

Progress Report 4

December 2017



The Tasmanian Visitor Economy Strategy 2015-2020

[www.T21.net.au]





Tasmania's visitor economy continues to go from strength to strength.

Over the past year we have welcomed a record 1.27 million visitors, who have spent a record \$2.26 billion during their stay here. All regions are reporting growth, with higher visitation, occupancy and yields.

None of this success has happened by chance. It is the result of a vital partnership between industry and government – T21 – the Tasmanian Visitor Economy Strategy – that underpins our strategic direction, objectives and vision.

During this term of government we have launched the new T21 strategy to stay ahead of the pack, and to take Tasmanian tourism to the next level by generating greater visitor demand, improving access, increasing infrastructure investment and enhancing capability and capacity in the sector.

We are making very strong progress and meeting these goals.

We are also strongly committed to accountability by releasing six monthly updates on our performance under T21.

And we will continue to consult with all key stakeholders to understand the challenges and opportunities that our industry faces.

This year we held a Visitor Economy Roundtable which involved around 70 industry and government representatives. It was a powerful forum that looked to the future of our visitor economy and what the next version of our strategic plan should include.

There was a focus on improved access, new products, experiences and services and a commitment to building workforce capacity and career pathways.

There is also a growing focus on targeting markets that return a higher yield, visitor dispersal and increased regional visitor nights.

I want to thank everyone who has contributed to the progress and success of T21. It is a unique and very effective partnership with industry that my Government truly values.

I look forward to continuing to work with industry on the next chapter of success for Tasmania's great visitor economy.

The Honourable Will Hodgman MP

PREMIER

MINISTER FOR TOURISM, HOSPITALITY & EVENTS



Visitation to Tasmania

- In 2016-2017, Tasmania attracted 1,269,600 visitors, 9 per cent more visitors to the state than the previous year.
- These visitors spent a total of \$2.26 billion throughout the state during their stay.
- They stayed a total of 10.83 million nights in the state, with each visitor staying an average of 8.5 nights.
- Around 623,300 people or 49 per cent of all visitors to Tasmania in 2016-17 came for the purpose of having a holiday.
- A further 342,900 people or 27 per cent of all visitors to Tasmania came to visit friends or relatives living here.
- Business and business event travellers accounted for another 238,000 visitors or 19 per cent of all visitors to Tasmania.
- A total of 1,058,800 visitors or 83 per cent of all visitors to Tasmania in 2016-17 lived in Australia.
- Victoria, New South Wales and Queensland accounted for 85 per cent of all interstate visitors to Tasmania in 2016-17.
- Tasmania welcomed a record 253,200 international visitors in 2016-17, with China, Hong Kong and the USA 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 T21 Visitor Economy Strategy progress report in May 2017, the government and industry have:

- invested around \$4,800,000 to conduct two domestic marketing campaigns including the Season of Curious II and Go Behind the Scenery X
- undertaken domestic cooperative marketing campaigns with TripAdvisor, Flight Centre, Helloworld, Expedia, Wotif, RACQ, TasVacations, AOT and AFL Travel
- coordinated a roadshow to connect Tasmanian tourism industry operators with frontline travel sellers in Melbourne, Sydney and Brisbane
- supported media and tourism industry famils from key domestic and international markets
- conducted cooperative marketing with key international distribution partners in Germany, Switzerland, USA, China, Hong Kong, Singapore and Malaysia, hosted key social media influencers from the Asian region and worked with Tourism Australia on the youth market campaign with global media partner BuzzFeed

- announced a refreshed international market approach and commenced contracts for in-market representatives in key eastern markets of China and South East Asia, and implemented an innovative new partnership with Tourism Australia to support in-market representatives in the key western markets of North America and Continental Europe
- attended international travel trade events including ATEC Marketplace, Corroboree West 2017, Greater China Travel Mission, International Media Marketplace and the 2017 China Australia Year of Tourism activities
- received the Interpretation Australia national award for the Three Capes Track
- implemented a Maria Island Re-discovered marketing program
- published the Visitor Guide to Tasmania's National Parks and Reserves
- undertaken an international student recruitment mission to China and Taiwan with the University of Tasmania
- hosted an education agents familiarisation to promote Tasmania's VET and higher education facilities.

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 Visitor Economy Strategy progress report, the government and industry have:

- released the second year report on the Access 2020 strategy
- invested \$580,000 in domestic cooperative marketing programs with access partners including Qantas Airways, Jetstar Airways, Virgin Airways and TT-Line
- commenced a new Tigerair direct Gold Coast to Hobart service that will add 60,000 new seats per annum
- commenced a new Jetstar direct Adelaide to Hobart service that will add 56,000 new seats per annum
- commenced two additional Sydney to Hobart services adding 34,000 seats per annum
- commenced a cruise review including eight destination consultation sessions.

