

VICTORIA'S REGIONAL TOURISM STRATEGY 2013-2016

December 2013



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Premier's foreword



The Victorian Government is implementing a range of actions to ensure regional Victoria shares in the economic, social and cultural benefits delivered by our state's \$19 billion tourism industry.

We are committed to growing this vital industry by increasing Victoria's profile as a sophisticated destination of choice for local, interstate and international holiday makers, as well as international students and business travellers.

In recent years, the growth of our tourism industry has been driven by increasing demand from key emerging overseas markets and by Melbourne's unrivalled reputation as Australia's centre for major events, arts, culture, and shopping.

A key challenge for Government and the tourism industry is to encourage as many visitors as possible to discover the many world class attractions and rich experiences available across regional Victoria.

To help achieve this, we have made regional tourism an overarching priority of *Victoria's 2020 Tourism Strategy*, which is now supported by *Victoria's Regional Tourism Strategy*.

The Victorian Government, through Tourism Victoria, Regional Development Victoria and other agencies will continue to work with industry stakeholders, Regional Tourism Boards, all levels of government and tourism operators to address the challenges we face and capitalise on the significant opportunities ahead to grow regional tourism.

A handwritten signature in black ink that reads "Denis Napthine". The signature is written in a cursive, slightly slanted style.

The Hon Dr Denis Napthine MP
Premier of Victoria

Minister's foreword



Visitors to regional Victoria can enjoy a wide range of experiences, from quality food and wine across the State to indulging in spa and wellbeing products in Daylesford and the Mornington Peninsula; from the spectacle and history of the Great Ocean Road and the Grampians National Park to the heritage and culture of Victoria's Goldfields region.

The tourism industry continues to be an important economic driver for regional Victoria, contributing \$10.9 billion to the economy and generating over 109,000 jobs in 2011-2012 (including both direct and indirect impacts). Tourism attracts a significant number of domestic and international visitors to the State's regions, and with a changing economic environment, increases in importance every year.

Through five overarching policy areas, *Victoria's Regional Tourism Strategy* articulates short and medium term actions Tourism Victoria will take to stimulate tourism in regional Victoria.

Priority actions to address ongoing challenges include a greater focus on intrastate tourism, particularly attracting Melbourne visitation to regional Victoria. Ensuring priority tourism investments and infrastructure projects are investor ready and realising opportunities provided by digital communication are also key strategies. Attracting international visitors to regional Victoria will continue to be a long term priority.

The Strategy has been developed following extensive research and consultation with Regional Tourism Boards and key industry representatives. The consultation process provided invaluable feedback in the development of the Strategy.

I am delighted to present *Victoria's Regional Tourism Strategy 2013-2016* and I look forward to working with the industry to implement the actions identified.

A handwritten signature in black ink, appearing to be 'Louise Asher', written in a cursive style.

The Hon Louise Asher MP
Minister for Tourism and Major Events

Introduction

Victoria's Regional Tourism Strategy 2013-2016 (The Strategy) is the key medium term Strategy for realising the directions for regional tourism identified in *Victoria's 2020 Tourism Strategy*. The Regional Strategy outlines how Tourism Victoria will address challenges confronting regional tourism in the period 2013 to 2016. Priorities for individual regions have been discussed with and agreed by respective Regional Tourism Boards. Realisation of these priorities will predominantly sit with the region in partnership with Tourism Victoria, Local Government, State Government agencies and other stakeholders.

Victoria's 2020 Tourism Strategy articulates the Government's vision for:

- > Victoria to be a leading tourism and events destination in the Asia/Pacific region;
- > Tourism to be a significant contributor to the Victorian economy; and
- > Victoria to provide a range of experiences and an environment that supports the aspirations and cultural interests of visitors from growth economies, such as China, India and Indonesia, as well as traditional markets.

This vision has been refined further for regional Victoria - "Tourism to increasingly contribute to the growth of the regional Victorian economy".

Victoria's 2020 Tourism Strategy notes that if Victoria continues its strong past performance the tourism industry could achieve \$24.7 billion in overnight tourism expenditure by 2020. From a regional tourism perspective, overnight tourism expenditure (including both domestic and international) generated \$4.8 billion in the year ending June 2013 and has the potential to contribute \$7.0 billion by 2020. This Strategy provides the pathway for industry to achieve this potential growth.

There are a number of other initiatives that the Government is undertaking that are consistent with and underpin this Strategy. An important action is the development of the draft *Victorian Trails Strategy*. Its purpose is to provide a whole-of-Government approach and clear vision regarding the planning, management and promotion of trails in Victoria.

Achieving our vision

At a broad level, this Strategy is market driven as summarised below:

Market	Commentary	Strategic Response
Intrastate	Tourism Victoria has traditionally had a focus on increasing the value of tourism from interstate and international markets. The success in these markets now needs to be reflected in increasing travel by Victorians in their own State. Changes in travel behaviour, brought about by factors such as greater air access has resulted in challenges for the intrastate market.	Establish an intrastate marketing program that creates awareness of the diversity and accessibility of Victoria and the products and experiences on offer.
Interstate	Initiatives, such as the <i>Daylesford. Lead a Double Life</i> campaign and the <i>Villages of Victoria</i> program, have been successful in raising the profile of regional destinations and experiences. However, there is still relatively low awareness of regional Victoria.	Marketing will remain a focus, however there will be a clearer direction as to how regions can leverage state-wide initiatives.
International	International markets represent an opportunity for regional Victoria. This is particularly the case for regions with products that meet the demand of international markets and have the potential to grow the yield from these markets in the short term.	Focus on product and industry development as well as investment attraction that meets the needs of international markets. Addressing these areas will benefit all markets. Actions will vary greater between regions according to factors such as the level of internationally ready product and proximity to Melbourne.

Consistent with priorities identified in *Victoria's 2020 Tourism Strategy* and feedback from the Regional Tourism Boards, actions have been identified in the following areas:

- 1 Marketing
- 2 Digital Excellence
- 3 Major Events and Business Events
- 4 Investment Attraction and Infrastructure Support
- 5 Industry Development

Challenges

A number of important recent achievements have supported regional tourism, particularly in the areas of structural reform. This includes the establishment of Regional Tourism Boards and relaxation of the statutory planning framework for appropriate investment in National Parks, as part of the Government's response to the Victorian Competition and Efficiency Commission (VCEC) report, *Unlocking Victorian Tourism*.

Other major activities have included the continuation of the *Daylesford. Lead a Double Life* campaign, which has helped raise the awareness of regional Victoria and spa and wellbeing product offerings.

In September 2012, the Victorian Government launched its first major international consumer marketing campaign in China. The *Open Up To More* campaign focussed on building Victoria's reputation in China as a premium Australian destination.

Tourism Victoria has also developed an integrated online booking platform into its consumer website, to assist with conversion to booking of products and experiences. New approaches to crisis management and coordination have also been introduced.

There are, however, significant challenges which continue to affect tourism growth in regional Victoria, including:

- > The need to attract investment for new product and experiences, and the need for existing operators to regularly re-invest in their product;
- > The low number of operators with online booking facilities;
- > Ongoing labour shortages due to retention, recruitment, seasonality, skill deficiencies, vacancy rate, and employee turnover; and
- > Readiness of regions to meet the language and cultural needs of international growth markets.

The importance of tourism to regional Victoria

Tourism is an important economic driver for Victoria. In 2011-12, the direct and indirect contribution of the tourism industry to the Victorian economy was estimated at \$19.1 billion¹ and generated over 200,000 jobs. The direct contribution of tourism accounted for approximately 2.6 per cent of Victoria's Gross State Product (GSP).

