

Continuing the Journey

Speech presented by Felicia Mariani, CEO of Tourism Tasmania, at the TICT Conference on Tuesday, 6 July 2010 to mark the launch of the Tourism Tasmania Strategic Plan 2010-2013

Back in late 2006 when I launched our last three-year Strategic Business Plan for 2006-2009, “New Directions for our Island,” we talked at length about the ‘new normal’ for tourism in Australia – a set of realities that were neither likely to go away, nor revert to a familiar past. An ageing population, new definitions of ‘family’, new types of aircraft, new potential markets, and most significantly new ways for people to research, select and book their preferred holiday experience.

It was a world that challenged us as an organisation to be more focused, more strategic, and of course, more innovative. New Directions formed the blue print for significant change in the structure and operations of Tourism Tasmania. It surfaced the major issues that were confronting our industry over the coming 3-5 years and identified key areas of opportunity for Tasmania to take a leadership position in tourism growth at a national level.

We used this Strategic Plan to define the areas where Tourism Tasmania could and should intervene in order to drive real added value and results for the industry. We used it take a cold, hard look at what was our core role in the tourism demand and supply chain and focus our limited resources in those areas that would deliver the greatest impact in these key areas.

Most importantly, however, New Directions provided Tourism Tasmania with a clear road map for delivering on the goals and objectives outlined in the plan and created an environment for engagement and collaboration with industry that was sorely lacking in the past.

Fast forward to 2010 and much has actually been achieved in the past three years against the goals that we set ourselves in 2006/07 – but achieving your goals is no reason not to set new ones!

For this reason I am very excited to be launching our new three year strategic plan here today.

This new strategic plan will focus on **five key goals**:

- Maximising Tasmania’s tourism potential
- Driving demand for Tasmania
- Fostering the supply of tourism products and experiences
- Enhancing industry’s competitive position with market-leading research and analysis
- And an internal goal for us – To be a highly effective organisation

These key goals are underpinned by core priorities and then specific strategies that show what we will do to deliver on each of these goals.

This next three year plan is not about watershed change –

We did that over the last three years and have come through the process stronger and more focussed on our core strengths and opportunities. This is not a plan for revolutionary change – but rather one that supports the evolution of the strategic planning that has, to a large degree, assisted tourism in Tasmania to weather the storm of the Global Financial Crisis better than most destinations across this nation.

Consequently, the next three years will focus on **consolidating the achievements** and progress of the past, while we work to embed these new ways of operating across Tourism Tasmania and the industry as a whole.

This is not to say that we do not expect significant challenges – or that we are not preparing for them – Quite to the contrary....

We have had consistent and significant growth to our industry over the past ten years. The first five years of that growth was due in a large part to the increased capacity and affordability of access to Tasmania (both air and sea). In the second five years, that growth level has not shown the spikes of the previous five, but has been consistent at level of around 5-8% quarter on quarter.

Having said that, I do note that these last two quarters have been more challenging for us as an industry and we have only seen 'overall' growth of around 2-3% over this period. This growth, however, has occurred in a National landscape of decline in domestic tourism of around 5-6%. Tasmania has been the only state to consistently, over the tumultuous period of the GFC, record any significant level of growth in interstate visitation.

As well, and more importantly, we have managed this performance in an environment where we have had more than 5% fewer seats on aircraft to bring visitors into the State. The reality is that to the year to March 2010, our visitor nights are up 17% to 8.72mil nights; our length of stay has increased to 9.6 nights, up 15% from 8.3 nights to the same time last year; and our visitor spend grew by 8% to \$1.5bil. This achievement is in stark contrast to visitor nights at a national level, where Queensland was the only other state to record positive growth with 3%. All other states were down by anywhere from 1 to as high as 12% in visitor nights to the State.

As we consider our performance, we must take time to analyse the national landscape in which the performance has occurred. Tasmania is not immune from what happens in the rest of the country and indeed the rest of the world. The national and global issues affecting tourism will ultimately affect the performance of Tasmania as well.