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 T21 Visitor Economy Strategy progress report, the government and industry have:

- approved over \$5.2 million worth of loans to nine eligible Tasmanian businesses through the Tourism Accommodation Refurbishment Loan Scheme
- provided over 350,000 users with internet access at one of 153 access points across 60 locations on the government's free Wi-Fi network

- finalised five accommodation demand studies
- commenced delivery of the Regional Tourism Infrastructure Investment Attraction Strategy for the east coast of Tasmania
- opened Tasmania's largest hotel, the Ibis Styles Hobart increasing accommodation in Hobart by 296 rooms
- progressed the Cradle Mountain Master Plan to undertake more detailed economic and environmental feasibility studies
- commenced development of a long-term tourism master plan for Freycinet National Park, and committed \$1.8 million to support restoration of the Darlington site and improve facilities on Maria Island
- managed the Expressions of Interest process for tourism opportunities in national parks, reserves and Crown land, including executing lease agreements for horse riding and nature tours at Narawntapu National Park, and the Freycinet Lodge extension
- invested in track and facilities improvements at Fortescue Bay, Shipstern Bluff, South Coast Track, Lillico Beach, Horsetail Falls, Port Arthur Historic Site, Bruny Island Neck and Wineglass Bay
- installed signage and interpretation at Richmond Gaol, Mt Field and Cradle Mountain
- upgraded vehicle access and walking tracks to service the *krakani lumi* standing camp for the *wukalina* walk
- established a government, industry and regional tourism organisations working group to deliver the first stage of the Tasmanian Journeys Project under the Tasmanian Visitor Engagement Strategy
- approved four Destination Action Plan (DAP)/Visitor Engagement Fund projects that support active DAP leadership groups in the south, north and east coast.



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 Visitor Economy Strategy progress report, the government and industry have:

- approved funding to 20 events through Events Tasmania funding programs
- provided six event management scholarships to Tasmanian event organisers to undertake the Executive Certificate in Event Management interstate
- invested \$3.2 million to develop Drysdale TasTAFE in Hobart into a centre of excellence and established an industry representative sub-committee to oversee its operations
- committed \$3 million over four years to drive growth in international and interstate student enrolments in Tasmania recognising their contribution to the visitor economy
- presented the annual Study Tasmania International Education Shine Awards recognising excellence in international education across Tasmania
- enabled 187 Tasmanians to participate in the Tasmanian Hospitality Association's (THA) Hospitality Awareness Program supported by Skills Tasmania
- launched the Tasmanian Cycle Tourism Strategy and \$4.2 million Cycle Tourism Fund
- committed \$800,000 to support the Blue Derby mountain bike trails and \$1 million to support the St. Helens mountain bike trail network
- released the draft Agri-Tourism strategy for public consultation
- hosted the annual Parks 21 forum
- supported *palawa* enterprises to develop the *wukalina* walk
- conducted training in regional areas to boost the knowledge of Tasmania's national parks and reserves with local tourism operators
- partnered with Tourism Research Australia to commission Access Economics to produce the Regional Tourism Satellite Account
- commenced a research needs analysis to better understand Tasmania's tourism industry research requirements
- commenced review of the Tasmanian Visitor Survey to sharpen the instrument for better understanding of visitors to Tasmania
- completed Destination Action Plans for 32 areas across the state
- hosted approximately 2,500 interstate participants at the Australian Masters Games on the north west coast
- implemented the 'Tourism. It's a team effort' social media campaign to raise awareness of how workers and volunteers across sectors contribute to the visitor economy
- continued to implement the THA Workforce Development Plan including the Great Customer Experience program with over 200 new venues participating
- enabled THA Ambassadors to engage with the Beacon Foundation and school-based events reaching over 4,000 students in the past year, and worked with employment agencies to target job seekers
- focussed on school-based apprenticeships with Kitchen Apprenticeships increasing in number
- announced the Tasmanian Hospitality Awards in August and the Tasmanian Tourism Awards in November recognising excellence across the industry
- convened the THA state conference.