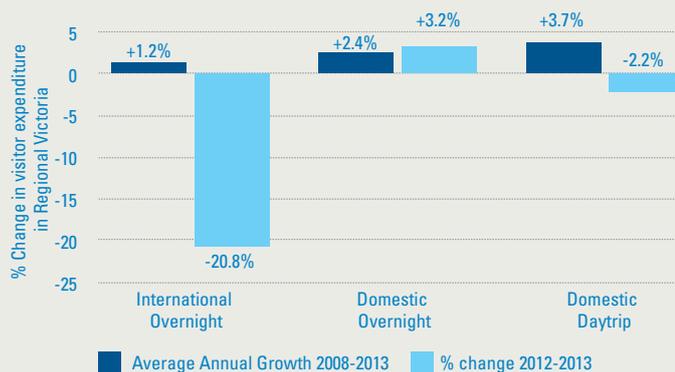
Tourism is a significant industry for regional Victoria. It generated \$10.9 billion² to the economy and employed over 109,000 people in 2011-12 (including both direct and indirect impacts). Regional Victoria is more reliant on tourism than Melbourne, contributing 13.9 per cent of total Gross Regional Product (GRP) and 12.8 per cent of employment, compared to 3.2 per cent and 4.5 per cent respectively for Melbourne.

Tourism has strong links to other sectors in the economy and has helped fuel investment in new infrastructure and attractions in regional Victoria. It also provides

opportunities for regional areas to diversify their economies and generate new employment prospects that utilise a broad range of skills. In fact, almost half of all domestic tourism expenditure in the State occurs in regional areas.

The Victorian Government's commitment to regional tourism is reflected in a number of funding initiatives including \$13.2 million over four years announced as part of the 2012-13 Victorian Government Budget and a further \$8 million over four years provided for in the 2013-14 Victorian Government Budget. The \$13.2 million is mainly directed to the Regional Tourism Partnership Program (RTPP). This grants program is a contribution towards the costs of the Board's operation and the implementation of its strategic plan. Activities relating to the \$8 million include funding contributions to regional events; undertaking media partnerships with press, magazine and online organisations; and rolling out existing campaign material such as the *Daylesford. Lead a Double Life* campaign in interstate markets.

FIGURE 1 > PERFORMANCE OF REGIONAL VICTORIA – EXPENDITURE



Source: International and National Visitor Surveys, Tourism Research Australia, year ending June 2008 to 2013. TRA expenditure allocation method applied to year ending June 2008 to 2013 National and International Visitor Survey data.

1 Source: State Tourism Satellite Account 2011-12, Tourism Research Australia, July 2013

2 Source: Victorian Regional Tourism Satellite Accounts 2011-12, Deloitte Access Economics, November 2013.

Regional Victoria performance

The combined spend of international overnight, domestic overnight and domestic daytrip visitors to regional Victoria was over \$7.3 billion in the year ending June 2013. This equates to an average spend of approximately \$20 million a day in Victoria's regions.

Domestic overnight visitors generated approximately \$4.5 billion in expenditure in regional Victoria in the year ending June 2013, representing growth of 2.4 per cent per annum since 2008.

Expenditure from domestic daytrip visitors has grown solidly at 3.7 per cent per annum since 2008, to reach over \$2.5 billion in the year ending June 2013. This reflects the growing trend for visitors to travel to regional areas for short breaks.

Intrastate visitors delivered 78 per cent of all domestic overnight visitor expenditure in regional Victoria in the year ending June 2013, reinforcing the importance of this visitor segment to the prosperity of regional tourism businesses.

International tourism offers long term opportunities for regional Victoria. Since 2008, overnight expenditure by international visitors in regional Victoria has increased by 1.2 per cent per annum to reach \$293 million in the year ending June 2013. A decline in international overnight expenditure was noted in the latest results for the year ending June 2013 (down 20.8 per cent year-on-year), reflecting a decreased yield per night and per visitor. This was driven by a decline in visitation from Western countries due to ongoing economic volatility in these markets. Notably, regional Victoria has benefited from growth in visitation from Eastern markets (up 3.6 per cent year-on-year) and this important market is expected to fuel international tourism growth in Victoria in the future.

Future influences

Overview

A number of important trends have been taken into account in developing the Strategy and to determine appropriate actions across all priority areas.

General economic conditions

Australia is highly exposed to the headwinds of the global economy. Despite this, economic prospects remain solid compared with those of many developed economies. Since the Global Financial Crisis, domestic travel has consistently been shown to be resilient, experiencing low growth in the face of many challenges including the high Australian dollar, lower consumer discretionary spending, and natural disasters, such as fires and floods. The Australian dollar and terms of trade remain higher than their long term average. This continues to be a factor in the weaker performance of key trade (currency) exposed industries in the Australian economy, such as tourism.

Global economic weakness in many parts of the world has adversely affected tourism demand from many of Victoria's inbound markets, especially from the Western Hemisphere. As a result, Victoria's key international source markets are changing in composition, with Eastern markets such as China continuing to grow strongly on the back of accelerated economic growth. China is now Victoria's largest and most valuable source of international arrivals and expenditure.

However, visitors from Eastern markets have substantially lower rates of dispersal into regional Victoria than markets from the Western Hemisphere, posing a challenge to regional businesses.

Travel behaviour

Australians continue to have a strong appetite for overseas travel. Between September 2008 and September 2013 Australian resident departures grew at an average annual rate of 8.3 per cent to reach over 8.6 million resident trips in the year ending September 2013. As a result, Australia has had a net balance of 2.25 million short term resident departures for the year ending September 2013, placing increased pressure on domestic tourism. This trend has been driven by the strength of the Australian dollar and the cost competitiveness of international air travel.

Melburnians in particular, have demonstrated an increasing preference to travel overseas over destinations in regional Victoria, especially for an extended holiday. At the same time, domestic travel has become more of a short break prospect, with daytrip visitation growing strongly. This poses a risk to regional tourism businesses that are more reliant on domestic spend.

Non leisure tourism is also growing in value for the State, specifically from the business, education, employment and other sectors which comprised 58 per cent of all international overnight visitor expenditure in Victoria in the year ending June 2013. Since 2008, a notable 63 per cent of all international tourism expenditure growth in Victoria has come exclusively from the non leisure sector.

Consumer trends

There is a growing consumer mindset that focuses on personal, environmental and community wellbeing which is driving the growth in:

- > Spa and wellbeing experiences
- > Organic and natural foods
- > Focus on food provenance
- > Complementary medicine and personal development
- > Nature based experiences
- > Sustainable home and building products.

It is also driving a focus on a simpler life and getting back to basics. As part of this, consumers are actively seeking experiences that are consistent with their own values and beliefs.

Consumers are seeking to engage with tourism products that have an authentic story to share, and are also looking for closer community interaction. This desire is driving growth in social media and consumers' willingness to interact with regional product offerings through an open two-way exchange. This mindset is found in consumers from all walks of life, and defies demographic stereotypes.

Victoria is well placed to take advantage of this trend based on its offering of diverse, rich, intimate and authentic experiences in a natural setting.

A Victorian perspective

Regional Victoria offers a diverse range of high quality nature based, spa and wellbeing, food and wine, and arts and culture experiences. The compact nature of the State means many of these experiences are often in proximity to each other.

Regional events provide strong motivation for visitation and are a key opportunity to enhance regions' brand positioning. There are towns located across Victoria, boasting preserved heritage and architecture, providing opportunities to discover hidden treasures, and are a great base to explore the natural surrounds. Visitors are also provided the opportunity to pursue their personal passions, such as golf, snow activities, iconic walks, and cycling.

