

SUBMISSION TO THE MINISTER



The Hon. Scott Bacon MP
Minister for Tourism

Dear Minister

Section 41 of the *Tourism Tasmania Act 1996* (the Act) requires that the Board must prepare for the Authority (Tourism Tasmania) an annual report for each financial year. The Act states that the annual report is to include the following information and documents:

- The statement of corporate intent that relates to the corporate plan that takes effect at the beginning of the next financial year
- The Financial Statements of the Authority for the financial year to which the annual report relates, including a copy of the opinion of the Auditor-General in respect of the Financial Statements
- A report on the operations of the Authority during that financial year
- Section 42 of the Act states that the Minister must lay a copy of the annual report before each House of Parliament within four months after the end of the financial year to which the annual report relates.

Accordingly, I have pleasure in submitting to you for presentation to Parliament, this report on the affairs and activities of Tourism Tasmania for the financial year ended 30 June 2011.

A handwritten signature in black ink, appearing to read 'Grant Hunt'. The signature is fluid and cursive.

Grant Hunt
Chairman
Board of Directors
October 2011

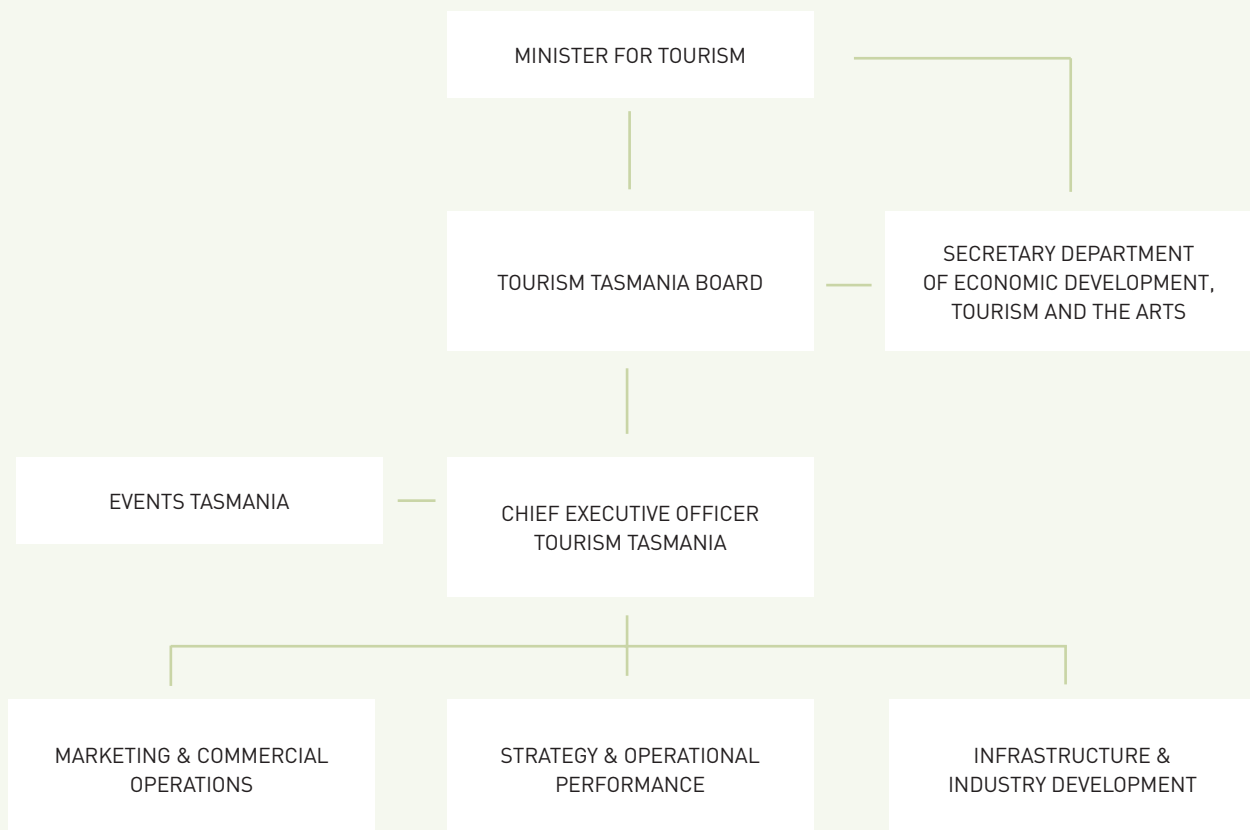
OUR STRUCTURE AND WHO WE ARE

Tourism Tasmania is a statutory authority operating under the *Tourism Tasmania Act 1996*. It has an eight-member Board appointed by the Governor on the recommendation of the Minister. The Board has strong expertise in tourism development, marketing and commerce.

