

TASMANIA'S 2030 VISITOR ECONOMY

KEY DIRECTIONS PAPER FOR COMMUNITY CONSULTATION

Tasman National Park, Turrakana / Tasmania Parks and Wildlife Service



Tourism Industry
Council Tasmania



wukalina Walk/photo: Rob Burnett

Acknowledgement

We acknowledge the Tasmanian Aboriginal people and their enduring custodianship of Tasmania.

We honour the uninterrupted care, protection and belonging to these islands and their skies and waterways, before the invasion and colonisation of European settlement.

As part of a tourism industry that welcomes visitors to these lands, we acknowledge our responsibility to represent to our visitors Tasmania's deep and complex history, fully, respectfully and truthfully.

We acknowledge the Aboriginal people who continue to care for this country today.

We pay our respects to their Elders, past and present.

We honour their stories, songs, art, and culture, and their aspirations for the future of their people and these lands.

Introduction to this Key Directions Paper

This Key Directions Paper sets out the proposed plan for Tasmania's future visitor economy.

The Key Directions have been developed through the long standing T21 partnership between the Tasmanian Government and industry to inform the 2030 Tasmanian Visitor Economy Strategy.

Over many decades, our visitor economy has created substantial value for Tasmania. We are now setting the vision and directions that will continue to grow the depth and breadth of this value across the state.

This paper is informed by:

- extensive industry and key stakeholder consultation on the vision and directions for our visitor economy
- community research
- the value of the visitor economy for Tasmania
- the profile of tourism in Tasmania
- the current economic context
- forces shaping global travel into the future; and
- a 2030 forecast for Tasmania's visitor economy growth.

Consultation to date has been with industry and key stakeholders. Based on consultation and work to date, this Key Directions Paper sets out the proposed vision and mission for our future visitor economy. It also proposes eight key directions that will achieve our vision, along with six foundations that are essential for a successful visitor economy.

We are seeking feedback from the Tasmanian community on the proposed vision, key directions and foundations that we believe will future proof our visitor economy and create the most value for Tasmania and Tasmanians. This will inform the final 2030 Visitor Economy Strategy to be released later this year.

The key directions are based in protecting the things that make Tasmania different and a special place to live – the very same things that make Tasmania a compelling place to visit. Our vision requires a focus on growing, leveraging and protecting what makes Tasmania special.

Our business owners and staff live and work in most, if not all, Tasmanian communities. As stewards of this important Tasmanian sector, we take seriously our responsibility to grow a visitor economy for now and future generations.

We welcome your feedback to inform the 2030 Visitor Economy Strategy.

Consultation on the Key Directions Paper closes midnight Wednesday 21 June 2023. Information on how to make a submission is provided at the end of this document.

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Background

In late 2019 we started planning for the next ten years of Tasmania's visitor economy.

More than 500 industry and visitor economy stakeholders met in 18 workshops around the state where a common vision for our industry emerged – to be more deliberate in our agenda for responsible and sustainable tourism.

Priorities that consistently emerged across the state included:

- Growing visitation to Tasmania that is economically, environmentally and socially sustainable.
- Putting our regional towns and destinations at the heart of the Tasmanian visitor experience.
- Growing a skilled Tasmanian tourism workforce.
- Supporting Tasmanian Aboriginal People in sharing culture and history.
- Fostering Tasmanian creativity and entrepreneurialism.
- Positioning Tasmania as a global example of sustainable tourism.
- Responsible stewardship of our protected areas.
- Telling the Tasmanian story and celebrating who we are.
- Profitable and sustainable businesses.
- Putting community at the core of the future of our destinations.
- Fostering diversity and the next generation of industry leaders.

This consultation formed the basis of the *T21 Visitor Economy Action Plan 2020–22*, released in August 2019 to respond to the severe impacts on our industry by the pandemic.

At that time, rebuilding businesses and supporting Tasmania's tourism and hospitality operators and workforce was our highest priority. We understood that the structure of the visitor economy in Tasmania would need to adjust to changing market needs and our long-term aspirations – these were even more relevant in light of the pandemic.

To shape our longer-term recovery, we also prioritised a number of initiatives important in realising our vision to be a leader in responsible and sustainable tourism. These included developing an industry response to climate change; research into

the triple bottom line impacts of cruise shipping; working with Tasmania's Aboriginal people on practical strategies to grow the community's role in our visitor economy; inclusive tourism development; and a review of the tourism system to optimise recovery and for our future.

The themes that emerged from the 2019 consultation have been tested and reshaped in light of what we have learned over the last two years – through think tanks, community depth interviews¹ with more than 100 Tasmanians representative of our community, and nine regional industry workshops in late 2022 involving over 300 industry members.

Think tanks with industry leaders and key stakeholders highlighted the importance of visitor economy growth for Tasmania's future prosperity. Discussions centred on the need to understand the shape of growth and management of growth to protect our environment, way of life and the things that make Tasmania a special place.

Consultation with industry in 2019 consistently highlighted the importance of community and the desire to be in harmony with community values. Tasmania's communities are intrinsic to our identity as a place and our value proposition for visitors. We understand the importance of community support for our sector, for the experience of our visitors and our brand reputation.

Community depth interviews in mid-2022 deepened our understanding of community values and views about tourism. Tasmanians value the economic contribution and jobs provided by the sector – particularly the case in our local communities and regions. It also highlighted the value that Tasmanians place on our natural environment and the quality of everyday life, along with the need for infrastructure improvements to benefit locals and visitors and affordability of options for locals.

This Key Directions Paper reflects what we heard from industry, stakeholders and community and has shaped our vision and key directions for the future of Tasmania's visitor economy.

¹EMRS Community Depth Interviews 2022

The importance of Tasmania's visitor economy

The visitor economy is a large and important sector for Tasmania. It is valued by Tasmanians for its contribution to the economy and jobs – providing more jobs than agriculture, fishing, forestry and paper production sectors combined.

Tasmania's visitor economy comprises the wide range of industries that provide goods and services to visitors who travel to Tasmania for a variety of purposes including for holidays, visiting family and friends, events, business and education. Its contribution to the State will continue to grow but will require careful investment and management.

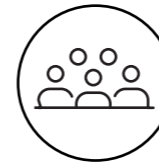
Prior to the pandemic, growth in the tourism industry outpaced that of the overall economy, increasing its importance to the prosperity of the state. In 2022, with international visitors still at less than a quarter of pre-pandemic levels, the visitor economy contributed 6% of Tasmania's Gross State Product, the highest contribution in the country.

As one of the most geographically dispersed sectors, tourism shares benefits broadly. Employment provided by tourism, directly and indirectly, remains significant despite the impacts of the pandemic, comprising 13% of total Tasmanian employment.

Tourism activity and visitor expenditure in Tasmania flows on to industries beyond tourism, including administrative services, finance, rental and hiring, manufacturing, professional services, agriculture and construction. For Tasmanians, tourism also brings undeniable lifestyle benefits that may not otherwise be provided including amenities, food and wine and increased choice and value in access on and off the island.

In 2018-19, tourism exports of more than \$1 billion represented 22% of all exports from Tasmania, and more than 90% of all service exports. In 2021-22, as the sector recovered from the impacts of COVID, tourism exports represented around 8% of \$5.2 billion in goods and services from Tasmania.

In no other Australian state or territory does tourism make a greater contribution.



Employment¹

33,600 total Tasmanian jobs

13% share

More than agriculture, fishing, forestry and paper production combined

Higher than national average

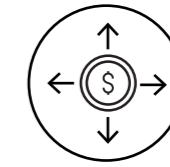
Highest in the country



Growth²

Growth in tourism outpaced that of the overall Tasmanian economy

No other state or territory where tourism makes a greater contribution



Tourism exports⁴

One fifth of all Tasmania's exports are tourism

Tourism is 90% of all Tasmania's service exports



Gross State Product¹

\$2.25B total contribution

6% share

Highest in the country



Visitor spend³

\$3.4B or 128% of 2019

Domestic spend 146% of 2019



Visitors³

1.2M or 83% of 2019

(Year end December 2022)

DIFFERENCE BETWEEN GSP AND VISITOR SPEND

While visitor expenditure represents the pure financial trade flow and is often a more tangible and well understood metric, GSP reflects the specific value associated with that activity. GSP adjusts for items such as imports, taxes and margins, which are not considered as part of the value contributed by the tourism sector to the economy (i.e. imports are flows outside of the Tasmania economy, while taxes and margins are flows that are attributed to other industries).