Some of the product strengths that Victoria offers, and are catered to in many regional Victorian destinations, are highlighted below:

Product strengths	Positioning	Key experiences
Food and wine	A depth and breadth of quality products and experiences delivered by passionate people.	Hatted restaurants Distinct wine regions and cellar door experiences Fresh local produce and farmers markets Craft breweries and cider houses Interactive experiences – cooking schools and hands on classes
Nature based	A diversity of natural settings that offer spaces to play and indulge your passions.	Natural icons – Twelve Apostles, Grampians National Park Wildlife attractions – Phillip Island Nature Park's penguin parade Varied landscapes – beaches, mountains, rivers and lakes Iconic walks – Great Ocean Walk Snow season activities Cycling and mountain biking – Mt Buller, Mt Stirling, Mountain Bike Hub, and the Murray to Mountain Rail Trail Proximity to complementary tourism experiences
Spa and wellbeing	Authentic experiences borne from naturally occurring therapeutic waters providing nourishment for the mind, body and soul.	Natural mineral springs – Hepburn Bathhouse Geothermal waters – Mornington Peninsula Hot Springs Therapies and treatments in natural settings Natural and organic food
Art and culture	A breadth of artistic and cultural experiences that tell Victoria's stories.	Regional galleries and art collections Blockbuster exhibitions Gold and pioneer heritage (Sovereign Hill), stories, architecture and attractions Vintage/antique stores Aboriginal heritage and product

Segmentation model: Tourism Victoria's focus

There is a need to communicate to people who have the means and propensity to travel and who, attitudinally, provide a match with Victoria's tourism offering and wider strategic objectives. Recent research has helped us identify Victoria's broad target market nationally, termed 'Lifestyle Leaders'.

Lifestyle Leaders are based on a mindset and they cut across all regions, ages and lifecycle groups. The key dimension that differentiates the market is life stage. Where people are at in their lives, their roles and responsibilities and their goals and ambitions, are key drivers in how they view travel and breaks and the various options on offer.

Younger singles and couples are more likely to be motivated by events. For these people events will bring relevance to a destination perhaps not otherwise considered, and help build positive perceptions as they move through their lives and into our core target groups for intrastate travel.

Lifestyle Leaders can also be targeted through their motivational drivers, specific passions and interests. The Lifestyle Leader population can be segmented into four broad categories, Creative Opinion Leaders, Food and Wine Lifestylers, Enriched Wellbeing, and Inspired by Nature, in line with what most interests them.

Tourism Victoria targets Lifestyle Leaders through marketing, focussed product development and investment priorities.

Lifestyle Leaders represent around 4.1 million people, cross all socio economic groups and make up 29 per cent of Australia's population.³ They are progressive, curious, socially and technologically active through a broad range of platforms, adhere to and seek status, and follow and propagate trends.

Lifestyle Leaders have more discretionary spending that allows them to travel more frequently (taking an average of 4.1 trips annually, greater than the Australian average

of 3.9 trips), with a 21 per cent greater spend on travel per year (approximately \$4,058). They are forward thinking, interested in discovering new experiences through travel, and are more likely to share those experiences with and seek to influence their family and friends. Lifestyle Leaders are also more likely than average to prefer to holiday in Victoria (18 per cent more likely than the average Australian, aged 18+) and are more attuned to the products and experiences that Victoria, and in particular regional Victoria, has to offer.

Tourism Victoria has traditionally had a focus on attracting visitors from the interstate and international markets. However, an important change in this Strategy is the focus on intrastate tourism. Major intrastate research of the various lifecycle groups has been undertaken to inform our intrastate marketing strategy, to identify opportunities to persuade Victorians to holiday in regional Victoria, and in particular the more distant regions of Victoria.

While still finalising the marketing strategy, short and long term opportunities have been identified that need to be considered together.

The ageing population presents an opportunity to target older Victorian empty nesters, semi-retired and retirees who have more time and interest in travelling to distant regions of Victoria, importantly, outside of peak times such as public and school holidays.

Younger families have an openness to travel to and within regional Victoria, however they need inspiration to extend visitation beyond standard school holidays. They are largely focussed on destinations within two hours of home.

SINKs and DINKs (single income/ double income couples, no kids) need an introduction to regional Victoria, to establish a relationship with destinations and experiences beyond Melbourne. This long term approach aims to initiate intrastate travel and ensure the relationship with regional Victoria continues as these consumers move between life stages.

³ Holiday Tracking Survey, Roy Morgan Research, December 2011. Base Australians aged 18 and above.

Strategic Response

1. Marketing

Marketing plays a key role in raising the awareness of regional destinations, experiences and attractions. It is particularly important in showing how the State can match the consumer's increasing desire in areas such as spa and wellbeing, and nature based tourism experiences. A number of marketing activities also encourage industry participation and cohesion within and between regions.

A number of major campaign activities to stimulate visitation to regional Victoria have been continued, including the *Daylesford. Lead a Double Life* campaign. Recent activities have included the Spotted by Locals initiative. This initiative aims to encourage Melburnians to travel to regional Victoria. It involves Melbourne identities with a connection to regional Victoria, returning to their home town to visit their favourite places and rediscover new hidden gems. An interstate campaign with Australian Gourmet Traveller included a booklet being inserted into the magazine nationally, featuring five leading chefs from across regional Victoria. The campaign was extended to feature Victorian galleries, highlighting Goldfields, Yarra Valley and the Mornington Peninsula. A Regional Cooperative Marketing Fund was also established, promoting innovative and collaborative projects developed by Regional Tourism Boards.

Intrastate

Marketing to the intrastate market has historically been the charter of Victoria's regional tourism organisations in conjunction with the industry. This activity has primarily focussed on driving visitation to designated destinations at specific times of the year. An overarching state-wide campaign that motivates Victorians to travel to regional Victoria has never been developed and implemented.

Victoria is the largest source market for tourism in regional areas. There is a need to activate travel from the intrastate market in recognition of the critical role it plays in supporting regional communities and in response to the significant changes to travel behaviour that have affected travel from this market in recent years.

An intrastate campaign, both in metropolitan Melbourne and regional areas will be developed and will highlight regional Victoria's experiences, destinations, attractions and events. It will be implemented across a range of media such as online, social media, press and magazines. The campaign strategy will be developed in partnership with Regional Tourism Boards and will include cooperative programs that will provide opportunities for the regional tourism industry to participate in the campaign.

Interstate

Regional Victoria experiences low awareness from the interstate markets. Raising awareness of regional destinations is a key long term strategy that requires ongoing resources and investment. There is also a need to ensure regional Victoria captures its share of the growing interstate market, to protect Victoria's brand positioning compared to its key competitors.

Brand positioning is measured through the Roy Morgan Brand Health survey, commissioned to determine which cities and states Australians associate with certain attributes that are important to Tourism Victoria's brand. The survey measures Victoria's and Melbourne's competitive image, or 'Brand Health', and provides an important measure of the impact of our marketing campaigns and investment in key tourism destinations.

Victoria's leading Brand Health positioning as a State offering quality regional food and wine, and spa and wellbeing experiences, has increased marginally year on year to 2013.

To maintain this lead, there is a need to develop an interstate marketing strategy for regional Victoria that builds on and consolidates existing destination, product and experience based marketing initiatives into one overarching strategy marketing regional Victoria. In addition, it is important that opportunities are provided to industry, through Regional Tourism Boards to leverage and participate in campaign activity. The program also aims to leverage the success of Melbourne by encouraging extended length of stay and dispersal to regional areas by interstate visitors. The dimension of initiatives are, however, conditional on timing, scale and available resources moving forward.

International

International visitation to Victoria is forecast to grow at an average annual rate of 4.3 per cent over the next 10 years, while international expenditure is expected to provide almost 70 per cent of growth in overnight tourism expenditure to Victoria over the same period. International markets represent an opportunity for regions, particularly those close to Melbourne, or those with products and experiences that meet the demands of those markets. International students have great potential as a source market and future supply of labour for regional Victoria, and Tourism Victoria will work with other government agencies to make the most of this market.