Tourism Tasmania's role is to lead the industry to jointly deliver marketing and development programs that drive benefits for Tasmania from domestic and international tourism.

Tourism Tasmania is part of the greater Department of Economic Development, Tourism and the Arts. It links government and the private sector in marketing the assets which make Tasmania unique and works with the industry to achieve sustainable growth. It also provides strategic advice to the Minister for Tourism.

STRUCTURE AS AT 2010-2011



CHAIRMAN'S REPORT

Despite the increase in confidence after the Global Financial Crisis in 2008, much of the world still remains affected by its consequences. Ongoing unrest in financial markets across the European Union and the United States has caused a rapid decline in demand for travel worldwide and tourism destinations around the world are still feeling the effects of the global downturn.



A handwritten signature in black ink, appearing to read 'Grant Hunt'.

Grant Hunt
Chairman

With international travellers tightening their belts, our industry took a further hit this year with the appreciation of the Australian dollar, making overseas travel for Australians considerably cheaper and inbound travel to Australia more expensive. As well as this, flooding in Victoria, New South Wales and Queensland reduced travel to Tasmania from these key domestic markets.

The economic impacts on tourism are evident. Over this past year we've seen a decline in the number of visitors to Tasmania as well as a decline in the number of nights stayed. We've also seen a decrease in visitation to our regions, likely due to a decrease in family holiday visits. This raises real concerns for those smaller businesses that depend on holiday visitation for their economic viability.

Working to address the difficulties facing our regions will be a priority for Tourism Tasmania over the coming year. Two separate reviews, a Zone Marketing Evaluation and a Regional Tourism Review, contributed to the Board's thinking. Noting the outcomes of this work, the Board is planning a revitalised approach to addressing the constraints facing our regions.

Of course, government alone cannot sustain our tourism industry. In today's volatile tourism marketplace it's even more important than ever that we work together to address these challenges, as we have done so successfully in the past.

Earlier in the year we launched a new version of *Tourism 21*. This shared strategic business plan, agreed to between Tourism Tasmania and the Tourism Industry Council Tasmania, aims to improve the performance and structural efficiency of Tasmania's tourism industry. The revised plan, *Tourism 21:2011-2013*, sets out new, shared long-term goals for the growth of Tasmania's tourism industry and how we will work together to maximise our opportunities and meet the challenges ahead.

This year also sees us reporting for the first time against our new Tourism Tasmania *Strategic Plan: 2010-2013*. The plan identifies Tourism Tasmania's goals and priorities for the next three years and details the focus of our work for the period.

I would like to acknowledge the support of my fellow Board members for their contribution and in assisting me settle in to the role of Chair. I also acknowledge the work of my predecessor Bob Annells for his immense contribution and the work of the previous CEO, Felicia Mariani.

And I thank the Minister for Tourism, Scott Bacon, for his ongoing support.

I look forward to working with the Board, the State Government and the staff of Tourism Tasmania over this coming year to grow and consolidate Tasmania's tourism industry and contribute to Tasmania's economic development.

CHIEF EXECUTIVE OFFICER'S REPORT

Every good business manager knows that to survive in a competitive market place it pays to watch the fundamentals – to understand the market, to recognise and build a comparative advantage and to monitor the financial health of the business.



Tony Mayell
Chief Executive Officer

This is also true for Tourism Tasmania where, over the past year, we've taken a close hard look at the way we work; our strengths and limitations and what steps we need to take to support our industry's development in these difficult economic times.

Our achievements have included partnering with retail, wholesale and online distributors in 23 tactical campaigns - more than double last year's number. The campaigns are a cost effective way of promoting the state and securing sales for participating businesses. Together these campaigns helped generate over \$4 million in sales of Tasmanian product.

Our Digital Coach program continued to help Tasmanian tourism businesses engage in the digital market place. We had 300 participants enrolled in the program this year compared with 161 last year. And in Tasmania today we now have around 550 tourism businesses capable of taking bookings and transacting payments online.

And our major domestic marketing campaigns continued to drive demand for the state, providing significant conversion opportunities for industry partners.