¹ Regional Tourism Satellite Account, Tourism Research Australia, 2020-21

² State Tourism Satellite Account, Tourism Research Australia, 2020-21. For ten years to 2019, compound annual growth rate for direct tourism GDP was 5.4% per annum while economy wide growth rate was 3.4% per annum

³ Tasmania Visitor Survey, International and National Visitor Surveys

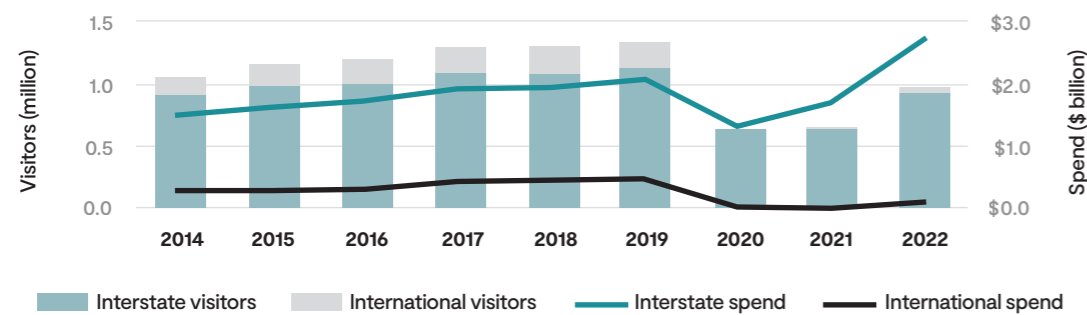
⁴ 5368.0 International Trade in Goods and Services, Australia and 5368.0.55.003 International Trade: Supplementary Information, Australian Bureau of Statistics, 2021-22

The profile of tourism in Tasmania

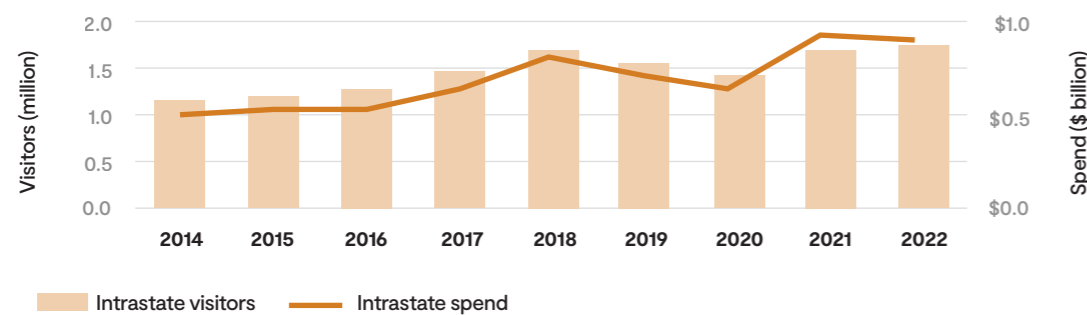
In 2019, 1.4 million interstate and international visitors spent a total of over \$2.7 billion in Tasmania. The visitor economy's contribution to employment and Gross State Product in Tasmania is the highest in the country.

In 2022, with international visitors still at less than a quarter of pre-pandemic levels, interstate and international tourism expenditure had rebounded to \$3.4 billion, exceeding pre-pandemic levels. When considering intrastate travel by Tasmanians, total visitation spend in Tasmania reached almost \$4.3 billion in 2022.

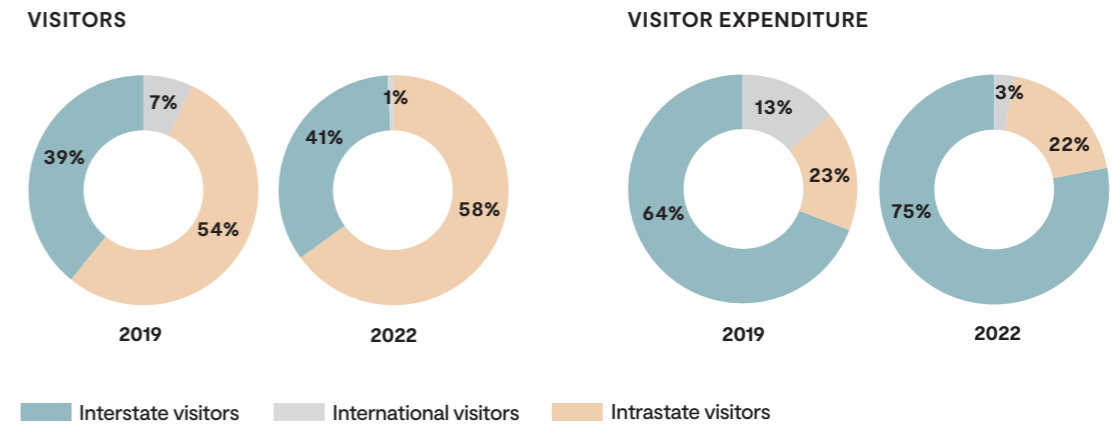
INTERNATIONAL AND INTERSTATE VISITORS AND SPEND



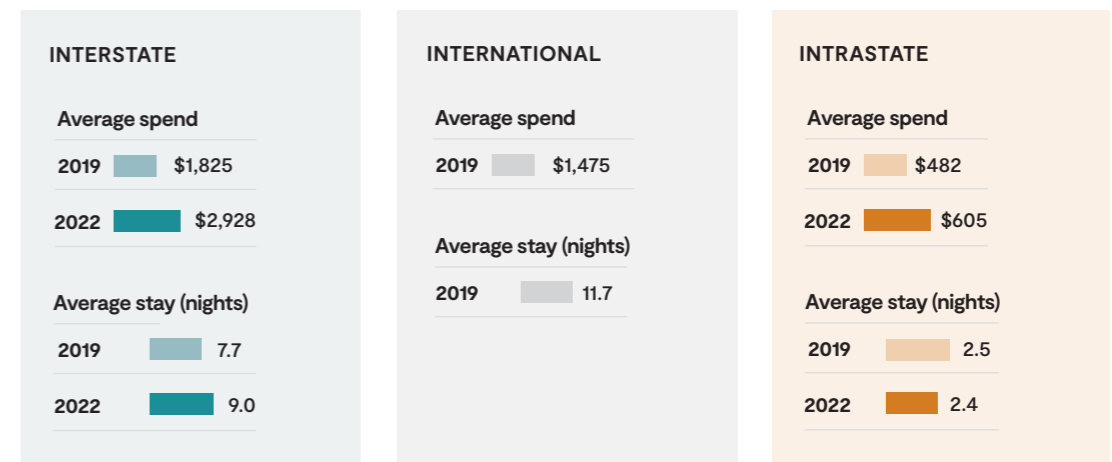
TRIPS AND SPEND BY TASMANIANS



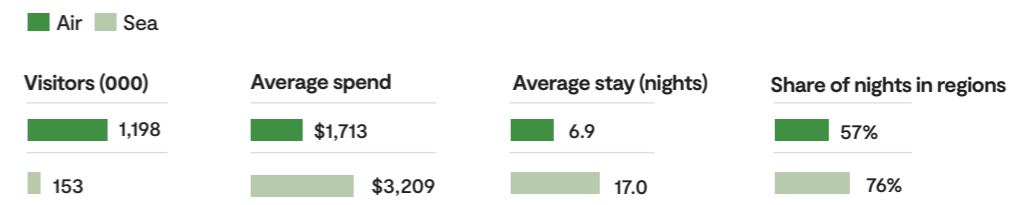
WHAT IS OUR MIX OF VISITORS AND VISITOR EXPENDITURE?



HOW MUCH DO OUR VISITORS SPEND AND HOW LONG DO THEY STAY?



A LOOK AT VISITORS WHO ARRIVE BY AIR AND SEA



Note: Data for 2019, interstate and international visitors only. Share of nights in region are nights outside of Hobart and the South tourism region. Scheduled air and sea services, excluding cruise ships.

Sources
 Tourism Research Australia, National Visitor Survey, 2014-2022
 Tourism Tasmania, Tasmanian Visitor Survey, 2014-2022
 Notes: Data is year ending December. Average length of stay figures for international exclude education visitors. All figures reflect only overnight trips.

Economic Context

Our strategy is being released at a time of strong momentum after three pandemic years moderated by continuing uncertainty around the global economy and geopolitical landscape.

Across the world and here in Australia, economic growth has slowed and uncertainty around the global economic outlook has increased. This slowdown reflects the impact of rising inflation and supply chain challenges which emerged in the aftermath of the pandemic. China's recent steps to open its economy is proving a buffer for the slowing global economic growth profile and will provide important momentum for the recovery of inbound travel to Australia. In January the International Monetary Fund revised its global growth forecast upward in light of China's reopening. Despite this, economic growth is broadly expected to continue slowing in Australia over 2023 before picking up again in 2024 and beyond.

