

Progress Report

May 2016



The Tasmanian Visitor Economy Strategy 2015-2020

[www.T21.net.au]





Tasmania's popularity continues to grow as interstate and international visitors travel to our island for business and leisure more than ever before.

This is generating many benefits for Tasmania and its economy.

In recent months, key statistics, media articles and opinion pieces from respected authors, attribute various elements of our thriving economy to the boom in visitors to our state.

Some articles talk about retail spending being boosted by our record visitor numbers. Other reports talk about visitors falling in love with Tasmania and moving back here to live, stimulating population growth, fuelling demand for housing and improving local property values.

We are also experiencing a boom in our construction sector as new hotels and visitor experiences are being built to cater for increased visitor demand. This construction creates work for tradespeople and the many local businesses that supply and support the construction companies. And when completed, these new hotels and

experiences will require well-trained and highly skilled staff to ensure our visitors continue to enjoy world-class Tasmanian hospitality when they're here.

This demonstrates the far-reaching impact of a strongly performing visitor economy and shows that the benefits extend well beyond our traditional tourism establishments.

Through T21, the government and industry are working together on four priorities to sustain our growing visitor economy over the next four years to reach 1.5 million visitors a year by 2020.

When launching T21 six months ago, I committed to providing regular updates on Tasmania's performance and progress towards the agreed visitor goal.

I am therefore pleased to provide the first T21 Progress Report, which updates Tasmania's key T21 measures for the year ending December 2015, and outlines our progress against the four priorities identified in T21 - The Tasmanian Visitor Economy Strategy 2015 -2020.

The Honourable Will Hodgman MP

PREMIER

MINISTER FOR TOURISM, HOSPITALITY & EVENTS



Visitation to Tasmania

- In 2015, Tasmania attracted 1,153,300 visitors, 8 per cent more than the previous year and a new record for visitor numbers to the state.
- These visitors spent a total of \$1.95 billion throughout the state during their stay.
- They stayed a total of 10.02 million nights in the state, with each visitor staying an average of 8.7 nights.
- Around 520,000 people or 45 per cent of all visitors to Tasmania in 2015 came for the purpose of having a holiday.
- A further 315,600 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 241,600 visitors or 21 per cent of all visitors to Tasmania.
- Almost 1 million visitors or 86 per cent of all visitors to Tasmania in 2015 live in Australia.
- Victoria, New South Wales and Queensland accounted for 85 per cent of all interstate visitors to Tasmania in 2015.
- Tasmania welcomed a record 211,800 international visitors in 2015, with China, the USA and UK 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 launch of the T21 Visitor Economy Strategy in November 2015, the government and industry have:

- Invested in the Tasmanian Visitor Survey, the Tourism Info Monitor and other research programs to identify, guide and evaluate marketing programs
- Invested around \$5.8 million to conduct two major domestic tourism marketing campaigns in spring 2015 and autumn 2016
- Implemented a program of cooperative marketing with commercial travel partners including Flight Centre, AOT, TT Line, TasVacations, RACT, Innkeepers and RACQ
- Undertaken a cooperative marketing campaign with Jetstar to raise awareness and create demand for their new service between Avalon Airport and Tasmania
- Worked with Tourism Australia to promote Tasmania's strengths as part of Australia's new international Aquatic and Coastal campaign
- Worked with Tasmania's regional tourism organisations to develop brand-aligned content for marketing campaigns

- Invested \$505,500 to fund seven events under the Regional Start-up Program; four in the north, two in the north-west and one on the west coast.
- Granted four lease/licences under the EOI process for tourism investment opportunities in Tasmania's World Heritage Area, National Parks and Reserves
- Delivered the Tourism Demand-Driver Infrastructure program and Regional Tourism Infrastructure and Innovation Fund program, which provided a total of \$5.15 million to support 32 local projects
- Completed the Cradle Mountain Master Plan
- Completed four destination action plans covering King Island, St Helens, Greater Hobart and Georgetown. A further five plans are underway for West Coast, Triabunna, Tasman, Tamar River and Bruny Island
- Launched the new Three Capes Track
- Completed the Northern Tasmania Nature Tourism Audit
- Developed a North-East Mountain Biking Strategy.

