

# Progress Report 3

May 2017



## The Tasmanian Visitor Economy Strategy 2015-2020

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We are entering the second year of the new strategic partnership agreement between the Tasmanian Government and our tourism industry to grow visitor numbers, greater capital investment and jobs.

As this Progress Report shows, we are clearly heading towards achieving our ambitious targets.

In the year to December 2016, we welcomed a record-breaking 1.24 million visitors, seven per cent more than the previous year. At the same time, visitor expenditure increased 10 per cent to \$2.14 billion. This strong growth highlights our continuing appeal and puts us well on track to meeting our goal of 1.5 million visitors a year by 2020.

As always there are areas to work on and that's where we need to redouble our efforts to ensure we can sustain the growth we have recently achieved. Our challenge now is to generate more demand for travel to Tasmania by growing our appeal, giving people more reasons to visit and making it easier for them to get here.

That is why the 2017-18 Budget includes an additional \$11 million for tourism marketing. This additional funding will be directly invested in domestic and international marketing programs to stimulate demand for travel to Tasmania.

We must also tackle supply side challenges in the visitor economy. For instance, we need to better align our workforce training with our emerging workforce demands in order to create rewarding jobs and careers for Tasmanians. The Government's industry-based workforce taskforce has recently created a series of recommendations that revolve around leadership,

supply and demand, research and accountability. We will implement new skills initiatives, starting with a \$3.2 million program to improve the standards and reputation of TasTAFE's Drysdale as a Centre of Excellence.

My Government and industry have also been focused on improving engagement with our visitors. At present 54 per cent of visitors were very satisfied with customer service and 33 per cent were very satisfied with value for money.

Clearly there is room for improvement and the release of the Tasmanian Visitor Engagement Strategy (a first for Australia) in October 2016 is working to enhance our approach to visitor engagement. In this year's Budget we are committing a further \$1.7 million to further progress the Visitor Engagement Strategy, Workforce Development, and Destination Action Plans.

Later this year, we will be hosting a roundtable with Tasmania's key visitor economy partners to review our progress and fine-tune our T21 strategy. This will ensure T21 remains an effective, contemporary and relevant visitor economy strategy for Tasmania.

Thank you to everyone who has contributed to the progress of T21. I look forward to us continuing to work together to build on this success into the future.

**The Honourable Will Hodgman MP**

**PREMIER**

**MINISTER FOR TOURISM, HOSPITALITY & EVENTS**



## Visitation to Tasmania

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- In 2016, Tasmania attracted 1,236,400 visitors, 7 per cent more visitors to the state than the previous year.
- These visitors spent \$2.14 billion throughout the state during their stay.
- They stayed 10.66 million nights in the state, with each visitor staying an average of 8.6 nights.
- Around 608,300 people or 49 per cent of all visitors to Tasmania in 2016 came for the purpose of having a holiday.
- A further 327,300 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 198,600 visitors or 16 per cent of all visitors to Tasmania.
- A total of 1,039,500 visitors or 85 per cent of all visitors to Tasmania live in Australia.
- Victoria, New South Wales and Queensland accounted for 85 per cent of all interstate visitors to Tasmania.
- Tasmania welcomed a record 235,700 international visitors, 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 the government and industry have:

- Invested around \$1,570,000 in delivering two domestic campaigns including the #TassieStyle summer advocacy program and the Go Behind the Scenery IX campaign
- Undertaken research into Tasmania's target audience and its integration into media buying
- Commenced research into how consumers interact with Tourism Tasmania's consumer-facing touch points
- Commenced research into the latent demand of Tasmania's target market to travel to Tasmania in the winter months
- Supported media and tourism industry famils from the USA, Germany, Switzerland, China, Hong Kong and Singapore
- Invested in a famil program in South Korea and France in conjunction with Tourism Australia (TA) and their Aussie Specialist Program
- Hosted key social media influencers from Hong Kong, China and Singapore
- Undertaken a tourism trade mission with 14 Tasmanian operators to Malaysia, Singapore China and Hong Kong
- Attended the International Tourism Bourse in Berlin, Singapore's NATAS Travel Fair, Malaysia's MATTA Travel Fair, Goway corroboree trade fair in Canada and Marketplace in Los Angeles
- Attended Virtuoso business-to-business trade event in Melbourne
- Undertook campaigns with distribution partners in Germany, Switzerland, USA, Singapore, Malaysia, China and Hong Kong including promotion of the China Eastern code share to Hobart and Launceston
- Collaborated with Tourism Australia on their World's 50 Best (Restaurants) event in Melbourne with an associated famil and media program
- Attended the Australian Tourism Exchange trade event
- Undertaken domestic cooperative marketing initiatives with TripAdvisor, Carnival Australia, Flight Centre, Hello World, Escape Travel, Expedia, RACQ, TasVacations, Jetstar Airways, Qantas Airways and AFL Travel
- Approved funding for seven new events and one existing event under the Events Strategy
- Received five gold awards, seven silver and two bronze at the Qantas Australian Tourism Awards.