Discretionary expenditure and consumer sentiment have declined in the face of inflationary pressures and increasing interest rates, which is expected to continue over the short term. The latest interest rate rises from the Reserve Bank of Australia have put pressure on households, with nearly a quarter of mortgage holders at risk of mortgage stress¹ and has seen retail spending slow. Indeed, household consumption is expected to decline in real terms to mid-2023, with only a slow recovery over the next few years. High inflation and relatively weak growth in wages mean that real household disposable income per capita is expected to fall notably this year and only begin recovering in late 2024. With foreign interest rates higher and likely to increase further, and commodity prices declining from their recent peaks, the Australian dollar is expected to decline from its current level over the next year or so. Longer-term the Australian dollar is expected to remain around the levels seen over the past decade.

While concerns around the cost of living are top of mind and disposable income is tightening, demand for travel is proving remarkably resilient – so far. In a global study², the majority of respondents in 24 countries are planning leisure travel, and 31% are planning an international leisure flight in the coming three months. The travel intentions of Australians, who have been the mainstay of the sector over the last three years, also remain strong, with one third planning a domestic leisure flight in the three months.

¹ Roy Morgan

² Deloitte Global State of the Consumer Tracker



Mount Gnomon Farm/photo: Jasper Da Seymour

Forces shaping global travel

As well as the economic context, our future visitor economy is influenced by global forces of change that are impacting travel, where new opportunities are opening up and what an industry “fit for the future” might look like. The following global forces are particularly relevant to consider in planning for Tasmania’s future visitor economy:

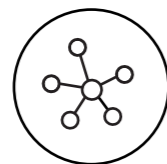


De-Globalisation

Flexibility and versatility will be paramount as the travel industry seeks to rebuild – a focus should go beyond rebuilding existing aviation and travel routes to identifying new business opportunities and diversification.

Net-zero emissions will continue to dominate discussions.

Seamless travel experiences to encourage both leisure and business will require alleviating staff shortages through more flexibility and engagement with employees.



Technology

Enabling engaging personalised experiences and providing information to help travellers make decisions in line with their values and needs, reducing the burden of research.

Seamless customer experiences, allowing greater flexibility and reducing wait times.

Creating spaces that cater for leisure and remote work.

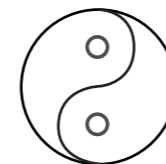


Travel with purpose

The shift from prioritising short-term visitor numbers to a system that focuses on longevity of destinations will meet consumer expectations around sustainability, and limit damage to places.

Creating a collaborative relationship, drawing from and building on local communities’ resources and skills will be a key step in building a sustainable future for tourism.

Partnering with third party platforms to deepen engagement with low and zero impact travel behaviours helping organisations and individuals meet their sustainable commitments.



Wellness

Wellness is set to grow exponentially, and travellers will increasingly place importance on how spaces make them feel.

Consumers are being ‘influenced’ by the rise of wellness brands and representation of wellness – we need to understand the influences shaping our core markets.

Cultural sensitivity and authenticity is essential.



Luxury And Exclusivity

The relationship between exclusivity and luxury remains unbroken, but social media has made achieving the former more difficult – restricted sales, limited numbers and waitlists help create hype around destinations and experiences.

Untouched destinations are harder to find and the new frontier lies in unknown locations and extreme habitats.

Security, comfort and service remain core pillars of luxury travel – adventure and wild experiences should not come at the cost of luxury.



Health to Wealth

The concerns for health are now shifting to concerns about wealth in an environment where discretionary expenditure and consumer sentiment have declined in the face of inflationary pressures and increasing interest rates.

The outlook for visitor economy growth

To understand the potential shape of future growth, we commissioned Deloitte Access Economics to provide a 2030 forecast of visitor demand – what numbers of visitors might look like, along with the associated visitor expenditure. This helps us to understand the future, reduce uncertainty, and anticipate change enabling better planning and implementation of strategies to achieve a desired vision.

The 2030 outlook for Tasmania's visitor economy signals continued growth in visitors and associated expenditure, along with growth in travel by Tasmanians around the state and the spend benefit this provides. This data is essential in informing the measures we must put in place to support and manage future growth to achieve our vision.

By 2030, Tasmania is set to welcome 1.6 million interstate visitors and 400,000 international visitors. Together, this represents an additional 750,000 visitors to Tasmania by the end of the forecast horizon in 2030, with an average growth of 2.6% per annum from 2025 to 2030.

The associated annual visitor expenditure from international and interstate visitors could grow to \$5.6 billion by 2030, more than double the value at 2019, with an average annual growth of 4.8% across 2025 to 2030.

From 2025, after the market settles following the disruption from the COVID-19 pandemic, spending associated with international visitors expected to grow at a faster rate than that of interstate visitors, 6.2% versus 4.6% nominal growth per annum.

Population growth, combined with an increasing number of intrastate trips per capita, will help boost travel by Tasmanians to an estimated 2.6 million trips by 2030, an additional 1.0 million trips relative to 2019. Visitor spend by Tasmanians is expected to reach \$1.4 billion by the end of 2030.

HOW WE HAVE PREPARED THE 2030 FORECASTS

The tourism visitor forecasts are underpinned by a Deloitte Access Economics' in-house tourism forecasting model, an unconstrained demand system model taking into account:

- historical trends and linkages between tourism demand and macroeconomic drivers, and
- bespoke research related to the impacts on travel behaviour and decisions of COVID-19.

The econometric model and inferred COVID-19 adjustments have been specifically customised to the Tasmania tourism sector.

The key COVID-19 related impacts for Tasmania include:

1. A small amount of remaining pent-up demand from recently opened source markets (e.g. China).
2. Consideration of a potential permanent shift in business travel behaviour as a result of virtual technology take-up.
After a review of the latest business-based travel performance and expected business events calendar, this was deemed not relevant for Tasmania.
3. Supply side capacity constraints, which were modelled based on the trajectory of the supply rebound (i.e. aviation movements and seats) relative to demand. The analysis revealed that while supply had been recovering well, there was still a small amount of lag time in the recovery of capacity relative to demand which is reflected in the marginal constraint forecasts through the remainder of 2023.

It is important to note, these forecasts reflect the outlook for tourism demand in Tasmania to the extent that specific future demand driving interventions reflect practices of the past.

Any activity or investment undertaken over and above historical trends would be expected to generate an uplift in visitor demand beyond that of these 'baseline' forecasts.

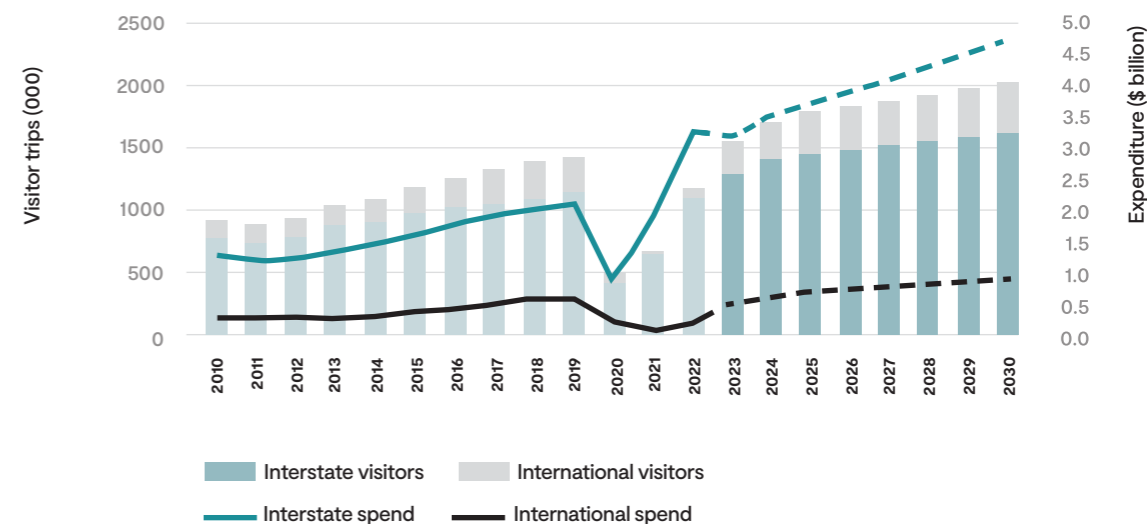
Similarly, the forecasts do not implicitly account for any future trends, such as a shift of preferences to nature based or sustainable tourism options, in visitor behaviour. Any such changes in behaviour or traveller decision drivers would also be expected to result in a deviation away from these 'baseline' visitor forecasts.

Visitor forecasts are converted to an outlook for expenditure based on assumptions on visitor behaviour including average length of trip and spend per night.