There is a need to keep a balanced approach to marketing across international markets. Traditional Western markets continue to be important, particularly as they are more likely to disperse to regional destinations and attractions in the short term. Opportunities from growth Asian markets will increase as markets become established. Initiatives such as the Victorian Government's Super Trade Missions to China and India aim to accelerate visitor dispersal from these markets. The tourism component of these missions have had a significant representation of Victorian businesses and experiences.

Due to the low awareness of 'Victoria' in international markets, and the potential confusion with Victoria Canada, Melbourne is used as the key brand internationally. Brand Melbourne, internationally, incorporates Melbourne and regional Victorian experiences and attractions, and is encapsulated in the distinctive and well recognised Melbourne landmark.

Often the most effective way for regions to enter the international market is through partnerships with other regions, States and/or other stakeholders. Touring routes are a practical way of facilitating these partnerships. Touring routes are applicable to well established Asian markets and are critical to long haul markets, particularly the Western markets.

Tourism Victoria actively works in partnership with Regional Tourism Boards to assist development of regionally appropriate international marketing strategies, and provides ongoing support and advice to Regional Tourism Boards, and key internationally focussed businesses in regions.

Actions	Timing
Develop (in partnership with Regional Tourism Boards) and launch a multi-platform intrastate marketing campaign, highlighting the diversity of regional Victoria's experiences, destinations, attractions and events. Targeting Victorians, both in metropolitan Melbourne and regional areas, the campaign will focus on a range of different life-stage groups, with an emphasis on the more distant regions.	2013-14
Continue to target Lifestyle Leaders in key interstate markets and the various sub segments, as they relate to key experiences across regional Victoria.	Ongoing
Continue to market the Melbourne surrounds regions interstate.	Ongoing
Leverage partnerships to promote regional Victoria with the travel trade, non-traditional partners and the media.	Ongoing
Implement cooperative programs with Regional Tourism Boards to leverage state-wide initiatives and provide opportunities for broader industry participation.	Ongoing
Implement marketing activities (with a focus on Lifestyle Leaders) linked to State priorities, e.g. food and wine, spa and wellbeing, nature based tourism, arts and culture, and aboriginal.	Ongoing
Work with international student stakeholders to encourage visitation to regional Victoria.	Ongoing
Continue to ensure international marketing of Brand Melbourne incorporates regional Victorian experiences and attractions, and enables leveraging opportunities for regional Victoria, with promotion of tailored packaging of new and existing products.	Ongoing
Ensure there is strong regional participation in Victorian Government Super Trade Missions.	Ongoing
Market Touring Routes to the more mature travel markets of Asia and long haul Western markets.	Ongoing
Work in partnership with Regional Tourism Boards to develop regions international marketing strategies.	Ongoing

2. Digital Excellence

Digital is one of the most important communication channels for marketing, selling and promoting regional destinations and tourism products. The emergence of digital technologies has changed the way consumers access information.

Social media is rapidly impacting the way Australians gather information and travel domestically. User-generated content holds an important presence in the travel industry, with word of mouth advocacy growing in importance to consumers.

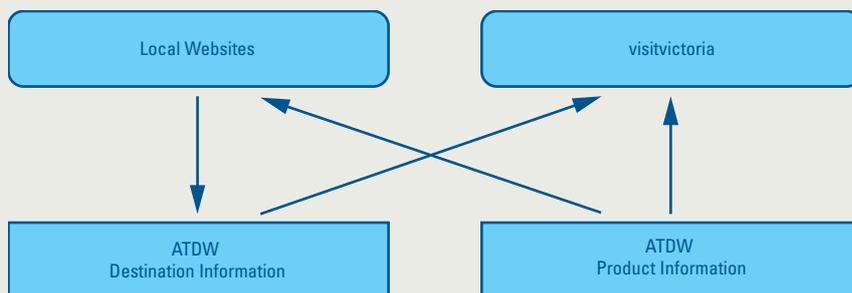
In terms of the international market, almost one in two international tourists to Australia now book some component of their trip online. A recent study by Tourism Australia and PricewaterhouseCoopers (PwC) reported that while 46 per cent of travellers to Australia are booking at least part of their trips online before arrival, bricks-and-mortar travel establishments play a role in converting the remaining 54 per cent. Digital bookings are less prevalent in emerging markets due to poor internet penetration, infrastructure and trust. On the other end of the spectrum, internet use for planning and booking has plateaued in mature markets⁴.

Victoria has actively encouraged the use of advanced technologies through its digital assets, including websites and social media platforms, to promote the State. There has also been the development of the national Tourism E-kit, which provides comprehensive online marketing and booking advice to the industry.

Victoria has been very active in leading targeted online content delivery across a range of platforms, with a number of projects underway or completed, including:

- > A comprehensive mobile version of visitvictoria.com;
- > Chinese Visitor Guide Mobile App;
- > Upgrades to foreign language variant sites;
- > Global location targeted content (IP Targeting);
- > Enhanced product listing, content, search, and display;
- > Events Victoria database – a centralised State events database to collect, store and distribute event listings for any event occurring in Victoria; and
- > Growing engagement and conversation across key social media channels.

FIGURE 2 > ATDW



⁴ <http://www.newmediatrendwatch.com/news/1238-60-of-travellers-to-australia-book-part-of-their-trips-online-before-arrival>

To promote regional destinations more effectively online, the Regional Tourism Boards need to be encouraged to take full advantage of the Australian Tourism Data Warehouse (ATDW) distribution platform (see Figure 2). This will enable expanded distribution of destination information beyond the regions' own websites to include visitvictoria.com, Australia.com and over 100 other websites. In addition, local and regional websites can take full advantage of product information collected and

validated at the State level, without having the cost of creating or maintaining the content themselves.

The ATDW is a central content and distribution platform for the Australian tourism industry. The database is made up of tourism product listings which are available for publication across ATDW's multi-channel distribution network. ATDW was developed in 2001 as a joint initiative of Tourism Australia and all State and Territory Government Tourism Organisations.

Actions	Timing
Increase capacity of local websites to contribute detailed destination content to the ATDW, to be distributed directly to Tourism Victoria and Tourism Australia's corporate websites, as well as over 100 other associated websites.	2013-16
Continue to roll out an events database and promote the distribution of the event content through as many digital channels as possible.	2013-16
Investigate the future business model for Visitor Information Centres (part of the <i>Victorian Visitors Information Futures Project</i> currently being undertaken), with a view to ensuring potential visitors are well serviced.	2014-16
Lead technology adoption, through strengthening Tourism Victoria's mobile digital assets with the establishment of regional mobile home pages on visitvictoria.com.	2013-14
Promote cost effective consumer engagement strategies.	2013-14
Enhance communication through establishment of biannual meetings with regional staff responsible for digital management.	2013-16
Continue to support the key digital industry training tool, the Tourism E-kit.	2013-16

3. Major Events and Business Events

Major and business events are a critical component of a wider strategy to raise awareness and increase visitation to Victoria's regions. In the year ending June 2013, domestic overnight event visitors in regional Victoria (645,000) represented six per cent of all domestic overnight visitors to regional Victoria, of which 22 per cent were from interstate and 78 per cent were intrastate visitors. Events provide a significant opportunity to grow interstate awareness of and visitation to Victoria's regions.

In order to maximise benefits from regional events, consideration needs to be given to how they can be used to increase visitation and branding for regional Victoria. It is also critical that funded events support broader regional tourism objectives.

The Victorian Government continues to support a number of major international events in regional Victoria, including events such as Bendigo International Collections at Bendigo Art Gallery, the Australian Motorcycle Grand Prix, and World Superbikes Championships at Phillip Island. Major events staged in regional Victoria are critical to the promotion of Victoria as a major events destination, with Tourism Victoria profiling these events in key domestic and international markets.