### **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 progress report the government and industry have:

- Invested \$670,000 in domestic cooperative marketing programs with access partners including Qantas Airways, Jetstar Airways, Tiger Airways, Virgin Airways and TT Line
- Increased air capacity by 99,400 new seats into the key gateways of Hobart and Launceston to provide extra capacity at peak times
- Attended cruise industry events including Seatrade Global in Fort Lauderdale
- Invested \$36,000 in research to better understand the cruise ship market
- Catered to 95 cruise ship visits carrying around 262,000 passengers and crew
- Distributed tourism road safety collateral targeted at international visitors and the motorcycle touring market
- Launched a new ferry service to Maria Island in partnership with Navigators incorporating a parks pass and discounted rate for existing pass holders and improved booking system
- Called for tender for a new bus shuttle service provider in the Cradle Mountain 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 the government and industry have:

- Constructed new tourism infrastructure at key locations under the Parks and Wildlife Service's Tourism Infrastructure Program Funding.
- Completed a new campsite and toilet facilities on the South Coast Track including redevelopment of the track
- Completed significant flood repair works including re-opening of the Marakoopa Caves and Liffey Falls access road reconstruction
- Commenced new projects including the new Heritage Landing on the Gordon River; upgrade of the Wielangta Road; redevelopment of the Fortescue Bay day use area and caretakers cottage; upgrades to the Cape Raoul and Shipstern track and replacement of the Tahune hut at Frenchman's cap
- Signed a lease agreement to design, build and operate a new mountain bike park in Maydena as part of the national parks EOI process
- Facilitated a partnership between the Elizabeth Tasmania company and Hyatt to operate the Palace Hotel under the international Hyatt Centric banner
- Commissioned accommodation demand studies for Launceston and Hobart to provide tourism infrastructure investors with robust data on the number and types of rooms required in each area



- Facilitated the lodgement of a development application with Clarence City Council for the \$45 million Kangaroo Bay luxury hotel and hospitality training school development
- Worked with the Australian Government through a National Partnership Agreement to develop a business case to progress the Cradle Mountain Master Plan as well as further detailed design work, engineering advice and preliminary environmental assessments
- Approved a loan under the West Coast Experience Loan Fund to enable a west coast business to diversify
- Completed a tourism signage audit
- Completed a state-wide digital asset audit
- Contributed \$210,000 for commencement of stage two of a tourist-tracking project in conjunction with the University of Tasmania.
- Enabled a total of 985 tourism operators to renew or complete the Australian Tourism Accreditation Program for 2017
- Launched the 2017 TICT Quality Tourism Program including Tasmanian Tourism Awards, Tasmanian Tourism Conference and Quality Tourism workshops
- Initiated development of a cycling tourism accreditation framework to increase operator engagement in the cycling market and quality assurance to visitors
- Enabled the TICT–Skal Club of Hobart Tourism Future Leaders 2016 scholarship winner to research successful education tourism including leveraging associated VFR travel
- Commenced implementation of the THA's Workforce Development Plan
- Developed non-accredited training options as part of the Tasmanian Hospitality Association (THA) Great Customer Experience Program tailored to smaller regional venues
- Commenced roll-out of young Hospitality Ambassadors Group to promote hospitality as a career in schools
- Established partnerships between THA and Department of Education through My Education, Beacon Foundation and Australian School Based Apprenticeship management team
- Released the Tasmanian Tourism and Hospitality Workforce Development Plan and established an industry-led workforce taskforce
- Implemented Destination Action Plan (DAP) priorities through the DAP-Visitor Engagement Fund
- Formed DAP leadership groups for Bruny Island, King Island, Flinders Island, West Coast and Tasman Peninsula
- Completed a Tourism Crisis Management resource
- Completed the state wide digital asset audit
- Introduced new planning provisions to support accommodation based sharing economy options.