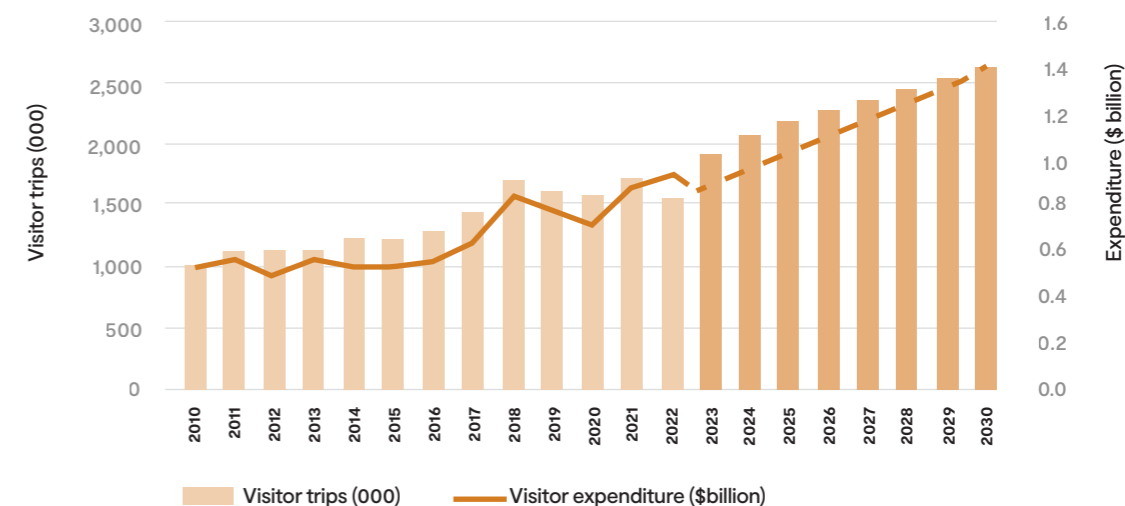
Average length of trip is set based on the three-year average to 2019. This assumption is reflective of recent trends in the historical data series for average length of trip, which tends to average around an equilibrium point year on year.

Spend per night is set using 2019 as a starting point and then indexed to 2022 based on a travel sector consumer price index (CPI) and thereafter indexed to broader state-level forecast inflation. This approach acknowledges recent practices in the Tasmanian tourism sector of improvements in quality of product and consistency with price expectations of the visitor market.

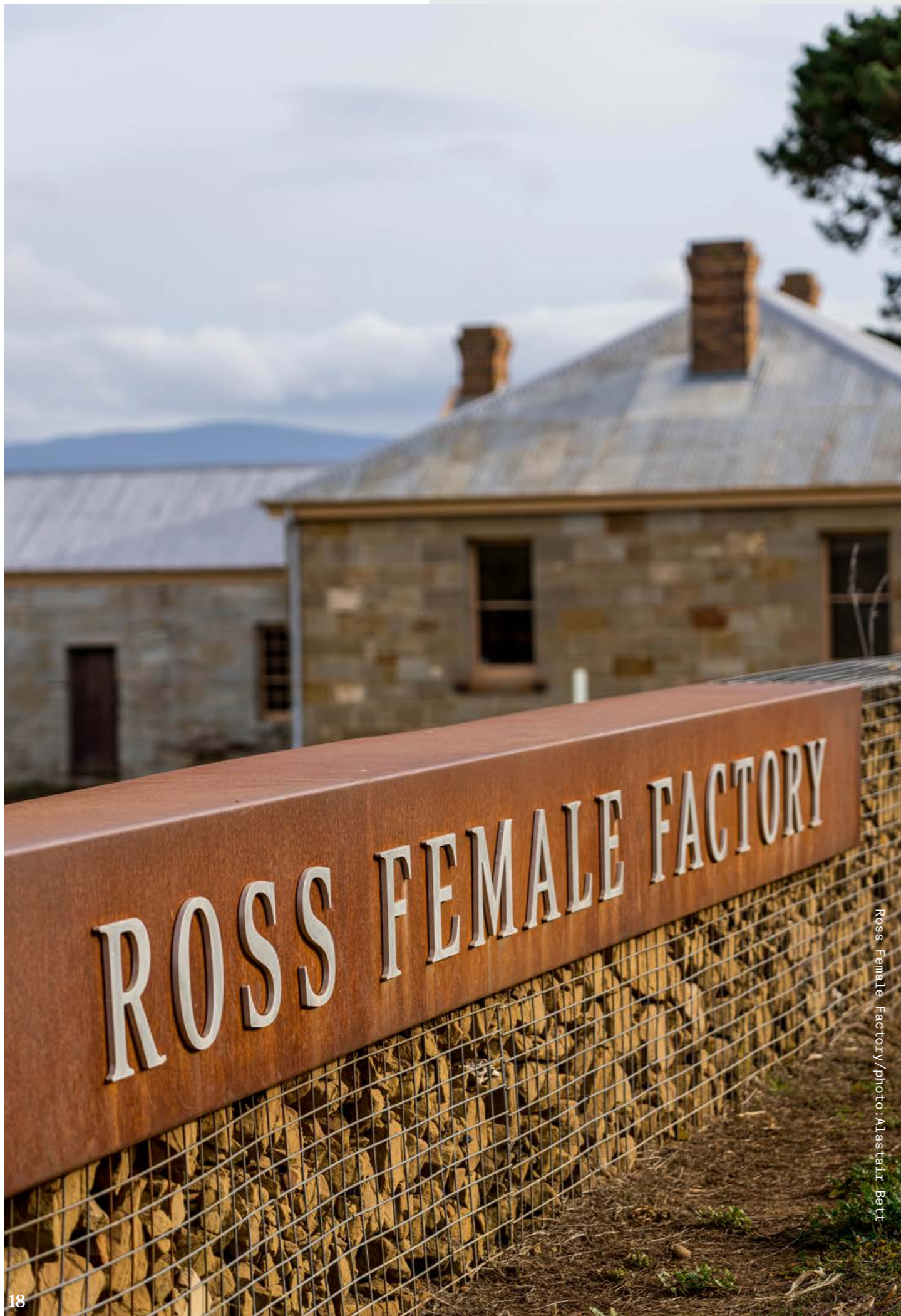
INTERSTATE AND INTERNATIONAL VISITOR AND SPEND FORECAST TO 2030



TASMANIAN TRIPS AND SPEND FORECAST TO 2030



Source: Deloitte Access Economics, Tourism Forecasting Model (TFM)



Ross Female Factory/ photo: Alastair Bell

Purpose of the Visitor Economy Strategy

Tasmania is unique in many ways – envied for its natural beauty, history and heritage, small and undeveloped places and the strong sense of community created by the people who live here and care deeply about protecting what is special about our island home.

The visitor economy is very important for Tasmania contributing 6% share of Gross State Product – the highest in the country – and providing 13% share of total Tasmanian jobs, more than agriculture, fishing, forestry and paper production sectors combined¹.

Visitor growth forecasts and population growth indicate that our visitor economy will continue to grow and will remain a leading economic sector for the state. Investment and careful management of our unique island and assets will be required to deliver and manage that growth. The things that make Tasmania different are clear, but our vision requires a focus on growing, leveraging and protecting these competitive advantages.

The Visitor Economy Strategy is a plan for growth and a plan to manage growth – now is the opportunity to make a difference to our future. The strategy will set out the principles and values that have our Tasmanian brand at their core and will guide our future decision-making.

The purpose of the strategy is to provide our collective longer-term vision for Tasmania’s visitor economy – a vision that provides clarity to our community on the benefits from our visitor economy, and clarity to industry and government on agreed priorities and accountabilities to achieve this vision for the benefit of Tasmania.

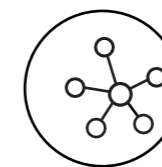


What does the strategy mean for community?

It strives to make a positive impact in those areas that Tasmanians value and that the visitor economy can influence.

Enables Tasmanians to contribute to the vision and priorities for the visitor economy.

Outlines the benefits Tasmanians can expect from the visitor economy.



What does the strategy mean for industry?

It sets out a common vision, values and priorities for the sector.

Provides certainty and confidence for decision-making and investment.

Outlines what government will do to enable and support industry.