The Victorian Government also allocates funding to support events that have the potential to drive visitation to regional Victoria.

In December 2010, Tourism Victoria entered a General Services Agreement (GSA) with Business Events Victoria, to attract business events to regional Victoria and undertake market research. This has already resulted in the number of delegate days through leads referred to businesses in regional Victoria increasing from 18,000 in 2011-12 to 26,000 in 2012-13.

Actions	Timing
<p>Work with the tourism industry to identify and support events that can generate economic and marketing benefits for regional Victoria with the aim of:</p> <ul style="list-style-type: none"> > Creating opportunities to increase visitation and/or yield; > Generating purpose driven travel; > Introducing new audiences to regional Victoria and encouraging repeat visitation; > Creating awareness of regional destinations; > Building a region's association with core brand attributes; > Stimulating the intrastate market; and > Stimulating travel to the distant regions. 	Ongoing
<p>Work with the Victorian Major Events Company, relevant Victorian Government agencies, Local Government and Regional Tourism Boards to maximise the tourism benefits from major events staged in regional Victoria.</p>	2013-14
<p>Work with Regional Tourism Boards to articulate the role that events play in achieving tourism benefits for the regions.</p>	2013-14
<p>Re-focus Tourism Victoria's events funding program, including formal consultation with Regional Tourism Boards to align State and regional priorities.</p>	2013-14
<p>Develop standardised post-event evaluation measures for events funded through Tourism Victoria's Events Program.</p>	2013-14
<p>Work with Tourism Research Australia to enhance existing event evaluation tools that measure the economic value of regional events.</p>	2013-14
<p>Review the effectiveness of the Regional Business Events Program in attracting business and conference events to regional Victoria. If renewed, Tourism Victoria will strengthen the link between the Business Events Program and Regional Tourism Boards.</p>	2014-15

4. Investment Attraction and Infrastructure Support

Victoria is faced with strong competition to attract visitors and spend from interstate and international destinations. A number of our tourism assets are ageing and are not designed to meet changing market demands. Significantly, two of our most visited attractions, the Twelve Apostles and Phillip Island Nature Park, cater principally to the day trip market. There is a need to build on the tourism product and accommodation already available to influence day visitors to extend their stay.

Without a strong focus on investment in this sector, Victoria risks losing its competitive advantage. The creative and successful campaigns to bring people to Victoria will be undermined by the lack of product and product quality.

The Victorian Government's response to the VCEC inquiry report, *Unlocking Victorian Tourism*, has opened the door for investment in areas previously closed to development. This significant reform will particularly benefit regional Victoria, with the Victorian Government committed to:

- > Improving coordination and planning for tourism in regional areas;
- > Providing greater flexibility in Green Wedge, Farming and Rural Conservation Zones for tourism developments;
- > Removing prohibitions on private sector development in national parks and extending maximum lease terms; and
- > Streamlining approvals processes on private and public land.

Notable statements and developments directly relevant to the Victorian Government's response have already been made including:

- > A policy change allowing sensitive and environmentally friendly private investment to be considered in National Parks;
- > Introduction of guidelines for 99 year leases for operators on Crown land;
- > The release of a planning zone reform package for public comment which would allow greater flexibility for tourism development proposals, particularly in rural, green wedge and rural conservation zones;
- > The release of guidelines for sustainable tourism investment in national parks, *Tourism Investment Opportunities of Significance in National Parks: Guidelines (the Guidelines)*;
- > The Victorian Government's announcement in early 2012 that it will reform Victoria's environmental impact assessment process to provide certainty about processes, considerations and timeframes;
- > The Victorian Government, in its response to a Victorian Planning System Ministerial Advisory Committee report, outlined a number of initiatives to streamline the Victorian planning system; and
- > The Victorian Government, in its response to the VCEC inquiry into streamlining Local Government regulation, committed to work with the Municipal Association of Victorian (MAV) and other stakeholders of the planning system to develop best practice guidance on the planning assessment process.

Actions	Timing
Continue to work with the private sector to encourage the expansion of existing, and attraction of new, tourism investment infrastructure and attractions to Victoria.	Ongoing
Work with the private sector proponents who are seeking to attract capital to realise their investment projects. An information memorandum framework will be provided to proponents seeking support from the Victorian Government, Tourism Australia and Austrade to support them in achieving investor ready status to be included in Tourism Australia investment opportunities.	2013-14
Facilitate and support the upgrade of existing tourism attractions that meet the needs of the international market.	2013-14
Provide strategic tourism expertise and advice to Government agencies, to assist in the development and delivery of master plans and other public and private sector investment opportunities, to assist in the growth of the tourism industry's contribution to the regional Victorian economy.	Ongoing
Support appropriate developments, aligned with destination management plans, to attract high yield visitation to priority areas including the Great Ocean Road .	Ongoing
Support the development of Aboriginal projects such as Budj Bim, Tower Hill and Mildura.	Ongoing
Work with the Department of Environment and Primary Industries (DEPI) to identify Crown land suitable for private sector investment. Support DEPI in current and future 'expressions of interest' processes for tourism investment on Crown land and National Parks.	Ongoing

5. Industry Development

This section outlines priorities in a number of areas, including:

- > Regional Tourism Boards
- > Industry Structures
- > Regional Tourism Partnership Program
- > Workforce Development
- > Destination Management
- > Crises Management

Regional Tourism Boards

Regional Tourism Boards have been or are about to be established in all regions of Victoria. The Victorian Government continues to recognise the Regional Tourism Boards as the peak tourism organisation for the region.

Consistent with the recommendations of the VCEC inquiry, *Unlocking Victorian Tourism*, a review into the effectiveness of the Regional Tourism Boards will be undertaken in 2014. The results of the review will assist the continued evolution of the Regional Tourism Boards in ensuing years.

The role and direction of the Regional Tourism Boards will be guided by the original vision for their establishment, i.e. to consider the holistic development of tourism within regions, including:

- > To set the strategic direction for the region;
- > Ensure that the agreed strategic direction is communicated to all stakeholders; and
- > Act as the conduit between industry in the region and Tourism Victoria, Local and Victorian Government.

Actions	Timing
Commission a review of the Regional Tourism Boards.	2014-15
Continue to support the Regional Tourism Boards in accordance with their core areas of responsibility.	Ongoing
Convene bi-annual forums for Regional Tourism Board Chairs and Chief Executives.	2013-14
Establish a Regional Coordination Unit in Tourism Victoria.	2013-14
Assign senior managers as 'Account Managers' of Regional Tourism Boards.	2013-14

Industry Structures

Each region needs to determine the most effective tourism structure for their area, taking into consideration how to best support and influence Regional Tourism Boards. As the role and influence of Regional Tourism Boards evolves, there is a need to review the operational and cost effectiveness of tourism organisations in the region.

Successful tourism is a result of a partnership embracing:

- > Victorian Government;
- > Local Government representing the community; and
- > Industry/tourism organisations representing the private sector, including Victoria Tourism Industry Council (VTIC).

Local Government has always been a significant contributor to tourism through the provision of services and infrastructure, and funding for activities such as marketing. In developing and realising actions included

in this Strategy, there is a need to be cognisant of and consistent with Local Government tourism, economic and other strategies and activities.

Some of the ways Local Government supports tourism are outlined below:

- > Consistent approach to land management and communicating to potential investors;
- > Appointment of Tourism Managers and/or officers;
- > Support and regular contact with Regional Tourism Boards;
- > Funding provided for tourism activities;
- > Provision of visitor services; and
- > Tourism planning.