But we can't ignore the fact that our environment is changing dramatically and that business as usual is no longer an option.

As a result, Tourism Tasmania is going to look significantly different over the coming year. This will be driven not only by the impacts of a considerable budget reduction for the organisation in 2011-12, but also the need to change the way we do business in response to the changes taking place in a volatile and highly competitive marketplace.

More than ever, we need to make sure our resources and commitment are directed to those challenges and opportunities that will generate the maximum return on investment for our partners; the industry, government, stakeholders - such as the hospitality industry, local councils, the community and our own team as well.

We will focus heavily on driving demand through coordinated marketing campaigns based on sound research to ensure we're in market at the right times and with the right message targeting the right people. Overall we'll be doing more of this with industry partners and particularly our product.

We will also continue to recognise those supply side opportunities, like the launch of MONA, that grow our product portfolio and destination appeal and so drive demand in their own right.

And a priority for us will be to ensure Tasmania has a strong regional tourism base. Over the coming year we will work to clarify the roles and responsibilities of local tourism associations, regional tourism associations and zone marketing groups.

This coming year will see a new look Tourism Tasmania, directing its efforts to achieving new shared goals for our industry and a renewed vision for our regions. I'm confident these changes will see us deliver the services and support that best meet the needs of our industry in what is an increasingly competitive economic environment.

I thank all the staff at Tourism Tasmania, the Board, and the Minister for Tourism for their support and commitment. I also thank those many individuals and businesses who worked alongside us this year in a spirit of mutual respect and partnership to help secure the economic viability of our industry and benefit from the many opportunities our unique island state has to offer.

OUR BOARD 2010-11



GRANT HUNT

Grant Hunt is the Chairman of the Tourism Tasmania Board of Directors. He is Executive Chairman of Anthology, a boutique nature based tourism management and marketing company and of Hunt Tourism Services, a tourism advisory business, both of which he owns and operates.

Grant is also a member of the CSIRO Stakeholder Group on Climate Change. He has held a number of board roles in the past including as Chairman of Tourism Northern Territory, as a Director of Tourism Australia, ATEC, the Uluru Kata Tjuta National Park Board of Management, and Voyages Hotels and Resorts.

For more than a decade, Grant was the creator and Managing Director of one of Australia's leading tourism and travel brands – Voyages Hotels and Resorts – and became an industry pioneer in the area of corporate social responsibility and sustainable business practices. He is best known for his pioneering work in the development of projects such as Longitude 131 in Central Australia and Wildman Wilderness Lodge in Top End NT.

He holds Masters of Management Degree, Bachelor of Education Degree and Diploma of Physical and Health Education from the University of Wollongong.



TONY MAYELL

Tony Mayell is the Chief Executive Officer of Tourism Tasmania. Mr Mayell has extensive experience in tourism and travel industry organisations in the private and public sectors and has worked in the areas of travel, tourism operations and distribution, transport logistics and tourism policy development and implementation.

Prior to joining Tourism Tasmania in May 2011, Tony was Executive Director Southern Region, with the Northern Territory Department of Chief Minister; and before this held the position of Resort General Manager at Voyages Ayers Rock Resort. He has held a number of other senior positions including Managing Director, Online and Domestic for the AOT group and General Manager Europe for the Australian Tourism Commission, based in London. Previous to this Tony spent five years as Managing Director of the Northern Territory Tourism Commission, during which time he was Chair of the Northern Territory Aviation Committee, a Board member of the Northern Territory Conservation Commission and a member the Government Central Coordination Committee, the Chief Ministers' Aboriginal Development Forum and the Australian Standing Committee on Tourism.

Tony has also spent five years with Tourism Victoria holding the positions of Assistant Director of Product Marketing and General Manager of International Marketing, and worked with both TAA and Ansett.



MARK KELLEHER

Mark Kelleher was appointed Secretary of the Department of Economic Development, Tourism and the Arts in May 2009. He is also the Chief Executive of the Tasmanian Development Board, a member of the Tasmanian Infrastructure Advisory Council, and the Ten Days on the Island Board.

Preceding his current position, Mr Kelleher was Managing Director of Roaring 40s, an Australian based renewable energy company developing and operating wind farms in Australia, China and India. During this time he was a board member of the Australian Clean Energy Council. Mr Kelleher has also held a number of senior positions with Hydro Tasmania and, prior to this, with Telstra.