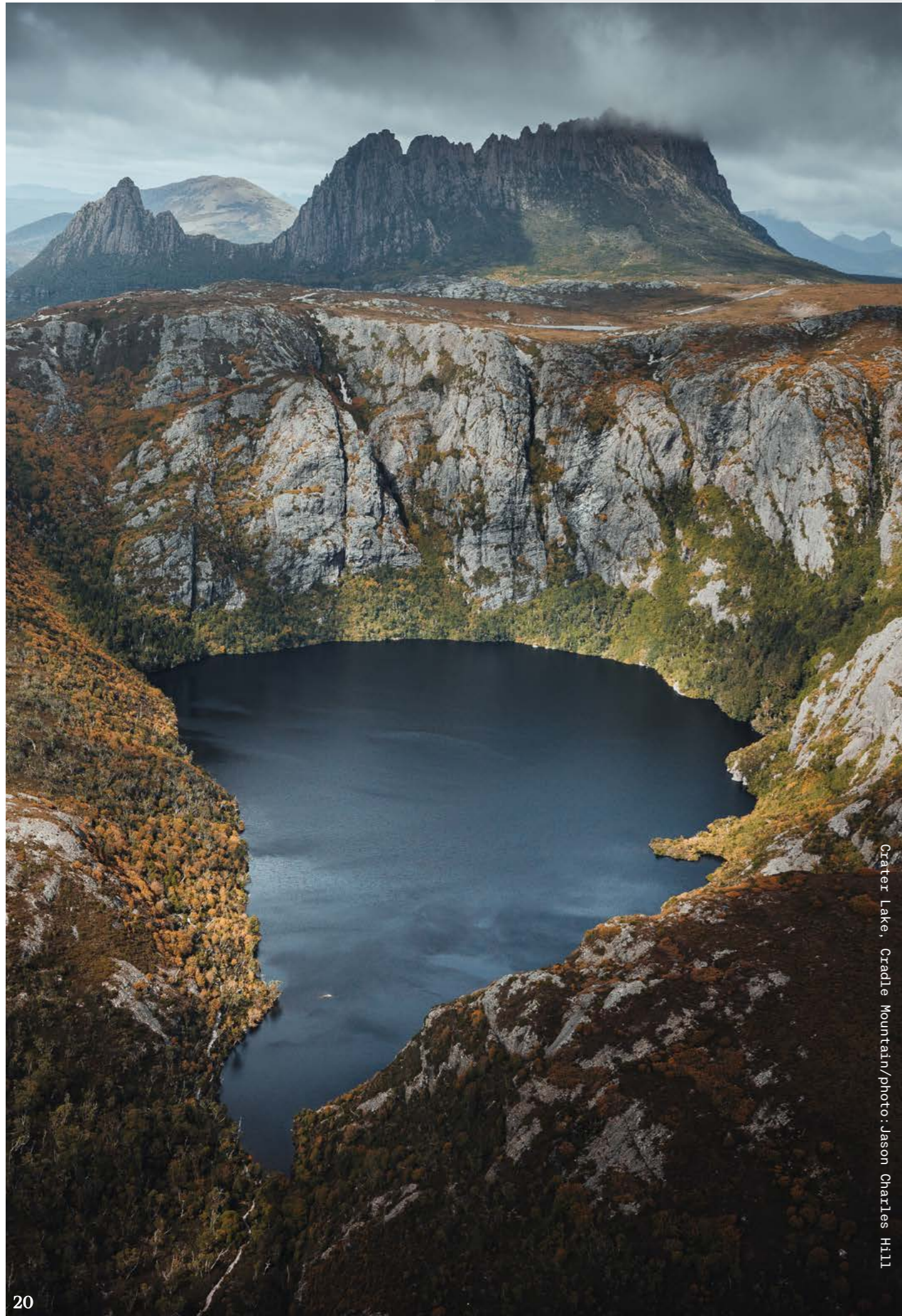
What does the strategy mean for government?

It provides the principles and priorities for future investment.

Enables coordination and collaboration across areas of government that contribute to a prosperous visitor economy.

Outlines the priorities of industry.

¹ Regional Tourism Satellite Account, Tourism Research Australia, 2020-21



Crater Lake, Cradle Mountain/photo: Jason Charles Hill

The things that make Tasmania different

The things that make Tasmania such a special place to live are the very same things that make the state a compelling brand proposition to visitors.

- Nature and wildlife like nowhere else
- Casual, down-to-earth people who have time for you
- A place that lets you feel off-grid, without being remote
- Self-sufficient in renewable electricity and net-zero emissions
- A pace of life that gives you time to let everything seep in
- Over half our lands and waters protected for their natural and cultural values
- Small islands with a long history
- A community vibe that awakens your convivial side
- A winter that wakes you up
- World-class produce where you can still talk to the owner
- An off-beat quality that is definitely not mainland
- A thriving arts and culture scene to inspire you

Our Vision

By 2030, the visitor economy will be valued by Tasmanians for its positive impact to our environment, prosperity and way of life, and Tasmania will be valued by visitors for being a genuinely different experience.

Our Mission

To promote and protect Tasmania through a visitor economy that champions our natural environment, grows our prosperity, and empowers visitors to make a positive impact to island life.



Furneaux Distillery/photo: Jasper Da Seymour

Our Values



We make a difference to our people, our place, and the planet.

We're for having the courage to embrace what is different and special about this place and its people. We care about making a positive difference to Tasmania.



We are champions of our natural environment.

The beauty of our landscape underpins the Tasmanian way of life. Our natural environment is finite and precious, core to our reputation and integral to our brand.



We are creatives, entrepreneurs and innovators.

We're a vibrant community of people who think differently and do things differently. We're about passion, hard work and ingenuity.



We share Tasmanian culture and heritage.

We're for authenticity, our communities and Tasmanian experiences that reflect our place and what it is to be Tasmanian.



We care about being the best we can be.

Our ambitions are bold and aligned to the highest possible standards.

Eight key directions for positive impact

Tasmania is an attractive destination, and we expect continued growth. We will proactively manage growth to protect and enhance Tasmania’s brand, environment and community values.

Over many decades, our visitor economy has created substantial value for Tasmania and Tasmanians.

While concerns around the cost of living are top of mind and disposable income is tightening, demand for travel is proving remarkably resilient.

Tasmania will continue to be a sought-after destination for visitors and popular with a growing population of Tasmanians wanting to explore their home State.

We have the opportunity now to proactively manage growth to protect and enhance Tasmania’s brand, environment and community values.

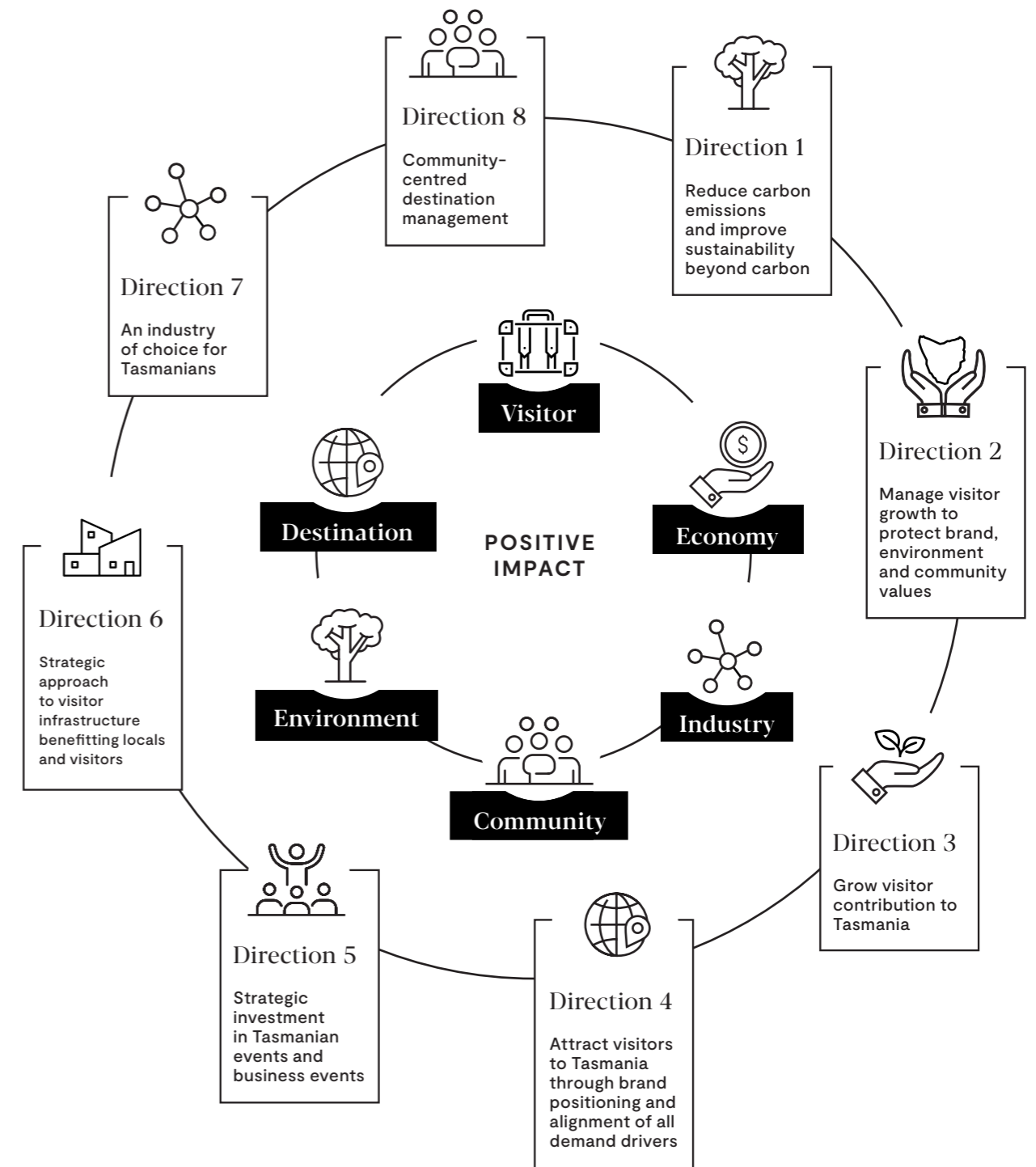
Our vision for Tasmania’s visitor economy is that it maximises the good, minimises the harm, and shares the benefits broadly.