### **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 the government and industry have:

- Continued to deliver new and innovative Parks and Wildlife Service social programs including schools education, wildlife education partnerships, Wildsc'ool, Green Guardians, GO with Community, Wildcare partnership, Discovery and Get Outside Program



# 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: 1,236,400 visitors in YE 2016

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



## Expenditure

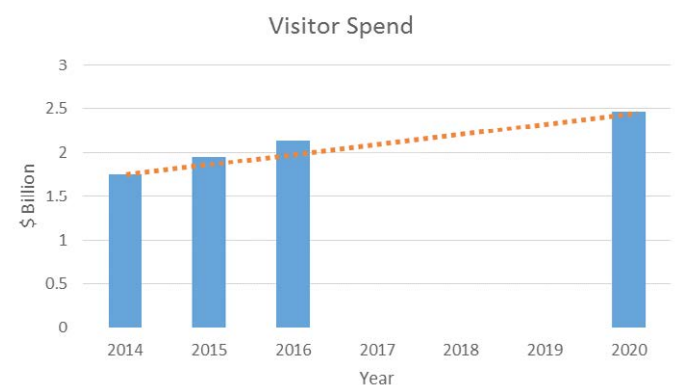
How much our visitors are spending across the Tasmanian economy is a measure of the export value of the Tasmanian visitor economy. Increased visitor spending generates capital investment and employment growth.

Date source: Tasmanian Visitor Survey, Tourism Tasmania

Base line: \$1.75 billion in YE 2014

Progress: \$2.14 billion in YE 2016

2020 Goal: \$2.47 billion for YE 2020<sup>1</sup>



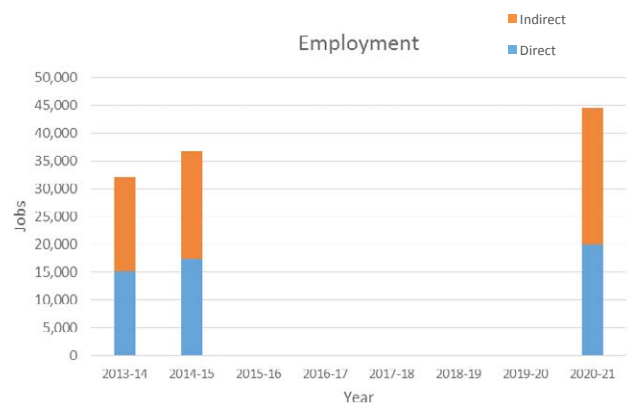
<sup>1</sup> Assumes the average spend per visitor in 2014 is the same in 2020



## 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\*\*

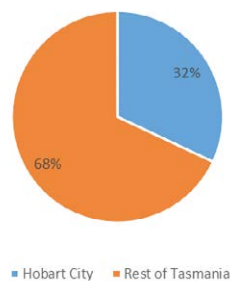


## Dispersal

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: 68% of visitor nights in Tasmania were outside Hobart City in YE 2016  
 2020 Goal: 66% of all visitor nights in Tasmania are outside Hobart City

Visitor Nights

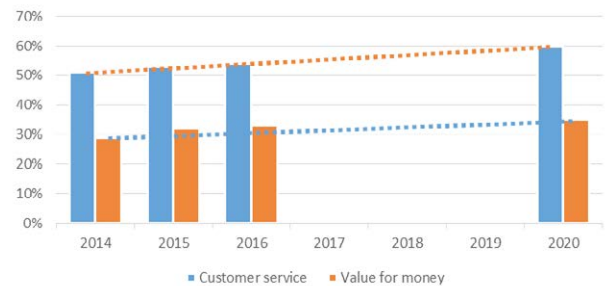


## Satisfaction

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: 54% of visitors were very satisfied with customer service in YE 2016, and 33% were very satisfied with value for money  
 2020 Goal: 60% and 35%

Satisfaction  
(very satisfied)



\* 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.

<sup>2</sup> 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
- General Manager, Parks & Wildlife Service
- Deputy Secretary, Cultural and Tourism Development, Department of State Growth
- CEO, Tourism Industry Council Tasmania
- General Manager, Tasmanian Hospitality Association
- Chief Operations Officer, Tourism Tasmania.



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