Local Tourism Associations (LTAs) are also important as they represent local tourism businesses and focus their efforts on visitor servicing. They have a key role in influencing the agenda of Local Government and the Regional Tourism Board. A strong relationship with the Regional Tourism Board is crucial for any LTA.

Actions	Timing
Encourage Regional Tourism Boards to review and implement the most effective and cost efficient tourism structures for their region.	Ongoing

Regional Tourism Partnership Program

The Regional Tourism Partnership Program (the RTPP) is a partnership between the Victorian Government and Regional Tourism Boards, together with Local Government and industry. It aims to bring together all available resources, knowledge and expertise to coordinate and maximise the best possible tourism outcomes for regional Victoria.

Funding is provided to Regional Tourism Boards to contribute to:

- > The ongoing sustainability of Regional Tourism Boards; and
- > The development and implementation of strategic plans for the region.

These plans will aim to deliver against the guiding principles of the Program:

- > Ongoing industry engagement and participation;
- > Improving skills and service standards;
- > Strong regional brand/s and marketing supported by industry;
- > Improving regional tourism product and infrastructure; and
- > Improving digital capabilities.

The RTPP will run for a three year period from 1 July 2013 to 30 June 2016.

In recognition of each Regional Tourism Board's role as the peak tourism organisation for the region and Tourism Victoria's key partner, the RTPP provides Regional Tourism Boards with a level of funding security.

Regional Tourism Boards will be able to access funds from a pool of at least \$9 million over the three-year period. Allocations to the ten individual Regional Tourism Boards

for the three-year period will be primarily determined on the basis of each Regional Tourism Boards strategic plan for the region.

In addition, Regional Tourism Boards will be provided with additional resources and benefits including:

- > Revenue from visitvictoria.com listings for the region;
- > Additional cooperative program funds throughout the course of the Program;
- > A licence to use Tourism Victoria marketing Intellectual Property and assets;
- > Access to Tourism Victoria research databases; and
- > Access to Victorian Government media and other specialist agencies, which includes free media planning and Government media buying rates.

Regional Tourism Boards have the flexibility to direct funding to the areas identified as priorities for the region, which may include:

- > Planning: Destination Management Plans;
- > Industry development: Tourism Excellence Program, leadership programs, conferences;
- > Product development and investment: feasibility studies, product audits, gap analysis etc.;
- > Marketing: intrastate, interstate and international marketing, public relations, strategic alliances, tactical marketing and digital strategy;
- > Research: analysis of data, commissioning of specific research projects;
- > Partnerships: Regional Tourism Board cooperative initiatives with Tourism Victoria, touring routes, Tourism Australia, Destination Melbourne, VTIC, etc.; and
- > Operations and administration: staffing costs, contract fees, board development, staff training, and administration costs.

Actions	Timing
Implement the Regional Tourism Partnership Program.	2013-16

Workforce Development

Workforce development has two clear areas of focus – labour shortages and improving skills and service standards. Tourism Victoria, through *Victoria's Workforce Development Plan 2010-2016* (the Workforce Plan) has identified labour and skills development as a challenge for the tourism industry. Through the Workforce Plan, Tourism Victoria is implementing actions to address these issues, including increasing the industry's share of the labour market.

The Tourism Employment Plan pilot for Mornington Peninsula and Phillip Island is currently in operation and will develop specific initiatives that meet the local labour and skills needs of the region and utilise existing Government programs, which may provide a blueprint for other regions to adopt.

A priority will continue to be the improving skills and service standards through the Tourism Excellence program. Tourism Excellence is the principle of developing high quality tourism businesses that can deliver exemplary customer service. This is achieved by developing and implementing a range of programs for tourism businesses to give them the tools to improve their business practices and to deliver excellent customer service. There have been a number of initiatives completed, including the launch of seven Tourism Excellence modules to the industry, development of a Tourism Excellence website, and the development of 10 workshop modules that are implemented by the Regional Tourism Boards.

The next stage of Tourism Excellence will involve greater use of evolving technology and will provide tools for the industry to adapt to a changing economic environment.

Actions	Timing
Work with other Government agencies and industry bodies with responsibility for workforce development to address tourism labour issues	Ongoing
Develop practical solutions for workforce development issues through implementing recommendations from the Tourism Employment Plan pilot for Mornington Peninsula and Phillip Island.	2014-15
Evolve the Tourism Excellence program through: <ul style="list-style-type: none"> > Developing e-learning tools to extend the reach of the program; > Developing a communications strategy to promote Tourism Excellence and to increase the uptake of programs; > Developing a brand toolkit for key stakeholders including Regional Tourism Boards to utilise in communication with the local tourism industry; > Working closely with Tourism Australia to achieve greater integration between the Tourism Excellence and Commonwealth programs; > Exploring a partnership with Trip Advisor to assist industry in harnessing the benefits of this medium in relation to customer feedback; and > Developing a dedicated international mentoring program to fast track businesses entering the China market. 	2013-14

Destination Management

The development of Regional Tourism Boards was in response to an industry desire to take a more holistic approach to tourism development in their region. An important step in this process is the development of destination management plans. Destination management has been identified as a priority as part of the Commonwealth Government's national long-term tourism strategy, *Tourism 2020*. A crucial part of the destination management plan is a product gap audit. A pilot plan for Great Ocean Road brought together the resources

of the Commonwealth, State and Local Governments, together with the industry. The process undertaken for the Great Ocean Road was endorsed and largely influenced the destination management guide released by the Commonwealth Department of Resources, Energy and Tourism in October 2012.

A destination management plan, by identifying tourism priorities in a region, can galvanise industry and different levels of Government to focus on an implementation strategy.

Actions	Timing
Encourage all regions to develop destination management plans.	Ongoing

Crises Management

It is now becoming common for the tourism sector to be affected by natural disasters such as bushfires. The experiences of the Black Saturday fires in 2009 and 2011/2012 Victorian floods demonstrate that the impact also resonates across neighbouring communities that rely indirectly on the tourism industry. Businesses immediately lost revenue through the almost instant cessation of tourism activities, putting pressure on their viability and

having an impact on their supply chains and on existing and potential employment opportunities.

Due to the vulnerability of the tourism sector to the impacts of natural and man-made disasters and events, there is a crucial need to build capacity in the tourism industry to better prepare and respond to such events. The increased frequency of bushfires, drought and other natural disasters, as a result of global warming, means that this importance cannot be overstated.

Actions	Timing
Maintain Tourism Victoria's strong formal and informal working relationship with the emergency service agencies and related Victorian Government departments (planning, communications and operational).	Ongoing
Conduct crisis management training for regional tourism managers and local tourism officers, based on the <i>Tourism Destination Crisis Management Planning guide for Destination Managers</i> , including learnings from previous crisis events.	Ongoing

Priorities by region

This section outlines priorities identified by each of the State's tourism regions. Actions have been identified by the respective Regional Tourism Boards. The Boards will take the lead on the majority of the actions identified, in partnership with Tourism Victoria, Local Government, other State Government agencies and other relevant stakeholders.

Tourism Victoria commissioned Deloitte Access Economics (DAE) to produce Regional Tourism Satellite Accounts 2011-12 for Victoria's tourism regions. The research was undertaken in response to industry and Government requirements to have recognised and comparable data as to the value of tourism for each region. This research goes beyond the State-wide Tourism Satellite Account (TSA) results published by Tourism Research Australia, to examine the role and contribution of the tourism industry at the regional level in Victoria. This study provides data on the economic contribution of tourism in Victoria's tourism regions and reports key metrics including Gross Regional Product (GRP) and employment. Relevant figures are provided in each of the following regional sections.