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

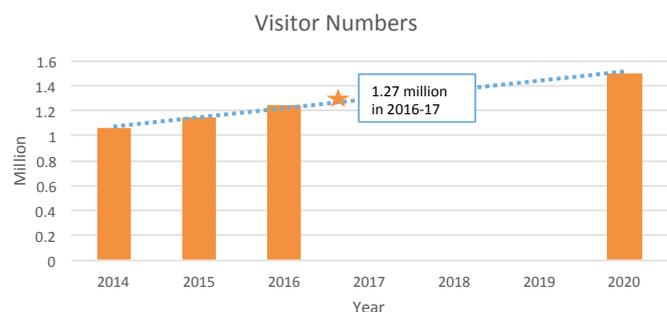
This measures how we are tracking towards our target of annual visitor numbers to Tasmania of 1.5 million by the year ending December 2020. Visitor Growth generates additional visitor spending, job creation and regional dispersal.

Data source: Tasmanian Visitor Survey, Tourism Tasmania

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

Progress: 1,269,600 visitors in FY 2016-17

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



Expenditure

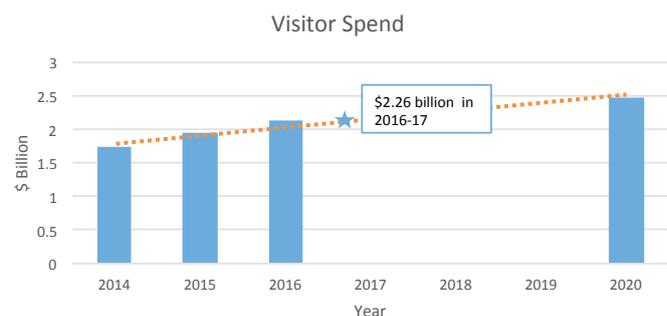
How much our visitors are spending across the Tasmanian economy is a measure of the export value of the Tasmanian visitor economy. Increased visitor spending generates capital investment and employment growth.

Data source: Tasmanian Visitor Survey, Tourism Tasmania

Base line: \$1.75 billion in YE 2014

Progress: \$2.26 billion in FY 2016-17

2020 Goal: \$2.47 billion for YE 2020¹



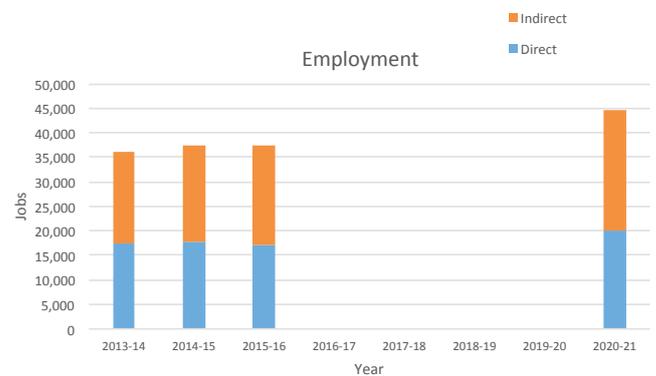
¹ Assumes the average spend per visitor in 2014 is the same in 2020



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.

Data source: Tourism Satellite Account, Tourism Research Australia
 Base line: 15,200 Direct + 17,000 Indirect in FY 2013-14*
 Progress: 17,200 Direct + 20,200 Indirect in FY 2015-16
 2020 Goal: 20,000 Direct + 24,500 Indirect for FY 2020-21**

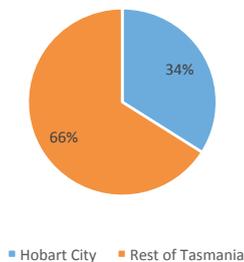


Dispersal

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: 66% of visitor nights in Tasmania were outside Hobart City in FY 2016-17
 2020 Goal: 66% of all visitor nights in Tasmania are outside Hobart City

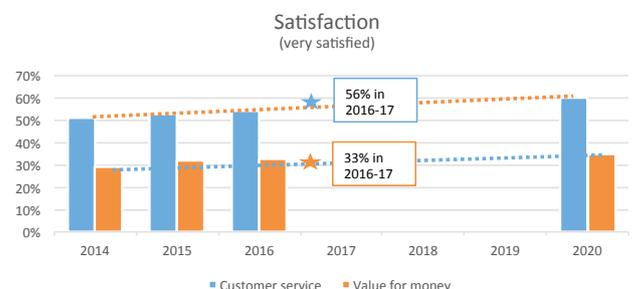
Visitor Nights



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.

Data 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: 56% of visitors were very satisfied with customer service in FY 2016-17, and 33% were very satisfied with value for money
 2020 Goal: 60% and 35% respectively



* 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 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 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
- Deputy Secretary, Parks & Wildlife Service
- Deputy Secretary, Cultural and Tourism Development, Department of State Growth
- CEO, Tourism Industry Council Tasmania
- General Manager, Tasmanian Hospitality Association
- Chief Operating Officer, Tourism Tasmania.



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