This is what we mean by positive impact.

This will require purposeful actions, informed by data and research, and governed by a strong commitment by industry and government to be connected to our long-term vision.

This paper sets out eight key directions to grow and manage our visitor economy into the future.

1. We will be a leading destination for climate-conscious travel.
2. We will proactively manage growth to protect and enhance Tasmania’s brand, environment and community values.
3. We will grow the contribution that visitors make to Tasmania and maximise overall benefit to our state and regional communities.
4. We will differentiate and build awareness of Tasmania to increase brand power and attract the visitors who will grow value over volume.
5. We will invest in and support a sustainable and successful events and business events sector, enhancing Tasmania’s brand.
6. We will plan for and invest in infrastructure for the next decade to support future growth, benefitting locals and visitors.
7. We will attract a skilled workforce creating jobs for Tasmanians and meeting industry needs.
8. We will manage our destination in harmony with community.



Key Direction 1



Reduce carbon emissions and improve sustainability beyond carbon

We will be a leading destination for climate-conscious travel.

Tasmania has a nation-leading emissions profile, having recorded net zero emissions for the last seven years. As the world's largest carbon sink, our reserve estate and managed estate help underpin our net zero emissions position. Despite our strong advantages we are not immune to the impacts of a changing climate and there is a continuing focus on transitioning to a low emissions economy¹.

Tourism and hospitality is one of Tasmania's most valuable sectors and we must play our part in reducing our emissions.

Consumer purchase decisions are increasingly influenced by the sustainability credentials of both product and company. Globally, transport is one of the main sources of carbon emissions, highlighting the role that the tourism sector must play in reducing emissions.

In this context, responsible visitor destinations throughout the world are acting decisively to reduce their emissions footprint and operate more sustainably.

Our priority will be to continuously reduce our emissions as individual businesses and working with our supply chains to impact our carbon footprint. We will enable visitors to opt into the net zero ambition, with a focus on leveraging local carbon initiatives, also growing the contribution that visitors are making to our state.

Our responsibility goes beyond carbon. We will reduce our waste and resources impact as part of the state's move to a more circular economy².

These are practical and significant opportunities for our sector to positively impact Tasmania - recycling and waste management, electrifying vehicles, buying local, and working together on carbon reduction initiatives.

¹ Tasmania's Draft Climate Change Action Plan 2023-25

² Draft Tasmanian Waste and Resource Recovery Strategy 2022-2025

Key Direction 2



Manage visitor growth to protect brand, environment and community values

We will proactively manage growth to protect and enhance Tasmania's brand, environment and community values.

Tasmania is an attractive destination, and we expect continued visitor growth. While visitor growth provides benefits, it also presents challenges.

Prior to the pandemic, we were experiencing some tensions about the rate of visitor growth - crowding at popular places in peak times, capacity of local facilities to meet demand and concern about the impacts of some tourism activity like cruise shipping. This is compounded by Tasmania being a highly seasonal destination.

There are constraints to growth - air and sea capacity, accommodation, workforce and transport availability. Aspirations for tourism also vary across our communities, as do the capacities of our natural areas and smaller communities to cater for larger numbers of visitors at one time.

These present limits and thresholds that if exceeded can damage tourism's relationship with Tasmanians, impact our environment and erode visitor experience and brand reputation.

Investing in data and research about forecast visitor growth and visitation patterns, working with local government partners, will support planning and investment in future infrastructure, benefitting locals and visitors. An understanding of carrying capacity, cumulative impact, limits and thresholds will inform options to manage impacts and growth.

We will proactively plan for and manage growth to protect and enhance our brand, environment and community values.

Key Direction 3



Grow visitor contribution to Tasmania

We will grow the contribution that visitors make to Tasmania and maximise overall benefit to our state and regional communities.

Visitors increasingly care about sustainability and are making decisions with the environment and society in mind. Global trends around purposeful travel and nature-based experiences are also accelerating visitor awareness of the impact of their travel on a destination.

We have an opportunity to extract greater value from our visitors to directly contribute to local infrastructure, services and conservation and management of protected areas – and ensuring the maximum economic benefit remains in Tasmania, reducing leakage of benefits out of the state.

As we manage growth, we will focus on increasing yield – a value over volume strategy. Attracting visitors into our regions will grow the visitor contribution across the state, and we will increase our focus on the challenges of seasonality by targeting winter and the shoulder periods. This will grow visitor expenditure throughout the year and across our regions.

This is not just a question of how much money each person spends in Tasmania. The challenge is to invest more of that economic return into services and infrastructure to benefit locals, visitors and Tasmanians travelling around our state. Research to understand the economics of industry, particularly in regions, and how to retain maximum economic benefits in Tasmania is core to realising this ambition.



Aerial of Bay of Fires/ photo: Stu Gibson

We have an opportunity now to manage tourism growth to protect and enhance Tasmania's brand, environment and community values.

A number of pinch points are emerging where tourism is impacting environment and community values.

We will understand our limits and assess the carrying capacity of individual high visitation destinations and attractions.

We will put in place sources of data as a critical input to our decision making.

Tourism must generate funding to support investment in infrastructure and management of our natural areas and other places to protect what Tasmanians value and our brand.

Key Direction 4



Attract visitors to Tasmania through brand positioning and alignment of all demand drivers

We are clear on what makes Tasmania unique and attractive and will differentiate and build awareness of Tasmania to increase brand power and attract the visitors who will grow value over volume.

Tasmania's brand strength in market is strong but we can't take this for granted – domestic and global markets are intensely competitive. The Tasmanian brand must cut through. We will push boundaries, evolving our brand communications by taking risks and genuinely reflecting the extraordinary nature of our place and people and by speaking to a diverse visitor market.

Our investment in Tasmania as a winter destination is smoothing seasonality and supporting more sustainable and resilient businesses. Growing non-peak seasons via major winter campaigns and industry engagement is a priority, along with strengthening our yield over volume strategy, with clear market interventions designed to stimulate year-round visitation and attraction of visitors to regions

Digital transformation will improve our competitiveness in a highly disrupted environment – as well as increasing conversion opportunities by connecting operators with partners and direct to consumer.

We will rebuild our international market share with core markets, also looking for diversification opportunities, supporting growth and resilience. As a strong content partner of Tourism Australia, we will grow Tasmania's global presence. Activating primary markets with PR and distribution partnerships, and direct markets with brand campaigns will build awareness and support direct flight capacity.

Understanding the attraction of home state travel for Tasmanians and the importance of this for our regional economies, we will focus on promoting the travel opportunities in our own backyard, also growing pride in what is extraordinary about Tasmania.

Aligning key demand drivers and a common strategy will deliver efficiencies and leverage most return for Tasmania's visitor economy.

Key Direction 5



Strategic investment in Tasmanian events and business events

We will invest in and support a sustainable and successful events and business events sector, enhancing Tasmania's brand.

A strategic events program, aligned to the destination strategy and brand is an important lever to target identified gaps from seasonality and specific market segments – growing length of stay and visitor spend across the state.

Our reputation for events that are unique to Tasmania is strong and this will continue to be a priority, along with those that contribute to our environment, wellbeing and connectedness, and incorporate into their offerings a genuine recognition of our island and its people.

Our five-year events strategy will enhance Tasmania's events calendar, growing economic and cultural benefits for Tasmanians.

Tasmania's reputation as a destination for business events is growing. We are focussed on attracting high yielding travellers particularly out of peak season, bringing broader benefits through flow-on leisure travel, repeat visitation and global trade, investment and talent acquisition opportunities.

The opportunity of business events will be leveraged by a tourism/trade aligned strategy to attract events that provide economic benefits throughout the state through trade alignment.

Investing in facilities will enable Tasmania to attract events not previously available to Tasmanians and growing benefits year-round and across the state.

We will support a strong events and business events sector, promote investment, grow regional skills and capacity, and maximise the value and return on investment.

