

Progress Report 9

May 2020



The Tasmanian Visitor Economy Strategy 2015-2020

[www.T21.net.au]



Tourism Industry
Council Tasmania



Tasmanian
Government



Premier's Message

Heading into 2020, Tasmania and its industry was the envy of the nation, nationally recognised for our world class destination and high quality, unique products and experiences. The growth of our visitor economy over the past decade was testament to the hard work and commitment of so many of you working in the tourism and hospitality industry.

Unprecedented times has resulted in some fundamental changes to the way we live our lives and the professionalism of the tourism and hospitality industry and their regard for the safety of staff, customers and Tasmanians during such an incredibly challenging time has been simply outstanding.

The visitor economy will be one of the key pillars that will support our future economy, as a key jobs creator and driver of regional economies. Just as we have worked together to minimise the spread of coronavirus in our community, we will also need to work together to rebuild a stronger visitor economy.

The T21 partnership between Government and industry will play a fundamental part in the State's recovery and inform the broader recovery work being driven by the recently established Social and Economic Advisory Council. A more responsive and agile T21 governance structure has been implemented, through a dedicated T21 Recovery Committee that will meet fortnightly, reporting into the Premier's Visitor Economy Advisory Council which is meeting regularly, meaning that tourism leaders from industry and government will be fully engaged over the short and medium term to rebuild Tasmania's visitor economy.

The top priority for this group will be working to re-establish aviation access back to our state. Our visitor economy will be dependent upon this when it is safe to reopen our borders to interstate travellers. The T21 Recovery Committee has been tasked with working with its industry partners to develop a Recovery Plan, which will help drive demand, beginning with our intrastate market, followed by interstate markets and finally the international market.

Nonetheless it is important to reflect on the industry's collective achievements as well as challenges ahead, and this report demonstrates the progress made towards achieving T21 targets before the pandemic affected economies globally.

I thank you personally and as Premier of this beautiful State for your support, I admire the professionalism and resilience which is always on display and will be essential to our collective efforts to reclaim our position as Australia's premium tourism destination.

The Honourable Peter Gutwein MP
Premier

Treasurer

Minister for Climate Change

Minister for Prevention of Family Violence

Minister for Tourism



Rebuilding our visitor economy

The existing T21 Tasmanian Visitor Economy Strategy will conclude at the end of 2020. While work commenced last year to create a shared vision for the future of tourism and the visitor economy in Tasmania to 2030, this has fundamentally changed due to the impact of the COVID-19 pandemic globally and at a domestic level.

Tourism is important to the state and will remain vital to the economic recovery of Tasmania. Since the launch of T21 in 2015 annual visitor spending in Tasmania had grown by over half a billion dollars, contributing \$3.6 billion or 11 per cent to Gross State Product*. There were over 43,200* tourism jobs (direct and indirect) right across the state. Through the T21 partnership, industry and government will work to restore the industry's strong position, to create a future for tourism that benefits all Tasmanians.

The T21 Recovery Committee and Premier's Visitor Economy Advisory Council are convening regularly to provide direction and oversight for the recovery and rebuilding of the tourism and hospitality industry in Tasmania, ensuring recovery strategies are prioritised and coordinated across government and industry for maximum impact.

A two-year recovery plan will be released by September 2020, aligned to work underway in the Premier's Economic and Social Recovery Advisory Council, to be followed by the release of the new draft 2030 Visitor Economy Strategy for public consultation by September 2022.

Fondru's Fromagerie & Wine Bar © Osborne Images





Visitation to Tasmania

- In 2019, Tasmania attracted 1,352,000* visitors, 2.7 per cent more visitors to the state than the previous year.
- These visitors spent a total of \$2.54 billion throughout the state during their stay.
- They stayed a total of 10.87 million nights in the state, with each visitor staying an average of 8.0 nights.
- Around 635,100 people or 47 per cent of all visitors to Tasmania in 2019 came for the purpose of having a holiday.
- A further 350,400 people or 26 per cent of all visitors to Tasmania came to visit friends or relatives living here.
- Business, employment and business event travellers accounted for another 286,700 visitors or 21 per cent of all visitors to Tasmania.
- A total of 1,157,400 visitors or 86 per cent of all visitors to Tasmania in 2019 lived in Australia.
- Victoria, New South Wales and Queensland accounted for 86 per cent of all interstate visitors to Tasmania in 2019.
- Tasmania welcomed 282,900* international visitors in 2019 with China, USA, Hong Kong, United Kingdom and New Zealand being the largest markets.

