of Tasmania
- General Manager, Tasmanian Hospitality Association
- Director of Operations & Planning, Tourism Tasmania



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