While we are pleased with this overall performance, as the Minister noted earlier in her address, we realise these benefits have not necessarily trickled down to all operators in all parts of the State – and we have a continuing challenge to work toward spreading the benefits of tourism visitation as widely as possible to as many operators as possible.

BUT....I remind you, this is NOT something Tourism Tasmania can do alone. If we are going to be truly successful in our goal to drive demand for Tasmania, this requires the industry to work in partnership with us. The heady days of double digit growth that we

recorded 8-10 years ago are gone – and they are not likely to return. With growth of 2,3, or even 5% , the ‘flow-on benefits’ as a matter of course to our industry will not occur, which means we will need to fight hard for every percentage point of growth that we can manage.

This will mean that each and every operator needs to work together in your region and collaboratively with Tourism Tasmania (and our other national trade and access partners) to drive real success for this destination. The other operators in your region ARE NOT your ‘competitors’ – this mindset must stop – they should become your best friends, as together you build the proposition of why someone will choose to visit your region – and our destination – over another somewhere else in the world. This must be our collective goal for the next 3 years!

Building our success, however, does raise the question of sustainable growth that every destination must confront. We need to focus our efforts on maintaining ‘steady and predictable growth’ that allows us all to prepare for and respond to that growth while ensuring we continue to deliver the quality products and services that match the expectations of our visitors. Our quality of our products and how we deliver our tourism experiences is what can ultimately separate Tasmania from the rest of the pack.

The Tourism Tasmania strategy is also now aligned with the State’s Economic Development Strategy, currently being compiled by our broader Department, which encompasses the areas of sector and regional development.

Tourism CANNOT AND SHOULD NOT be isolated from these broader development plans and issues if we are to effectively contribute to communities and places around the state and – most importantly – if we are to finally be recognised as the significant contributor to the State’s economy that we all know we are! Tourism Tasmania will be working collaboratively with the Department and other government agencies to ensure that our goals are aligned and those real opportunities are identified, pursued, and won.

This collaborative approach to working with wider government agencies was most recently demonstrated in our bid to host the Cool Climate Wine Symposium here in 2012 – a bid made jointly with Wine Industry Tasmania, Business Events Tasmania and Tourism Tasmania. I am very proud to say that our bid was successful – and that we will be bringing some 300-400 delegates from cool climate wine regions around the world to Hobart in February 2012. We already have the support of Qantas and Tourism Australia in developing a program for pre and post touring that will ensure delegates experience the very best we have to offer.

Collaborative approaches are the underpinning feature of our new strategic plan – whether it’s in learning and development, improving access and capacity to the island, cooperative marketing or delivering business insights – ‘collaboration’ will be our mantra for the future.

And on the key point of Learning and Development

Many of you have already taken advantage of Tas e-connect and our new Digital Coach program to assist your own business development in the digital arena. It was your feedback that led the shaping of these programs. You wanted small chunks of information that you could look at and absorb when you had time rather than workshops that took you away

from your businesses. You wanted personalised support to become digitally enabled – our digital coaches provide on-line mentoring using the Tourism e-kit as the primary resource.

Development of the industry in this key area will remain a strategic focus for us over the next 12-36 months. Many of you would have likely read my comments in the Examiner from the recent Estimates Hearings regarding the current state of operators connecting to digital channels in Tasmania. I noted at that time, first of all, that Tasmania is the ONLY state in the country that has done this piece of work to determine exactly where our operators are on this continuum. This is still only part of the planning process for the Digital and Distribution Working Group as part of NLTTTS project.

From this extensive piece of work, we now know that of some 2100 operators in our Tiger Tour database, 720 of those do not even have a website to connect into the digital world. In addition, some 460 operators who have a website require the customer to call them to make a booking – that works well if you're sitting in San Francisco or Frankfurt! Furthermore, there are some 360 operators who have a website with a booking form that you need to email to them and they will come back in 24-48 hours with confirmation. Not what I'd call competitive in today's 24/7 world.