Key Direction 6



Strategic approach to visitor infrastructure benefitting locals and visitors

We will plan for and invest in infrastructure for the next decade to support future and manage growth, benefitting locals and visitors.

Iconic infrastructure and facilities like mountain bike trails, event venues and visitor facilities in parks and reserves are game-changing for host communities – boosting visitation and amenity for residents, and providing an influx of investment and employment during and following development.

An ageing population and a significant proportion of Australians living with disability provides an opportunity to better meet the needs of diverse travellers. Roads, toilets and signs are not visitor drawcards but are important hygiene factors in the visitor experience and if not properly catered for can impact locals and visitors.

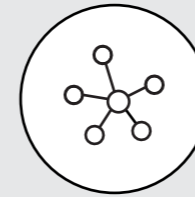
The opportunity for positive impact through infrastructure is significant. This requires planning and coordination to leverage the greatest return on investment and influence developments that enhance the Tasmanian brand and the diversity and quality of our destination.

We will build on the success of what we are already doing, having a longer-term lens that prioritises investment through a ten-year infrastructure plan focussed on priority public infrastructure projects that support a thriving visitor economy including national parks, events and local council infrastructure.

The new Spirit of Tasmania vessels are an important investment for the state, also supporting access by the touring market. Planning for and investment in facilities and services to meet contemporary touring market needs, including private investment opportunities, will realise this opportunity.

Informed by forecasts and other data, and working with state and local partners, we will provide governance that effects a central overview of needs and priorities and the sustainable management of our existing assets, and the delivery of major projects and local infrastructure.

Key Direction 7



An industry of choice for Tasmanians

We will attract a skilled workforce creating jobs for Tasmanians and meeting industry needs.

Our workforce is industry's most important asset.

Creating more employment opportunities for Tasmanians and meaningful life long careers is valued by our community across the state. Supporting initiatives within our schools on career pathways, skills and training will grow opportunities for younger Tasmanians and our industry.

Addressing worker accommodation challenges, particularly in regional areas, will alleviate industry pressure and constraints to growth.

To manage further visitor demand, we must attract and retain more people into our workforce across all levels of the industry, including local community members, students, international workers, students and working holiday makers.

Tackling entrenched structural issues, addressing barriers to enter our industry and attracting new generations of Tasmanian tourism and hospitality workers in a competitive job market, requires long-term focus and investment across industry and government.

Continuing our investment in a dynamic and responsive vocational training sector with public and private sector training organisations will ensure vocational training is fit for purpose and supports industry needs.

Our Regional Jobs Hubs will reach more Tasmanians from a broader range of cohorts, including older Tasmanians, youth, migrants, people with disabilities, and long-term unemployed, connecting them to support pathways into tourism and hospitality.

Our future visitor economy is reliant on developing a diverse and capable next generation of industry leaders and this will be prioritised to support our future visitor economy.

Key Direction 8



Community-centred destination management

We will manage our destination in harmony with communities.

Communities make up the fabric of our destinations. Tasmania's communities are intrinsic to our identity as a place and, therefore, our value proposition for visitors. A successful visitor economy and positive visitor experience are increasingly reliant on host communities who welcome visitors.

Our communities have different concerns, values and ambitions. Our approach to destination management is to work with local communities to shape the visitor economy to meet their aspirations, achieving the greatest positive impact.

Through this Strategy, the Tasmanian Government and tourism industry commits to principles of co-design and shared decision-making to support the self-determined participation of Tasmanian Aboriginal people, businesses and organisations in the sector.

Working with local government and other regional partners will enable us to identify and respond to destination challenges and opportunities. Embedding the principles of this strategy into planning and policy provisions and developing a framework that guides regionally-centred destination management aligned with land use planning frameworks, will deliver an integrated and consistent approach to destination management.

We understand that community sentiment is not static. We will measure the success of this strategy through community focussed metrics that help us understand the ongoing nature of community sentiment for tourism. Likewise, research and data will help us better understand our Tasmanian community and context, informing our approach to destination planning and management.



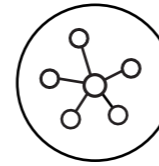
Russell Falls Track photo: Deanna Bond

Foundations of our future

Our vision for the visitor economy is underpinned by eight key directions that will grow and manage future growth.

Achieving our vision also requires a focus on the foundations of our visitor economy that are essential for future growth and management:

- An environment that enables investment, fosters standards and reduces barriers to support a prosperous industry growing benefits and opportunities across the state.
- Growing access into and around Tasmania, essential for visitors and Tasmanians.
- Supporting the development of our destinations, products and services to be accessible to visitors and Tasmanians, also offering a significant market opportunity.
- Growing core and emerging markets focussed on Tasmania's unique proposition and fostering the development of authentic Tasmanian experiences will bring the visitor experience and our brand to life.
- Tasmania's protected areas are our destination differentiator – we have an unwavering commitment to visitor activity that is appropriately managed and growing visitor contribution to these special areas.
- A deep understanding of our customers and a priority on digital transformation is essential to our connection and engagement with customers, increasing awareness of our destination and leveraging conversion opportunities.



A prosperous, resilient and innovative industry

Tasmania's tourism and hospitality operators are the core of our visitor economy.

Many nationally awarded, their investment evolves our products and experiences, providing employment, business opportunities and economic growth.

Operators maintain a commitment to high standards of professionalism and business practices, with clear industry frameworks to determine standards.

This strategy is focussed on stimulating private investment in new products and experiences, fostering standards and reducing barriers to support a prosperous, resilient and innovative industry.

The operating environment can be demanding for an industry that is predominantly comprised of small businesses, many regionally based.

State-wide and regional collaboration and networking opportunities are important in strengthening business and industry resilience, capability and enable destination development.

Access to quality and timely business advice and support for new and existing operators, red tape reduction, and digital connectivity and capability are essential for the success of our future visitor economy¹.

As our businesses adapt to the increasingly competitive and costly operating environment, investing in measures to reduce costs and improve productivity will be essential. An industry and government collaboration will be a priority to respond to rising businesses costs, including insurance, and to reduce regulatory barriers in priority sectors.



Access into and around Tasmania

As an island destination, affordable and reliable access is essential for tourism and Tasmanians alike, making it a high priority for government and industry partners.

Working with Tasmanian airports on infrastructure and capability will grow access and aviation capacity into the State.

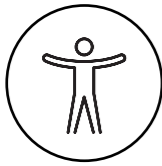
Our focus is on maintaining and growing frequency, choice and competitive domestic routes. Direct city pairs will increase Tasmania's appeal as a destination, supporting trade and business. Sustainable access into our Bass Strait islands will be supported through growth of markets aligned with community aspirations.

We will grow the long term sustainability of the New Zealand route and convert other international opportunities as markets recover with our access partners.

Tasmania's attraction as a touring destination will grow through the new Spirit of Tasmania vessels, supported by a collaboration across TT-Line, government and industry to leverage and provide for the opportunity of the new Spirit vessels – demand generation, infrastructure and services.

Expansion of alternative ways for visitors to travel around the state beyond self-drive options will be essential including additional electric vehicle options, passenger transport connections and working on hire car affordability and business model efficiency given the states reliance on this sector.

¹ Small Business Growth Strategy 2026



An accessible destination

An ageing population and a significant proportion of Australians living with disability provides industry with an opportunity to better meet the needs of diverse travellers. This is also an opportunity to meet the needs of Tasmanians and a growing market segment.

We will enhance positioning in this market and support our destinations, products and services to be accessible to all people.

Public and private investment in visitor facilities, services and infrastructure will grow the accessibility of Tasmania.

Engaging with industry and providing easily accessible resources and tools will improve understanding of and confidence to invest in facilities and services with accessibility in mind.

Partnering with established distribution channels who specialise in accessible tourism will leverage Tasmania's offer.

This will enable visitors and Tasmanians to explore and enjoy Tasmania with confidence and choice, enhancing our brand reputation and attractiveness to all visitor markets.



Authentic Tasmanian experiences

Tasmania is known for nature, heritage and history, arts and culture, and food and wine.

As visitor preferences evolve (such as for wellness, sustainable, agri-tourism and Tasmanian Aboriginal experiences), new and emerging Tasmanian-specific propositions offer opportunities for market development and diversification.

Leveraging our competitive advantage in nature we will support appropriate and responsible commercial visitor activities and investment in product and experiences in Tasmania's national parks.

Enabling development and innovation in product and experiences prioritising artisanal and built heritage as core strengths, and emerging propositions of sustainability and wellness, will increase our competitive proposition based in what is unique and special about Tasmania.

We will enable core and emerging markets to grow sustainably through a model that connects consumer research, marketing and promotion, tailored capability development of existing and emerging businesses and product development – aligned with the Tasmanian brand.

Prioritising improvements in the operating and regulatory environment for artisanal and boutique operators will support innovation and development and provide confidence to invest.