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Our Priorities

The T21 vision is for Tasmania to be a world-leading destination of choice, with a vibrant visitor economy supported by our tourism and hospitality industries, strong business and education sectors and a community that embraces our visitors and all the benefits they bring.

A mid-term review of the strategy established a renewed focus on visitor yield and regional dispersal, which aims to increase the value of visitors and more widely share the benefits of growth in the visitor economy across Tasmania's communities.

The greatest gain from our visitors is realised by how widely they journey throughout our state, the contributions they make to the communities they visit and the economic and social value they bring.

This includes visitors dispersing further and travelling to new areas, staying longer or arriving outside of peak season and spending more in local visitor economies.

To deliver the greatest benefits for the community, a coordinated and collaborative approach between government and industry will support and guide future development, activity, infrastructure and investment in the state's visitor economy.

The actions delivered against the T21's four strategic priorities during this period, demonstrate the important work underway to build a sustainable visitor economy that strengthens Tasmania's regional communities and provides high quality experiences to our visitors.

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 T21 report in December 2019, together the government and industry have:

- Progressed investigation of a new model for establishing a Registered Training Organisation to be run by industry for industry, addressing skills shortages and to complement offerings available through other training providers in the sector
- Initiated a partnership with the Australian Tourism Export Council to deliver 'Export Ready' training for Tasmanian operators aiming to work in the international market
- Worked with multiple travel trade partners to deliver Tasmanian destination and product training online
- Hosted workshops to inform operators about the new brand platform 'Come Down for Air' with 143 operators participating in interactive sessions to uncover what 'air' they can offer their customers, enabling alignment of their marketing efforts with Tourism Tasmania's marketing strategy
- Continued to deliver Tourism Tasmania's research and insights program; including monitoring Tasmania's brand strength, Tasmanian Visitor Research visitor tracking project, testing of audiences for the Unordinary Adventures program and collation of consumer and destination insights during the COVID-19 pandemic



- Presented the Tourism Industry Council Tasmania's Leadership Luncheon series including the *Tourism Collective* International Women's Day celebration
- Launched the TICT's *Incubator Plus* program, providing free business coaching and career mentoring to assist with post COVID-19 business recovery
- Produced the continuing series of *Talking Tourism* COVID-19 podcasts to share information and insights from industry experts
- Supported the Tasmanian Hospitality Association (THA) and Tourism Industry Council Tasmania (TICT) to facilitate business continuity and cash flow advice to tourism and hospitality businesses affected by the COVID-19 crisis
- Waived Payroll Tax liabilities for hospitality and tourism businesses for the year to 30 June 2020
- Applied a 50 per cent discount on liquor licencing fees and a waiver of all application fees for the 2020 calendar year
- Waived a number of lease, license and National Parks fees for tourism operators from 1 April to 30 June 2020
- Developed a three-stage strategy for return to full opening of National Parks and reserves post COVID-19 shutdown; including development of a social media program to encourage visitation, and recovery plans for Parks visitor centres to reopen to the public
- Implemented a comprehensive and coordinated communications plan across T21 partners to ensure tourism industry operators and stakeholders were informed of developments and government decisions during the crisis, lock down and evolving stages of the COVID-19 pandemic
- Stood up the T21 Recovery Committee and Premier's Visitor Economy Advisory Council to provide strategic oversight and policy direction for the tourism and hospitality industry's recovery following the impact of the COVID-19 pandemic.