And while we consider how we can spread the benefits of tourism visitation as widely as possible, that becomes a bit challenging when 1/3 of our operators cannot be even be found in the simple Google searches that consumers are doing to find the inspiration for their next holiday! We've heard from many of the speakers here today about the importance of a good website to engage in today's competitive arena of tourism. This is now 'cost of entry' for any tourism business and we must ensure that Tasmanian operators are as connected as possible to engage and be competitive.

Having said that, we do have nearly 500 operators who are plugged in properly to these new channels for distribution with websites and the ability to distribute product in real time all the time – either through the Open Booking Exchange or through the myriad of other forms of digital channels available today to get their products to market.

This means that about 25-30% of our operators are connected and effective in the digital distribution arena and about 2/3 are operating with no or limited booking connection to potential consumers. I'm quite sure, that when this study is completed nationally, the results will be very similar to the Tasmanian picture.

The opportunity here for us, however, is that we can jump out in front of the rest of the country in this crucial area. We now have solid knowledge of where we stand in this area and together we can move that performance while nationally they are still trying to understand this landscape. This WILL BE our focus in the digital space over the coming 12 months.

Access and Capacity Will Remain a KEY PRIORITY

As an island State, Access is our lifeblood and we will continue to develop business cases for our airline partners to support new route and frequency development. This has been particularly successful around the recent Hawthorn matches, with Qantas adding 14 direct 737 services into Launceston from Perth, Adelaide, Brisbane and Melbourne to accommodate demand for the games. In addition, they have worked with us to run

cooperative advertising campaigns to bring interstate visitors to Tasmania, not just for the games, but for leisure visitation in general.

In addition, these same business cases have been the impetus to new daily direct services ex Sydney-Hobart on Jetstar; new direct services on Virgin ex Hobart -Canberra; extension of direct services on Jetstar ex Launceston-Brisbane; and the re-institution for the winter period by Virgin of that all-important early morning direct service ex Hobart - Sydney with an additional direct return service Hobart - Sydney added to the schedule mid-day.

In the international arena, Tourism Tasmania has recently attended the Routes Conference in Adelaide along with our Hobart and Launceston airport partners, to keep Tasmania in front of key international airlines and to push for better interlining and connectivity on the domestic routes servicing Tasmania.

On the marketing front, Virgin Blue has been a major airline partner for both our Spring and Winter LUMINA campaigns as well as working with us in partnership to deliver our HOT LUNCH promotions, in conjunction with Fairfax media, into both Launceston and Hobart.

And, of course, we also worked closely with TT-Line in the roll-out of the LUMINA campaign - their support included distributing promotional materials and televising our Discover Tasmania video on board the vessels.

The LUMINA campaign even saw Tiger Airways invest for the first time ever in traditional advertising (TV and outdoor) to promote their services into Launceston and Hobart.

In the Area of Collaborative Planning.....

Many of you would be aware that we are conducting a review into our regional tourism activities in conjunction with our three RTAs (Cradle Coast Authority, Northern Tasmania Development and Totally South) as well as TICT and other local councils. This review is intended to deliver a plan for how we can most effectively continue the growth of regional tourism across the State.

The review will identify new ways to create effective partnerships to deliver on our shared goals and provide enhanced clarity around roles and responsibilities to ensure we maximise Tasmania's competitiveness as a holiday destination. KPMG has been contracted to assist in this process and will be delivering an issues paper from the study during the month. Following this, Claire Ellis and her team will be conducting a series of Community Consultations around the state to discuss and debate the issues raised in this paper. More information will be coming out shortly on this matter, but I do hope that those of you within these three regions will attend the workshops planned for end-July and August.

We Will Continue to Lead the Way in Research and Business Insights

We run one of the most comprehensive tourism research surveys in the country – and this has been recognised at a Federal level both by Tourism Research Australia (TRA) and the National Long-Term Tourism Strategy Steering Committee.