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 launch of the T21 Visitor Economy Strategy in November 2015, the government and industry have:
- Launched Tasmania's Access 2020 Strategy, to ensure air and sea services to/from Tasmania meet future demand



- Invested over \$500,000 in domestic cooperative marketing programs with access partners, including Qantas, Jetstar, Virgin, Tiger Airlines and Spirit of Tasmania
- Increased air capacity to Tasmania by around 140,000 seats through expanded QantasLink Services and a new Jetstar Avalon service
- Developed new code-sharing arrangements between international airlines and domestic carriers, and associated marketing plans
- Completed the \$31.5 million refurbishment of the Spirits of Tasmania and boosted day sailing schedules
- Established an Access 2020 Project Cruise Subcommittee to increase the value of cruise shipping to Tasmania following a record season in 2015-16.
- Commenced a regular passenger transport service by Par Avion between Hobart and Burnie to improve connectivity from Hobart to King Island
- Increased regular passenger transport capacity to King Island from Melbourne by Sharp Airlines and Vortex Air
- Completed the \$3.6 million Launceston Airport Terminal Redevelopment
- Progressed the \$26 million Hobart International Airport terminal upgrade and redevelopment
- Approved a winter subsidy for the Maria Island ferry service to provide free access for visitors to Maria Island over the winter months.

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.

Private investment in new and existing visitor services, experiences and infrastructure will be crucial to Tasmania's ongoing economic performance and the jobs that flow from a strong and healthy visitor economy.

Progress on actions

Since the launch of the T21 Visitor Economy Strategy in November 2015, the government and industry have:

- Reviewed the Ten-Year State Roads Strategy
- Released the draft Ten Year Infrastructure Investment Plan for the State Road Network for public comment
- Prioritised infrastructure needs in the state's natural areas through the Parks 21 Strategy
- Completed a Northern Tasmania infrastructure audit
- Granted four leases/licences to operate in Tasmania's Parks under EOI process for development in Tasmania's Wilderness World Heritage Area, National Parks and Reserves.
- Progressed a further 25 respondents under Parks EOI process through to Stage 2 of the process
- Continued to implement the Tasmanian Wi-Fi hotspots project
- Administered approximately 200 commercial leases and/or licences in Tasmania's National Parks and Reserves
- Introduced legislation to facilitate the operation of ride-sourcing in Tasmania, including UberX services
- Announced a policy position in relation to accommodation-sharing
- Supported 950 business entities to participate in the Australian Tourism Accreditation Program
- Completed an audit of accommodation for Northern Tasmania
- Commissioned accommodation audits for Tasmania's east coast and the north-west, including King Island.
- Delivered the Tourism Demand-Driver Infrastructure



and Regional Tourism Infrastructure and Innovation Fund programs, which have provided a total of \$5.15 million to support 32 local projects

- Submitted the new Tasmanian Wilderness World Heritage Area (TWWHA) Management Plan to the Tasmanian Planning Commission for review
- Launched the new Three Capes Track
- Released the Cultural and Creative Industries Strategy.

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 launch of the T21 Visitor Economy Strategy in November 2015, the government and industry have:

- Signed the Fujian-Tasmania Tourism Exchange Memorandum of Understanding, including an exchange visit between a Fujian tourism professional and a Tasmanian industry representative.
- Continued the development of destination action plans throughout the state
- Conducted a destination action planning process to identify common actions and state-wide priorities arising from the destination management plans
- Provided funding support to Business Events Tasmania, Brand Tasmania, the Tourism Industry Council Tasmania, four Regional Tourism Organisations, and the Tasmanian Hospitality Association through grant deeds
- Introduced a Customer Experience Program to help

hospitality and tourism businesses and employees develop a high quality customer experience culture

- Commenced a preliminary tourism and hospitality workforce audit to help guide the development of a state-wide tourism and hospitality workforce development plan
- Signed a Strategic Partner Memorandum of Understanding between the Tasmanian Hospitality Association and Skills Tasmania
- Consulted with University of Tasmania on the future of tourism studies, including associate degrees and proposed centre of excellence in Launceston
- Implemented *Let's Explore Tasmania* student discount/benefit card with around 60 participating operators
- Conducted a tourism industry-UTAS Job Match program to place Mandarin speaking international students with 15 tourism operators across Tasmania
- Commenced the development of a state-wide tourism employment plan
- Continued to implement the Tasmanian Hospitality Association's industry groups project, in particular the coordination of 10 strategic advisory panels across Tasmania
- Provided funding to TasTAFE for 103 training positions to support adventure tourism businesses.