PRIORITY: Invest in quality visitor infrastructure

Investment in private and public infrastructure and visitor experiences is the backbone for growing the visitor economy. For Tasmania to maximise the benefits from tourism it 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 T21 report in December 2019, together the government and industry have:

- Completed upgrades at National Park sites as part of the Tasmanian Government's Improved Statewide Visitor Infrastructure program including walking tracks and boat ramp at Sarah Island; stairs at Russell Falls, Mount Field; shared use trail at Freycinet National Park; and commenced renewal of two huts on the Overland Track
- Commenced a feasibility study, stakeholder consultation and preparation of a Request For Quote for an economic and social impact study for the Next Iconic Walk preferred option of the Tyndall Range on the west coast
- Begun delivery of the \$1.5 million Public Building and Maintenance Fund to improve Parks & Wildlife Service tourism-related infrastructure such as visitor centres, roads and signage
- Commenced work as part of the Fire Affected Asset Recovery program to reinstate Parks infrastructure
- Released the Tasmanian Wilderness World Heritage Area Tourism Masterplan for public comment closing 25 June 2020
- Continued to implement the Cradle Mountain Master Plan including detailed analysis of the cableway solution; and completed evaluation of EOI bidder proposals for the Gateway precinct alpine village, and terms prepared to negotiate with the preferred bidder following a pause due to COVID-19



- To date unlocked over \$14 million worth of upgrades with 13 projects approved for low interest loans under the Tourist Accommodation Refurbishment Loan Scheme (TARLS); and a marketing program developed in consultation with the Tasmanian Hospitality Association to promote the scheme to regional operators (paused due to COVID-19 impact)
- Opened the Regional Tourism Projects Program to support regional tourism industry development through projects aligned to state, regional or local strategic priorities, receiving 16 applications to date and around \$100,000 worth of projects approved
- Accelerated the Tasmanian Journeys project taking a state-wide approach to develop all drive journeys concurrently for launch in spring; including the Southern, Central and Northern/North West Journeys and an evolved Great Eastern Drive
- Published the reports for the projects 'Reimagining Our Regions' Far North-west and the Far South.

Hastings Caves and Thermal Springs visitor centre © Osborne Images



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. At the same time, in-state transport solutions and infrastructure are important for a growing visitor economy and enhancing the visitor experience.

Progress on actions

Since the previous T21 report in December 2019, together the government and industry have:

- Secured Tasmanian Government funding support for critical air services for Burnie, King Island and Flinders Island during the COVID-19 travel restrictions
- Obtained federal and state government funding for essential air freight services during COVID-19 travel restrictions
- Secured minimum flight network operation for Tasmania during the COVID-19 travel restrictions to ensure adequate seat capacity for essential travellers, departing visitors and returning Tasmanians
- Completed the Bruny Island Tourism Roads upgrade including sealing, and provided funding support for council road infrastructure
- Completed Sumac Road and Roger River Road improvements in the Tarkine.



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 T21 report in December 2019, together the government and industry have:

- Implemented tactical marketing between January and March for mountain biking, fly fishing, golf and walking as part of the Unordinary Adventures program; with campaign activity paused due to COVID-19 travel restrictions
- Partnered with Tourism Australia to ensure Tasmania is featured in their domestic and international marketing including the Holiday Here This Year campaign, media hosting, PR activity and the Live from Aus campaign
- Implemented a content based program across Australia through social, PR (print) and television (The Project/ Tourism Australia collaboration), continuing to engage with audiences and build aspiration for travel to Tasmania while the Come Down for Air brand campaign is paused due to travel restrictions
- Modified the China social media program to deliver brand awareness messaging, ‘moments of calm’ videos and a focus on Tasmania’s nature and wildlife utilising WeChat and Weibo platforms
- Continued engagement with European audiences including through the ‘Tasmanian 5’ platform in Germany that showcases five of Tasmania’s native animals; and collaborated with Tourism Australia and southern states to air the television program ‘Eschapee Belle’ in France that featured Tasmania
- Developed an intrastate marketing campaign along with consumer testing and research into the previously untested Tasmanian market, as a response to the impact on tourism of the January bushfires and COVID-19 pandemic
- Partnered with the Tasmanian Hospitality Association to develop a locally focussed campaign to encourage Tasmanians to return to hospitality venues with the relaxing of restrictions
- Supported regional events through the Events Tasmania Attraction Fund including the Festival of Small Halls, King Island Imperial Running Race and Bream Creek Farmers Market; with the program subsequently paused due to COVID-19.