Mr Kelleher has a Bachelor of Commerce (University of Tasmania) and is a Fellow of the Institute of Company Directors. He is also a graduate of the senior executive program at London Business School.



KIMBERLY SEAGRAM

Kimberly Seagram is co-owner and co-developer of the award-winning Stillwater River Café, Restaurant and Wine Bar in Launceston and Black Cow Bistro. She is currently Deputy Chair of Brand Tasmania, and Chair of the Launceston, Tamar and the North Zone Marketing Group. Prior to Stillwater, Kim and her husband owned and operated Lalla Gully Vineyard and Ripples Café in the Pipers River region of north-east Tasmania. In 1997, Kim was elected to the Vineyards Association of Tasmania Committee of Management and she continues a high level of involvement with the wine industry, where she has made a significant contribution to strategy and marketing development. Prior to living in Tasmania, Kim held a number of positions in the Canadian tourism industry in operations, sales and promotion.



SIMON CURRANT

Simon Currant is a tourism developer and operator. He has developed iconic Tasmanian destinations, including Cradle Mountain Lodge, Strahan Village, Franklin Manor, Peppermint Bay and Hobart Cruises, and has won 11 state and nine national tourism awards. Simon is currently developing the unique World Heritage Area site of Pumphouse Point at Lake St Clair in Tasmania's central highlands.

Simon also runs a tourism consultancy specialising in remote and natural area tourism, consulting nationally and internationally on tourism planning, infrastructure and experience development. Simon has won national and state Best Small Business Awards, a Churchill Fellowship, was state winner and national finalist in the 2004 Entrepreneur of the Year, and was the 2004 Tasmanian of the Year. In 2006 Simon was honoured with a Member of the Order of Australia Award for service to the community and the Tasmanian tourism industry.

Simon is Chairman of the Tourism Industry Council Tasmania, and was a board member of TT-Line for 14 years. Under the Federal National Long Term Tourism Strategy, he is Chair of the Tourism Quality Council of Australia.



ALISON STUBBS

Alison Stubbs is co-founder and General Manager of the award-winning Freycinet Adventures with business partner and husband, Simon. They established Freycinet Adventures with a passion for delivering exceptional service and their achievements have been recognised with two Telstra Tasmanian Small Business Awards and seven Tasmanian Tourism Awards (including the induction into the Awards Hall of Fame in 2004 for Adventure Tourism). Alison was awarded the 2005 Minister's Young Achiever Award at the Tasmanian Tourism Awards and the Tasmanian Telstra Young Business Woman of the Year in 2003.

Alison is a member of the Audit, Finance and Risk Committee for the Tourism Tasmania Board and is also a Director of the Marine and Safety Tasmania Board.



WAYNE KIRKPATRICK

Wayne Kirkpatrick has extensive business, financial, marketing, sales, tourism, resort management and property development experience. He has successfully led some of Australia's most significant resorts including Thredbo Alpine Resort, the Mirage Resorts in Qld, Ayers Rock Resort, Hamilton Island, Lizard Island and El Questro Station, amongst others.

He was a Commissioner of the Northern Territory Tourist Commission, a Director of the Central Australian Tourist Industry Association, past Chairman of Tourism Whitsundays and a member of the National Oceans Advisory Group to the Federal Government. He has served as Chairman of Tourism Council Australia and as a Director of Tourism Task Force and Tourism Australia.

In 2003, the Australian Tourism Export Council (ATEC) recognised Wayne's contribution to the Australian tourism industry with an award, namely Outstanding Contribution to the Industry by an Individual, for Excellence in Exporting the Australian Tourism Experience to the World. Tourism Whitsundays also recognised his work with a similar Outstanding Contribution by an Individual Award.

Wayne is Chairman of Tourism Tasmania's Finance, Audit, and Risk Committee. Wayne currently runs his own tourism and business advisory practice with a select group of clients and is a Director of the Association of Marine Park Tourism Operators (Great Barrier Reef), and a member of the Tourism Recreation and Reef Advisory Committee to the Great Barrier Reef Marine Park Authority.



BRETT TOROSSİ

Brett Torossi is a respected Tasmanian property developer and business woman. Brett's major tourism project is Avalon Coastal Retreat on Tasmania's east coast. Avalon was awarded the prestigious James Blackburn Triennial Award for excellence in architecture and recognised as Tasmania's best New Tourism Development in 2006, Tasmania's best Deluxe Accommodation in 2007 and 2009 and Australia's best Deluxe Accommodation at the 2009 National Tourism Awards.