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** – how many jobs being created in Tasmania
- **Dispersal** – the regional share of all visitor nights spent in Tasmania
- **Satisfaction** – the quality of experience of our visitors

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.

Data source: Tasmanian Visitor Survey, Tourism Tasmania

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

Progress: 1,153,300 visitors for YE 2015

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



Expenditure

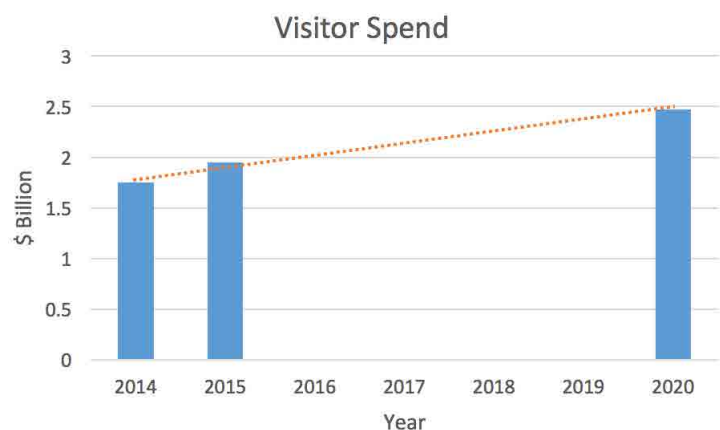
How much our visitors are spending across the Tasmanian economy is a measure of the export value of the Tasmanian visitor economy. Increased visitor spending generates capital investment and employment growth.

Date source: Tasmanian Visitor Survey, Tourism Tasmania

Base line: \$1.75 billion for YE 2014

Progress: \$1.95 billion for YE 2015

2020 goal: \$2.47 billion for YE 2020¹

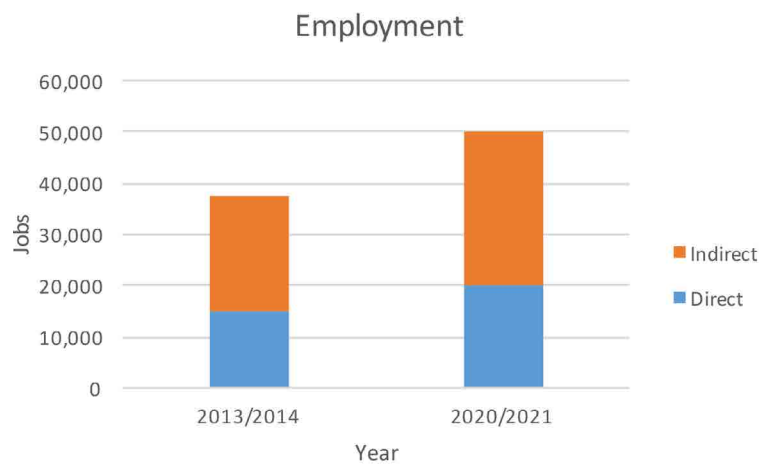




Employment

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.

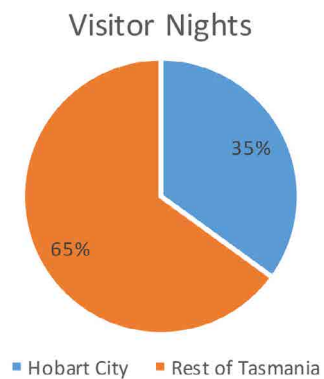
Date source: Tourism Satellite Account, Tourism Research Australia
 Base line: 15,000 direct + 22,500 indirect for FY13/14
 Progress: (FY 14/15 results unavailable until mid-2016)
 2020 goal: 20,000 direct + 30,000 indirect for FY20/21²



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 for YE 2014
 Progress: 65% of visitor nights in Tasmania were outside Hobart City in YE 2015
 2020 goal: 66% of all visitor nights in Tasmania are outside Hobart City



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 YE 2015, and 32% were very satisfied with value for money.
 2020 goal: 60% and 35%





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
- Chair, Tasmanian Hospitality Association
- Secretary, Department of State Growth
- CEO, Tourism Tasmania
- Secretary, Department of Primary Industries, Parks, Water and the Environment.

The council meets twice a year and issues public reports on progress against the T21 priorities after each of its meetings. 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 delivered in December each year and will include 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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