Visitors want to connect with Tasmanians and supporting operators to tell stories of place and product will enhance the visitor experience and the Tasmanian brand.



Our Protected Areas

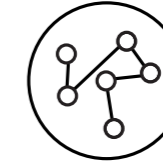
Tasmania's protected areas are our destination differentiator. Our nature, landscapes and multi-day walks are a primary reason why visitors come to Tasmania. As the world increasingly recognises the intrinsic value of nature and the environment, scrutiny will grow on the type and scale of tourism activity in these areas.

We will support continued investment, long-term planning and partnerships to protect the conservation, cultural and heritage values that draw people here and contribute to the quality of the visitor experience – prioritising Tasmanian Aboriginal tourism initiatives, delivery of master plan initiatives in iconic national parks including Cradle Mountain and Freycinet National Park and those encompassed by the Tasmanian Wilderness World Heritage Area Tourism Masterplan and Tasmania's Next Iconic Walk on the West Coast.

We will ensure visitor activity is appropriately managed and regulated – with leave no trace our intent, and further, to leave our special places better.

Investment in systems, processes and models to support contemporary visitor management and contribution are core to supporting the future management of these special places.

We will grow the contribution that visitors make to these areas – supporting stewardship through conservation investment sustaining improved management.



Connected to customer

Our success is underpinned by a deep knowledge of our target markets and in communicating our destination offering in a uniquely Tasmanian way. This has grown customer connection and loyalty to Tasmania as a brand.

We will connect with customers who value Tasmania.

Research and data is central to this – to evolve our target customer markets and competitor analysis. Sharing insights across government and industry will enable investment decisions in product, experiences and our destination, reinforcing our brand.

Investment in digital systems will improve customer connection increasing awareness of our destination and leverage conversion opportunities for operators direct-to-consumer – reducing costs and improving productivity.

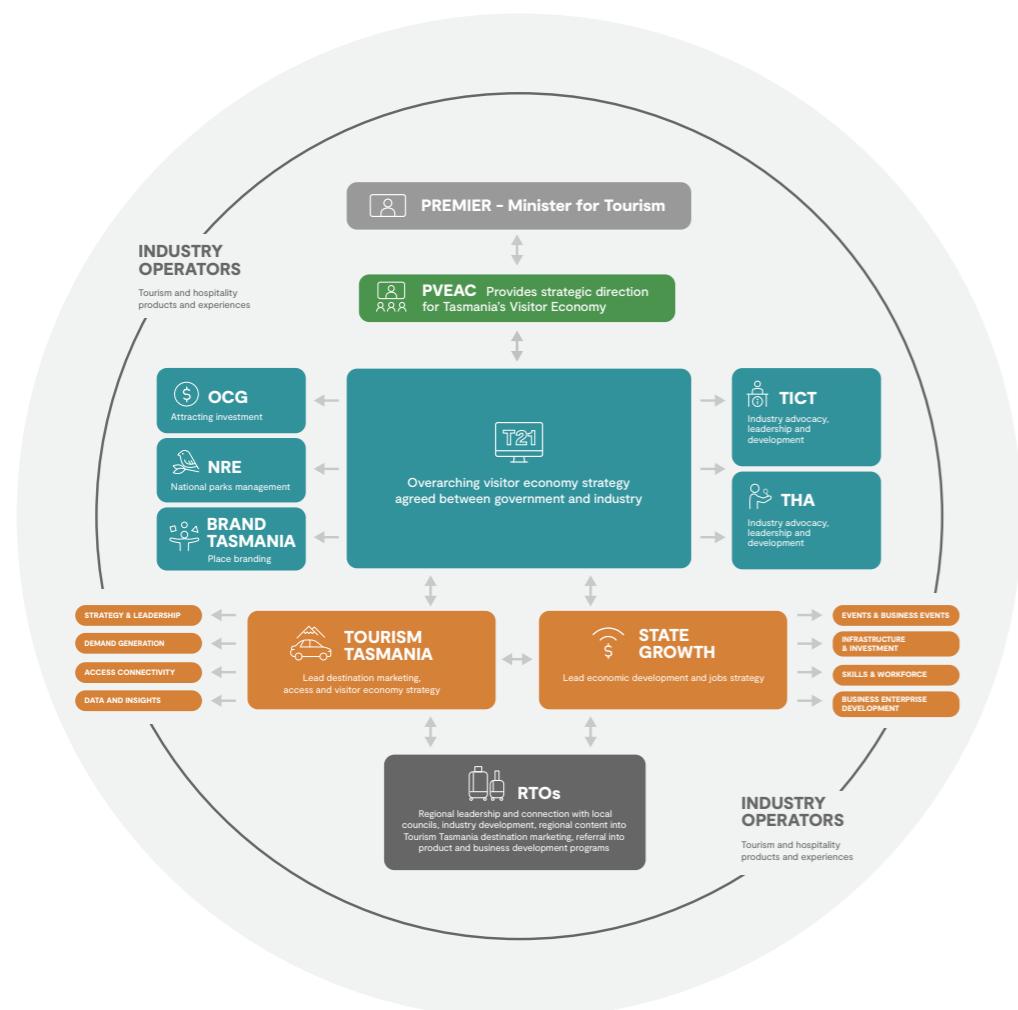
The constantly evolving digital environment carries risks and opportunities. Investment in digital capability, platforms and evolving our data maturity to continuously improve data-driven decision-making will future proof our visitor economy. This also requires a focus on data governance to improve security, reduce risk, and maintain customer trust.

Tasmanian visitor economy governance

The T21 partnership between the Tasmanian Government and industry was established in the mid 1990's. It is a partnership that has guided the development of the visitor economy to be one of Tasmania's most valuable drivers of growth, the economy and jobs.

The Premier's Visitor Economy Advisory Council (PVEAC), chaired by the Premier as Minister for Tourism, provides the strategic direction for Tasmania's visitor economy. PVEAC is supported by the T21 Steering Committee that brings together the various Tasmanian Government agencies, Tourism Industry Council of Tasmania and the Tasmanian Hospitality Association to support implementation of, and accountability for, the 2030 Visitor Economy Strategy.

Regional Tourism Organisations provide the leadership, representation of regional industry needs and referral point for operators into the support and development resources provided by multiple agencies and other organisations servicing the visitor economy. The T21 partnership and governance exists to support our industry operators and grow a valuable visitor economy for Tasmania.



Have your say

The Tasmanian Government is committed to providing opportunities for community involvement in the development of Government policy and Tourism Tasmania welcomes your input into this Key Directions Paper.

HOW TO MAKE A SUBMISSION

You can make a submission by writing to us detailing any feedback you would like to be considered.

KEY DATES

Key Directions Paper released:
Wednesday 31 May 2023

Written submissions close:
Midnight Wednesday 21 June 2023

HOW TO LODGE YOUR SUBMISSION

Submissions can be sent to:

Email: tourism2030@tourism.tas.gov.au

Mail: 2030 Visitor Economy Strategy
Tourism Tasmania, GPO Box 399, Hobart,
Tasmania 7001

Other than indicated below, submissions will be treated as public information and will be published on our website at www.tourismtasmania.com.au **No personal information other than an individual's name or the organisation making a submission will be published.**

ACCESSIBILITY OF SUBMISSIONS

The Government recognises that not all individuals or groups are equally placed to access and understand information. We are therefore committed to ensuring information is accessible and easily understood by people with diverse communication needs. Where possible, please consider typing your submission in plain English and providing it in a format such as Microsoft Word or equivalent. The Government cannot however take responsibility for the accessibility of documents provided by third parties.

IMPORTANT INFORMATION TO NOTE

Your name (or the name of the organisation) will be published unless you request otherwise.

In the absence of a clear indication that a submission is intended to be treated as confidential (or parts of the submission), the submission will be treated as public.

If you would like your submission treated as confidential, whether in whole or in part, please indicate this in writing at the time of making your submission clearly identifying the parts of your submission you want to remain confidential and the reasons why. In this case, your submission will not be published to the extent of that request.

Copyright in submissions remains with the author(s), not with the Tasmanian Government.

Submissions containing defamatory or offensive material, in whole or in part, will not be published.

If your submission includes information that could enable the identification of other individuals then either all or parts of the submission will not be published.

THE RIGHT TO INFORMATION ACT 2009 AND CONFIDENTIALITY

Information provided to the Government may be provided to an applicant under the provisions of the Right to Information Act 2009 (RTI). If you have indicated that you wish all or part of your submission to be treated as confidential, your statement detailing the reasons may be taken into account in determining whether or not to release the information in the event of an RTI application for assessed disclosure. You may also be contacted to provide any further comment.

FURTHER INFORMATION

Tourism Tasmania
Email: tourism2030@tourism.tas.gov.au
www.tourismtasmania.com.au