St Helens Mountain Bike Trails - Trail head © Stu Gibson





Measuring Progress

In building its visitor economy, Tasmania looks beyond visitor numbers alone to determine the contribution visitors are making to the Tasmanian community.

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.

These are:

- Volume** – the number of visitors coming to Tasmania
- Expenditure** – how much visitors are spending in Tasmania
- Employment** – direct and indirect jobs created in Tasmania by visitors
- Dispersal** – the proportion of visitor nights spent in Tasmania’s regional communities
- Satisfaction** – the quality of our visitors’ Tasmanian experience

VOLUME Measuring 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.
2020 GOAL: 1,500,000 visitors for YE 2020
PROGRESS: 1,352,200 visitors at YE December 2019*

Data Source: Tasmanian Visitor Survey, at YE December 2019, Tourism Tasmania



1.35 MILLION VISITORS WELCOMED TO TASMANIA IN YEAR ENDING DECEMBER 2019



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, employment growth and helps sustain a diverse range of small businesses throughout the state.
2020 GOAL: \$2.47 billion in 2020
PROGRESS: \$2.54 billion at YE December 2019*



RECORD \$2.54 BILLION 2019 visitor spending



EMPLOYMENT How many 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.
2020 GOAL: 20,000 direct + 24,500 indirect in 2020-21**
PROGRESS: 22,300 direct + 20,900 indirect in 2018-19***

**2020 employment goal based on known variables as at 2014-15

***Data source: State Tourism Satellite Accounts 2018-19. Tourism Research Australia

MORE TASMANIANS PER CAPITA EMPLOYED IN TOURISM THAN ANY OTHER STATE OR TERRITORY**



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.
2020 GOAL: Maintain 66 per cent of visitor nights in Tasmania being spent outside Hobart city
PROGRESS: 66 per cent of visitor nights in Tasmania were spent outside Hobart city YE December 2019*

*Data Source: Tasmanian Visitor Survey, year ending December 2019, Tourism Tasmania



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.
2020 GOAL: 60 per cent satisfied with customer service and 35 per cent satisfied with value for money
PROGRESS: 59 per cent of visitors were very satisfied with customer service, and 37 per cent were very satisfied with value for money, YE December 2019*

*Data Source: Tasmanian Visitor Survey, year ending December 2019, Tourism Tasmania

59% VERY SATISFIED customer service*





T21 – Governance

Premier’s Visitor Economy Advisory Council

The Premier’s Visitor Economy Advisory Council monitors overall progress on the actions and agrees on new, strategic actions required to achieve the Government and industry’s shared T21 goals. The council also engages with 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 Tasmania
- Chair, Tourism Industry Council Tasmania
- President, Tasmanian Hospitality Association
- CEO, Tourism Tasmania
- Secretary, Department of State Growth
- Secretary, Department of Primary Industries, Parks, Water and Environment
- Chair, Tasmanian Heritage Council
- Chair, Brand Tasmania
- Coordinator-General.

The council met quarterly and issued public reports on progress against the T21 priorities every six months. One report was released to coincide with the annual Tasmanian Tourism Conference each year and provided the previous calendar year’s results, while the second report was released in December each year and provided 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 met quarterly and reported on progress to the Premier’s Visitor Economy Advisory Council.

The CEO of Tourism Tasmania chairs the T21 Steering Committee. Membership of the committee includes:

- Secretary, Department of State Growth (Deputy Chair)
- Secretary, Department of Primary Industries, Parks, Water and Environment
- CEO, Tourism Industry Council Tasmania
- CEO, Tasmanian Hospitality Association
- Director, Visitor Economy Strategy, Tourism Tasmania
- Deputy Secretary, Cultural and Tourism Development, Department of State Growth
- Deputy Secretary, Parks & Wildlife Service
- Coordinator-General.



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Bruny Island Cheese Co. © Adam Gibson