Other development projects include Rocky Hills Retreat on 124 hectares in a dramatic setting above Great Oyster Bay and refurbishing a commercial office building in the Hobart CBD. Her current major residential development project is 'The Green', an innovative and sustainable development that will be home to around 500 families in the northern suburbs of Launceston. The Green was recognised with an Excellence in Urban Planning Award from the Planning Institute of Australia and a Chairman's Award for Excellence in Urban Planning from the Institute's Tasmanian Chapter.

Brett is the founder, owner and CEO of New Ground Network. Her board appointments include Wallis Watson Capital Ltd - an unlisted property development company based in Victoria; Festival of Voices - Tasmania's premier winter event; the Tasmanian Development Board and the Tasmanian Early Years Foundation. Brett also serves as a Commissioner on the Tasmanian Planning Commission, the body charged with delivering the planning reform agenda for Tasmania. Brett is completing a Masters Degree in Ecologically Sustainable Development.

STATEMENT OF CORPORATE INTENT

Lead the industry to jointly deliver marketing and development programs that drive benefits for Tasmania from domestic and international tourism.

While this publication looks back over the past twelve months, the *Tourism Tasmania Act 1996* states that the Annual Report is to include the Statement of Corporate Intent relating to the Corporate Plan that takes effect at the beginning of the next financial year. As a result, this Statement takes a look forward to our role over the next three years.

This Statement of Corporate Intent is a summary of the *Tourism Tasmania Corporate Plan June 2011 to July 2014*. It recognises the authority's role as a leader in the tourism sector and seeks to align its overarching goals with the organisational priorities for the forthcoming three-year period. The Corporate Plan 2011-2014 recognises the dynamic nature of the global tourism landscape and the important role Tourism Tasmania plays in fostering the sustainable growth of Tasmanian tourism, while developing innovative and informed marketing initiatives that drive visitation to Tasmania.

OUR ROLE

Tourism Tasmania's clearly defined role is to: **Lead the industry to jointly deliver marketing and development programs that drive benefits for Tasmania from domestic and international tourism.** To effectively fulfil this role we will enable the industry by:

1. Creating new knowledge and understanding for industry and stakeholders about tourism through research, analysis and insights
2. Addressing the barriers to conversion and travel to Tasmania by identifying and taking effective, consistent action with those who can make a difference
3. Establishing, articulating and maintaining the Tasmanian tourism brand and brand values, particularly through creative and innovative marketing
4. Aligning Tasmania's tourism product, experiences and infrastructure to match market expectations of the brand.

OUR GOALS

Tourism Tasmania's five key goals are to:

1. Maximise Tasmania's tourism potential
2. Drive demand for Tasmania
3. Foster the supply of tourism products and experiences
4. Enhance industry's competitive position with market-leading research and analysis
5. Be a highly effective organisation.

These goals are the result of a comprehensive and detailed analysis of the current environment and future trends in tourism and firmly establishes Tourism Tasmania's vision for the three-year period 2011-2014.

To achieve these five goals we have articulated our priorities for 2011-2014 and the strategic initiatives we will undertake to deliver benefits for the Tasmanian tourism industry. These can be found in full in the *Tourism Tasmania Corporate Plan 2011-2014*, available online at www.tourismtasmania.com.au/publications/corporate_plan

VISITORS TO TASMANIA

The Tasmanian Visitor Survey is a systematic sample survey of departing passengers at the airports in Hobart, Launceston, Devonport and Burnie as well as the Spirit of Tasmania terminal in Devonport.

In addition to the Tasmanian Visitor Survey, data is collected from the National Visitor Survey and the International Visitor Survey both conducted by Tourism Research Australia.

The following tables summarise the 2010-2011 results.

Key Indicators			
Visitors	12 months ending June '10	12 months ending June '11	% change
Total visitors*	992,200	956,800	-4

*All visitors on scheduled air and sea services, including cruise and navy.

The data below includes visitors on scheduled air and sea services, and does not include cruise and navy ship visitors.