Priorities for Daylesford and Macedon Ranges

In 2011-12, tourism contributed \$804 million to the Daylesford and Macedon Ranges economy (36.4 per cent of gross regional product) and employed approximately 7,200 people (26.5 per cent of regional employment). It is estimated that tourism directly represented 6.5 per cent of the total regional economy, compared to 4.5 per cent for regional Victoria overall. Daylesford and Macedon Ranges ranked third overall in the relative importance of tourism to the economy of Victoria's tourism regions.

Future opportunities for tourism development in the Daylesford and Macedon Ranges region are to:

- > Enhance mineral water, spa and wellbeing strengths through product development and infrastructure upgrades; and
- > Continue to focus on attracting investment in high quality, large capacity accommodation and conference facilities.

Actions

- > Further development of current product and experience strengths to reinforce the region's association with spa and wellbeing and food and wine.
- > Focus on attracting investment, with an emphasis on larger scale accommodation and the attraction of groups and business events.
- > Undertake nature based tourism product development, including walking and cycling trails to leverage present positioning in spa and wellbeing.
- > Continue the *Daylesford. Lead a Double Life* spa and wellbeing campaign, leveraging on the positioning achieved to date.

Priorities for Gippsland

Tourism contributed \$1.05 billion to the Gippsland economy (10.5 per cent of gross regional product) and employed 10,700 people (10.5 per cent of regional employment) in 2011-12. It is estimated that tourism directly represented 3.6 per cent of the total regional economy in Gippsland, below the average of 4.5 per cent for regional Victoria.

The major opportunity for tourism development in the Gippsland region is to continue to focus on supporting nature based infrastructure and product development.

Priority actions are consistent with the development of the Gippsland Tourism Masterplan.

Actions

- > Support nature based infrastructure development, including investment in national parks such as the Tarra Bulga tree-top walk, Coastal Wilderness Walk and the Gippsland Lakes.
- > Infrastructure upgrades to water based facilities, including marinas and ocean access points.
- > Promote a cooperative and streamlined approach to digital marketing management, including listings, images and content with Tourism Victoria's website.
- > Assist industry to participate in and expand understanding of e-marketing and e-booking opportunities, with a focus on building e-booking capacity of accommodation in Wilsons Promontory National Park.
- > Progress development of an accreditation system across the Gippsland region to promote Tourism Friendly Towns.
- > Identify and grow high quality regional tourism events.

Priorities for Goldfields

Tourism contributed an estimated \$1.12 billion to the Goldfields economy (10.1 per cent of gross regional product) and employed approximately 12,500 people (10.7 per cent of regional employment) in 2011-12. It is estimated that tourism directly represented 3.2 per cent of the total regional economy, below the regional Victoria average of 4.5 per cent.

Future major opportunities for tourism development in the Goldfields region are to:

- > Continue focus on supporting investment and marketing of new and existing cultural, historical and heritage infrastructure; and
- > Enhance the region's reputation for high quality regional tourism events.

Actions

- > Continue to evolve The Goldfields – Australia's Premier Heritage Region project, including development and implementation of a project investment model. This could include or be supported by:
 - > Heritage townships, streetscapes and tourist facilities;
 - > Touring routes, tracks and trails;
 - > Telling the Goldfields stories through contemporary signage and genealogical tourism products;
 - > Developing a suite of high quality events; and
 - > Leveraging of the World Heritage listing for the Castlemaine Diggings.
- > Develop 'soft' tourism regional history and cultural product experiences for international markets, commencing with China.
- > Extend yield and dispersal in domestic markets through better regional connectivity.
- > Develop high end accommodation and continue building food and wine offerings.
- > Develop the region's online presence through integrated digital platforms.
- > Support the Victorian Goldfields Tourism Executive to provide leadership and set direction as the regional peak tourism organisation.

Priorities for Grampians

Tourism contributed \$949 million to the Grampians economy (22.2 per cent of gross regional product) and employed 8,300 people (18.1 per cent of regional employment) in 2011-12. It is estimated that tourism directly represented 3.2 per cent of the total regional economy, below the average of 4.5 per cent for regional Victoria.

Future opportunities for tourism development in the Grampians region are to support increases in the supply of high quality tourism product and infrastructure that enhance and leverage existing nature-based experiences.

Priority actions are consistent with the Grampians Tourism Strategic Plan 2012-2016.

Actions

- > Support the continued development of the Grampians Peak Trail to become a long-distance walking experience of international standard.
- > Encourage investment through reforming planning and zoning regulations relating to the Halls Gap township precinct and Grampians Way.
- > Support the development of high and medium yield accommodation, restaurants and retail businesses to complement existing successful product, e.g. Royal Mail Hotel.
- > Continue to promote and position Aboriginal and cultural tourism experiences.
- > Develop the region's online presence and encourage the local industry's e-marketing and e-booking capacity through a common digital platform.

Priorities for Great Ocean Road

Tourism contributed \$1.83 billion to the Great Ocean Road economy in 2011-12 (11.1 per cent of gross regional product) and employed 20,000 people (11.6 per cent of regional employment). When comparing the total (direct and indirect) economic contribution of tourism from Melbourne and Victoria's campaign regions to the State, it is important to note that the Great Ocean Road supplies the second highest contribution to Victoria's tourism gross regional product, ranking only behind Melbourne.

Future major opportunities for tourism development in the Great Ocean Road region are to:

- > Support investment in attractions and product that increases overnight visitation; and
- > Continue to build on the supply of high quality accommodation developments.
- > Leverage the commitment of \$50 million (jointly funded by State and Federal Governments) to upgrade and maintain the Great Ocean Road.

Priority actions are consistent with those identified in the Great Ocean Road Destination Management Plan.

Actions

- > Implement new Great Ocean Road tourism industry structure to provide greater certainty to industry and stakeholders.
- > Support the development of appropriate visitor experiences and accommodation along and in the south west coast region (Shipwreck Coast) to encourage dispersal beyond the icons of the Great Ocean Road.
- > Support the development of a master plan and subsequent implementation plan for the Shipwreck Coast region to identify opportunities for private sector tourism investment. Work with the Department of Environment and Primary Industries (DEPI) to consolidate and release an Expression of Interest (EOI) process for the Crown land sites identified through the master planning process for private sector investment.
- > Continue to advocate for the development of Avalon Airport as an international airport.
- > Investigate opportunities to increase the value of cruise shipping to the region.
- > Support further development of Geelong waterfront precinct, including the Geelong Convention and Exhibition Centre and Eastern Beach Spa Complex.
- > Maintain and upgrade the Great Ocean Road to preserve it as a key infrastructure asset and iconic touring route.
- > Continue to develop nature based tourism infrastructure through facilitating private sector investment. Priorities include accommodation and attraction development along the Great Ocean Road, the Great Ocean Walk and Aboriginal tourism experiences. Geothermal and wellness development opportunities on Crown land or National Park sites are also to be considered priorities.
- > Advance master plan for Budj Bim that achieves a commercial outcome which is viable for the investment and Aboriginal community.

Priorities for Mornington Peninsula

Tourism contributed \$1.01 billion to the Mornington Peninsula economy (11.3 per cent of gross regional product) and employed approximately 10,700 people in 2011-12 (10.3 per cent of regional employment). It is estimated that tourism directly represented 4.8 per cent of the total regional economy, compared to 4.5 per cent for regional Victoria.

Future major opportunities for tourism development in the Mornington Peninsula region are to:

- > Enhance and diversify the region's current product strengths, with a 'discover your own backyard' approach to marketing; and
- > Encourage regional dispersal of domestic and international visitors from Melbourne by highlighting proximity and ease of access.

Priority actions are consistent with those identified in the Mornington Peninsula Regional Tourism Board Strategic Plan.