The Tasmanian Visitors Survey is an ongoing survey, with a consistent methodology for over 16 years, which directly questions some 9000 visitors to this state each year and a

further roughly 7,000 Tasmanians departing the State -- constituting the most comprehensive and robust consumer survey of visitation to any state.

The reliability of this data has been endorsed by TRA, not only because of its consistency, but also due to the fact that their own survey at a national level speaks to less than 500 respondents annually for Tasmania. A survey of this sample size is simply not large enough to be reflective of the true picture of interstate visitation to the State.

The fact that we are an island, affords us the unique advantage that we can actually count people at point of entry and exit to the State – something other State's cannot do. As such, the information that we gather through our TVS surveys is even acknowledged by TRA on their own website as being a more accurate reflection of interstate visitation for Tasmania.

To support you in making the most of the knowledge and information that we gather here, we are undertaking a Business Intelligence Project as one of our key initiatives for the next three years.

The idea sprang from an industry reference group workshop held towards the end of last year. From that workshop, we gained a better understanding of the type of knowledge and information that industry wants and needs to make informed business decisions.

The aim of the Business Intelligence project is to create new knowledge and understanding of contemporary tourism issues and will be delivered in two stages. During stage one, we will develop stakeholder reference groups, which will include an Industry Group - to identify the gaps and opportunities in our existing research.

Collaborative Communication with our Consumers will be our Focus

More than 8.2 million Australians use the Internet to research, plan and book their travel arrangements – and if Facebook was a country it would be the fourth largest national in the world. The 'new normal' we predicted in 2006 is no longer new, but it's definitely now normal! Our new strategic plan outlines our intent to further enhance our online capability and engagement – both with consumers and with you our industry.

I chose not to bore you today by going through the detail here of individual strategies against all these priorities! Rather, I invite you to review Our Plan of Action document that's included in the 2010-2013 Strategic Plan – and we have copies for you here today.

It's been carefully written in plain English to make it easy for us all to digest. We've kept it short and to the point – it's not intended to be reading material on nights you suffer from insomnia!

Also, in your satchels today, we've included a small booklet that outlines for you a general overview of the services that Tourism Tasmania provides in assisting our industry to promote themselves and to take their products to market. I urge you to review this reference booklet, which also includes the key contacts within Tourism Tasmania responsible for delivery.

Simply said....The Plan is to Stay 'on Course'

As part of this, our future will require us to continually find new areas that Tasmania can 'own' as well as maintaining our heritage and assets as a brand.

At the end of July the World Heritage Committee will consider for inscription onto the World Heritage List -- the Australian Convict Sites Serial nomination. The nomination consists of eleven sites nationally – and five are located right here in Tasmania. They include Port Arthur, the Coal Mines, Darlington on Maria Island, The Cascade Female Factory and Woolmer's / Brickendon. The success of the Australian convict sites nomination is particularly important for Tasmania, not only because so many of the sites in the nomination are located right here, but because of the great opportunity it brings to further promote and highlight our concentration of authentic heritage -- in particular the colonial and convict heritage that Tasmania showcases so well.

I'm pleased to say that one of Tourism Tasmania's own employees, Melinda Percival, has been personally requested by the Chairman of the WHA Committee to join the Australian delegation in its final push for the nomination in Brazil later this month – another testament to the importance of this event to our tourism proposition.

I'd also like to take the opportunity to recognise Barry Jones' long term efforts and dedication (over 10 years) to Australian convictism and in particular Port Arthur being recognised at a World Heritage Level.

But it is not only our heritage that requires our attention and support in order to build a strong and sustainable future for tourism in Tasmania.

We need to strongly address the major supply side issues (particularly in Hobart) that might ultimately impinge on our ability to manage the growth of our destination.

We must continue to collectively build on our ability to engage with consumers in all the various channels they are now using to access information, share ideas and ultimately purchase products.

We need to maintain and strengthen the alliances and partnerships that allow us to take Tasmania to the world.

Most importantly, we need, in collaboration with you the industry, to continue on this journey together – one in which we believe we have the confidence and commitment to succeed.

Thank you.