Total Nights	8,498,500	8,051,400	-5%
Average length of stay	9.3	9.0	
Expenditure (million)	\$1,507	\$1,558	3%
Holiday			
Visitors	393,400	379,100	-4%
Nights	3,786,700	3,832,300	1%
Average Length of Stay	9.6	10.1	
Expenditure (million)	\$992.9	\$1,030.0	4%

Source: Tasmanian Visitor Survey, Tasmanian Cruise and Navy Ship Survey

International Visitors

Key Indicators			
International Visitors	12 months ending June '10	12 months ending June '11	% change
Total visitors	134,500	149,900	11%
Total Nights	2,669,000	2,905,000	9%
Average length of stay	19.8	19.4	
Expenditure (million)	\$263	\$257	-2%
Holiday			
Visitors	89,800	104,100	16%
Nights	867,000	1,103,100	27%
Average Length of Stay	9.7	10.6	
Expenditure (million)	\$95	\$110	16%

Marketing Performance (Holiday Tracking Survey)			
	2009/10	2010/11	% Change
Advertising Awareness (unprompted)	15.6	13.3	-15%
¹ Advertising Awareness (prompted)	24.5	23.3	-5%
² Preference to visit Tas	17	16.4	-4%
³ Intention to visit Tas	4.5	4.5	0%
⁴ Behaviour	4.9	4.6	-6%

Source: Holiday Tracking Survey, Roy Morgan Research

¹ Advertising Awareness – Percentage of Australians with un-prompted and prompted advertising awareness for holidays in Tasmania

² Preference – Percentage of Australians that would like to visit Tasmania in the next 2 years.

³ Intention – Percentage of Australians planning or intending to visit Tasmania on their next trip.

⁴ Behaviour – Percentage of Australians that visited Tasmania in the last 12 months.

HIGHLIGHTS 2010-11

In 2010-11, Tourism Tasmania through Events Tasmania, supported a total of 119 events that attracted around 41,000 visitors. Visitors stayed four nights on average and injected around \$33million into the Tasmanian economy. This represents a five-to-one return on the State Government's investment of over \$6 million.

Tourism Tasmania worked to secure Tasmanian coverage on Oprah's Ultimate Australian Adventure. The show aired numerous times in 147 markets across the globe. The program was aired in Australia with 1.811 million viewers and the same program, when aired in the US, attracted 9.7 million viewers.

Tourism Tasmania's Secrets Revealed marketing campaign was in market from 25 September through to 1 December 2010. Tourism Tasmania's total spend of \$750 000 delivered over \$3.5 million in marketing value over the campaign.

The Events Tasmania Grants Program attracted 92 groups to Tasmania in the National Championships, Special Interest and Touring events categories. The program encouraged a dispersal of economic benefits to smaller communities in all regions with an emphasis on the shoulder-winter periods.

Tourism Tasmania hosted a media lunch for 32 media representatives from Sydney and Melbourne at The Source Restaurant to showcase MONA, Mona Foma and the Ten Days on the Island festival.

Tourism Tasmania's Visiting Journalist Program supports journalists, publications and websites that produce high quality editorial to visit Tasmania and write about special events. As a result of the program's activities Tourism Tasmania achieved national media exposure for Tasmania with a value of \$20 353 138.

The Australian Tourism Exchange 2011 (ATE) saw Tasmania host 64 buyers from around the world on Tourism Tasmania's ATE familiarisation program.

Tourism Tasmania's Digital Coach Program helps build the industry's capacity to understand and benefit from the digital environment. A total of 300 participants enrolled in this year's Round 2 of the Digital Coach Program compared with 161 participants in Round 1.

Tourism Tasmania commissioned research to assess the appeal of a range of experiences and the motivational triggers that attract travellers to Tasmania. Tourism Tasmania published a report of the findings on Tourism Tasmania's corporate website and held a series of free industry forums around the State to share the findings with local tourism businesses.

Tourism Tasmania's bi-monthly consumer e-newsletter grew its subscriber base by 18 000 over the year to a total of 55 000 subscribers.

A new version of *Tourism 21: 2011-2013*, a joint strategic business plan, agreed to between Tourism Tasmania and the Tourism Industry Council Tasmania (TICT), was released this year. It sets new 10-year goals including an 'industry potential goal' of a total visitor spend of \$4.39 billion by 2020.

Tourism Tasmania secures co-operative partnerships with distributors, enabling Tasmania to benefit from their audience reach, media buy, brand strengths and potential for sales. Over the year, 23 co-operative tactical campaigns were taken to market with a total media value of \$2 496 600. Tourism Tasmania's partner campaign investment was \$634 200. These campaigns helped generate over \$4 million in sales of Tasmanian product.

In response to work undertaken throughout the year, a new regional tourism initiative will see the establishment of four regional tourism associations with autonomy to plan and deliver programs that market and develop the region.