Actions

- > Support tourism infrastructure and product development that encourages the attraction of business events to the region.
- > Support appropriate tourism development at Point Nepean that facilitates a year round vibrant destination with multiple uses that will preserve the experience of key historic buildings as well as providing new tourism experiences.
- > Promote initiatives that enable regional dispersal from Melbourne and the interconnectedness of the Mornington Peninsula, Phillip Island and Great Ocean Road regions.
- > Leverage and maintain current brand positioning of food, wine and farm gate products through marketing and industry development activities.
- > Investigate initiatives to stimulate intrastate visitation through leveraging the high number of holiday homes and temporary residents in the region.
- > Continue to extend existing and develop new markets in shoulder seasons and low yield times.

Priorities for the Murray

Tourism contributed \$1.67 billion to the Murray economy (13.1 per cent of gross regional product) and employed approximately 15,900 people (11.4 per cent of regional employment) in 2011-12. It is estimated that tourism directly represented 3.7 per cent of the total regional economy, below the regional Victoria average of 4.5 per cent.

The major future opportunity for tourism development in the Murray region is providing support for investments that enhance water and nature based infrastructure, product and experiences.

Priority actions are consistent with those identified in the Murray Destination Management Plan.

Actions

- > Realise tourism infrastructure and product development to leverage the natural amenity of the Murray River, including:
 - > Upgrades to Murray River ports infrastructure through the Ports of Murray River strategy implementation;
 - > Further development of the Mildura Riverfront, including an Aboriginal interpretative experience;
 - > Development of an iconic adventure trail coving the length of the Murray River; and
 - > Diversification of the region's accommodation offer.
- > Develop nature based tourism infrastructure in the River Red Gum National Park.
- > Leverage Victoria's lead touring route position through the development of an iconic whole of Murray route.
- > Develop the region's online presence through a common digital platform, encompassing e-marketing and e-booking, and including a mobile friendly site access.
- > Develop and implement an events strategy for the region.
- > Continue to work with Destination New South Wales to address cross border issues.

Priorities for Phillip Island

The tourism industry contributed \$619 million to the Phillip Island economy (39 per cent of gross regional product) and employed approximately 5,000 people (33.5 per cent of regional employment) in 2011-12. It is estimated that tourism directly represented 12.2 per cent of the total Phillip Island economy, well above the regional Victoria

average of 4.5 per cent. Phillip Island ranked first in the comparative importance of tourism across regions.

Future major opportunities for tourism development in the Phillip Island region are to:

- > Encourage increased overnight visitation through diversification of the tourism accommodation offering; and
- > Continue focus on enhancing access to the region.

Actions

- > Advance discussion of the Cowes to Stony Point Ferry, ensuring adequate community engagement.
- > Progress the proposed redevelopment of Cowes foreshore, including development of high quality, high end accommodation.
- > Maintain and improve the Phillip Island Nature Park to raise its profile as an internationally recognised visitor experience, whilst balancing the priorities of conservation, recreation and ecotourism.
- > Undertake a communication strategy that highlights the value of tourism to the local community.
- > Leverage the region's proximity to Melbourne through continued participation in international marketing activities and Melbourne based tourism and business events.

Priorities for Victoria's High Country

Tourism contributed \$806 million to Victoria's High Country economy (24.6 per cent of gross regional product) and employed approximately 8,500 people (21.8 per cent of regional employment) in 2011-12. It is estimated that tourism directly represented 10.4 per cent of the total High Country economy, well above the regional Victoria average of 4.5 per cent. Victoria's High Country ranked second in the comparative importance of tourism across regions, behind Phillip Island.

The future major opportunity for tourism development in Victoria's High Country region is through promotion of recent and planned investment in nature based and adventure product and experiences that facilitate year-round visitation.

Priority actions are consistent with those identified in the North East Strategic Plan 2012-2014.

Actions

- > Investigate opportunities for further hero nature based investment and product development, including completion of the Falls to Hotham Alpine Crossing Master Plan, Falls Creek Altitude and Wellness Centre and Winton Wetlands.
- > Encourage further development of small and boutique accommodation in sympathy with nature based assets around the region that provide visitors with personalised experiences.
- > Assist resolution of impediments to the Mt Buffalo Chalet development.
- > Identify opportunities for experiential cultural heritage product, including a Ned Kelly tourism product offering in Glenrowan.
- > Update online booking by industry and leverage Regional Digital Platform to create stakeholder value.
- > Examine opportunities to improve public and private transport linkages to and within the region.
- > Continue focus on promoting snow season, cycling, adventure and iconic walks to international markets.
- > Increase communication of the cycle tourism product offering and increase facilitation of cycle related services, including development of a region-wide rail trail master plan.

Priorities for Yarra Valley and Dandenong Ranges

In 2011-12, tourism contributed an estimated \$1.01 billion to the Yarra Valley and Dandenong Ranges economy (13.4 per cent of gross regional product) and employed approximately 10,400 people (11.7 per cent of regional employment). It is estimated that tourism directly represented 3.5 per cent of the total regional economy compared to 4.5 per cent for regional Victoria.

The future major opportunities for tourism development in the Yarra Valley and Dandenong Ranges region are to:

- > Promote the product strength of food and wine, and grow nature based offering;
- > Focus on drawing domestic and international visitors through an emphasis on the region's proximity to Melbourne; and
- > Continue to have a strong emphasis on selling the region's product strengths to priority domestic markets.

Actions

- > Evolve to an integrated peak Regional Tourism Body in cooperation with Yarra Ranges Council and local stakeholders that takes on a broader role, including industry and product development.
- > Build a digital distribution infrastructure and develop the region's tourism operators online e-marketing and e-booking capacity (including mobile commerce).
- > Support tourism infrastructure and product associated with the region's leading product strength, food and wine, while improving strengths in nature based tourism product.
- > Continue to leverage the region's proximity to Melbourne, driving visitation through domestic marketing initiatives, including festivals and business events.
- > Leverage the visiting friends and relatives market in Melbourne to showcase the region to interstate and international visitors.
- > Work with the industry to attract more overnight and mid week international visitors from short haul markets, while leveraging the potential of the South East Tourism Triangle for long haul markets.
- > Continue to develop options for Puffing Billy to enhance the visitor experience and achieve a sustainable business model.

Evaluation and reporting

An implementation and evaluation plan will be completed for the Strategy, with an annual report card placed on the Tourism Victoria website.

Progress on actions and issues effecting implementation will be a standing agenda item in meetings with Regional Tourism Board Chairs and Chief Executives.

Tourism Victoria will have an internal Regional Tourism Steering Committee that will oversee the implementation of the Strategy, chaired by the Chief Executive.

The effectiveness of the strategic direction of Tourism Victoria, including the implementation of The Strategy, will be measured in an annual Stakeholder Satisfaction Survey.

Performance Indicator	Measure	2013-14	2014-15	2015-16
Visitor expenditure in regional Victoria (domestic overnight and daytrip)	\$ billion	7.1	7.2	7.3
Visitor expenditure in regional Victoria (international overnight)	\$ million	370	310	320
Brand health - perception as a State that offers spa and wellbeing experiences	per cent	Maintain lead	Maintain lead	Maintain lead
Brand health - perception as a State that offers quality regional food and wine experiences	per cent	Increase lead	Increase lead	Increase lead
Brand health - perception as a State that has world-class natural attractions	per cent	Increase position	Increase position	Increase position
Page views of regional Victorian content through the Australian Tourism Data Warehouse network	million	7.3	8.0	8.8
Participant satisfaction with Tourism Excellence initiatives	per cent	85	85	85
Satisfaction with Tourism Victoria's leadership (regional stakeholders)	per cent	Increase satisfaction	Increase satisfaction	Increase satisfaction
Regional tourism businesses on ATDW and with online booking capacity	Per cent	Increase uptake	Increase uptake	Increase uptake

