

2020 TOURISM STRATEGY

*Growing the visitor
economy 2014-20*



ACT
Government

Chief Minister, Treasury and
Economic Development





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Chief Ministers Message



Tourism is big business for the Canberra region. It currently contributes \$1.65 billion to the ACT economy and remains one of our largest private sector employers, supporting an estimated 16,000 jobs.

Canberra as a tourism destination today is significantly different to what it was ten years ago. For example, we've seen the introduction of a host of new tourism-related products and infrastructure that have enhanced the experiences we provide to our many domestic and international visitors.

This includes the \$480 million investment in the Canberra Airport terminal and supporting infrastructure. The Airport is now a fitting gateway for the national capital that provides a solid platform for future economic growth – including the capacity to support direct international flight access.

So in a time where the range and quality of our tourism offering continues to evolve, the outlook for the industry in the Canberra region is very exciting.

At a national level, the stretch goal under the *Tourism 2020* framework is to grow overnight tourism expenditure from \$70 billion in 2009 to \$140 billion in 2020. Consistent with this approach, the aim of the ACT's *2020 Tourism Strategy* is to achieve overnight visitor expenditure of \$2.5 billion by 2020 (from a current base of \$1.58 billion).

Achieving this stretch goal for the ACT will require a coordinated effort. The *2020 Tourism Strategy* will help challenge and shape the way we do business as an industry and guide us on a path towards maximising the tourism potential of the Canberra region.

I would particularly like to thank the broad range of government and industry stakeholders who were consulted and who provided feedback throughout the process of developing this strategy. Your participation, enthusiasm and commitment will ensure that we commence our journey towards 2020 on a strong footing.

It is my great pleasure to present the ACT's *2020 Tourism Strategy*.

Andrew Barr MLA

Chief Minister

Treasurer

Minister for Tourism and Events

Minister for Economic Development

Minister for Urban Renewal

Introduction

The ACT Government, through VisitCanberra, has developed this *2020 Tourism Strategy* to provide a framework for informing programs and activities that can help realise the tourism potential of the Canberra region.

The goal is to grow the value of overnight visitor expenditure in the ACT from a current base of \$1.58 billion to \$2.5 billion by 2020. The strategy will align with the intent of the national *Tourism 2020* framework which aims to double overnight visitor expenditure in Australia from \$70 billion in 2009 to \$140 billion by 2020.

The foundation of the ACT's 2020 framework has been established by undertaking a robust assessment of the market through a consumer demand research project. This project has allowed a detailed assessment of the current products and experiences available to visitors in the region and an assessment of the latent demand potential that exists in key domestic and international target markets.

Over the next six years, some of the areas of focus that will assist in realising the ACT's 2020 tourism potential include:

- Investment in destination marketing activities that drive visitation from domestic and international target markets.
- Access initiatives including securing direct international flight services and growing domestic aviation capacity.
- Growing the digital capability of the industry.
- Supporting the key drivers of the visitor economy including business events, education tourism and major tourism events.
- Creating the right business environment by encouraging investment and reducing regulatory burdens.
- Experience and industry development initiatives to complement investment in new product.

The actions outlined in this strategy are not achievable by the ACT Government alone. It will require commitment and coordinated effort from all parts of the industry – including peak industry bodies, Commonwealth funded attractions and all other tourism businesses.

Importantly, the intent of the *2020 Tourism Strategy* is for tourism to be viewed as a business that adds diversity and broadens the ACT economy. Its continued growth relies on influencing broad parts of the economy including business development, labour and skills, education, employment, investment, transport and aviation.

The *2020 Tourism Strategy* provides a clear vision for tourism in the ACT by establishing a measurable stretch target that we can all strive for.

Looking ahead to 2020 – background and context

The national *Tourism 2020* strategy, released in December 2011, provided a framework to help Australia reach its tourism potential by setting a goal of doubling overnight expenditure from a base of \$70 billion in 2009 to \$140 billion in 2020.

In achieving the national 'stretch' target of \$140 billion, some of the key priorities identified included investment in new product, boosting productivity, increasing uptake of digital technology, and addressing labour and skills shortages – all of which ultimately impact on improved product and service quality.

Federal and State/Territory Tourism Ministers have actively led and endorsed a national work program, and the ACT has committed to contributing proportionally to the *Tourism 2020* framework and the national 'stretch' target.



CURRENT NATIONAL TOURISM PERFORMANCE

The latest *State of the Industry 2013* report released by Tourism Research Australia highlights improvement on most key tourism indicators over the last 12 months – including visitor expenditure, accommodation supply, aviation seat capacity and tourism employment. This comes despite the continued high Australian dollar and a range of challenges in the global macroeconomic environment.

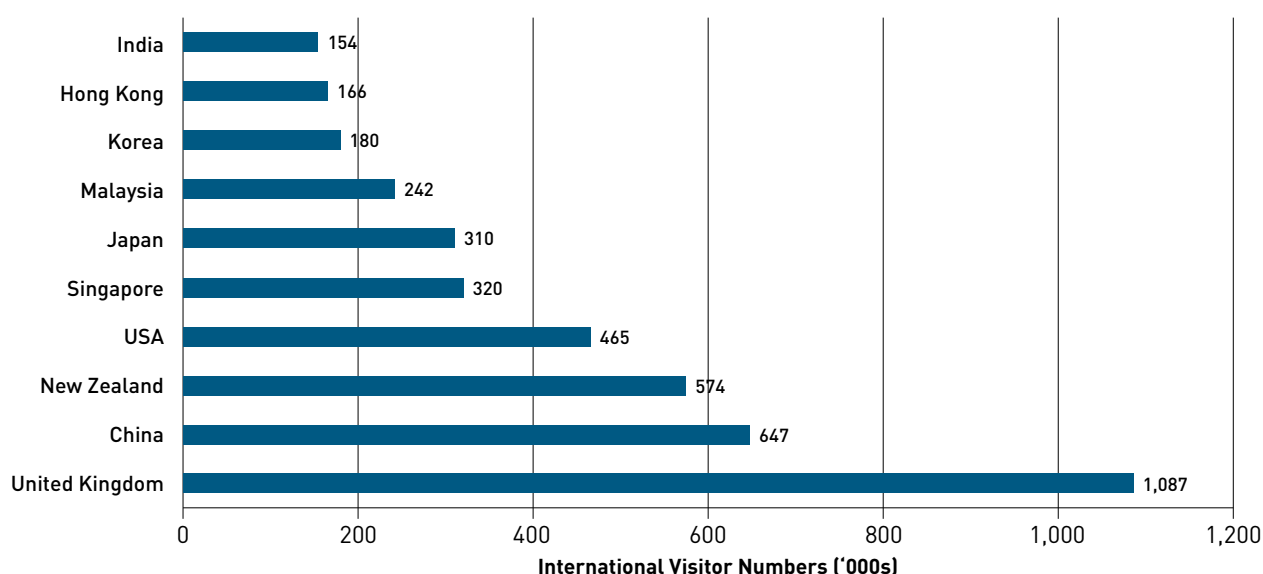
An overview of national visitor expenditure for 2012-13 is outlined below:

International overnight visitor expenditure:	\$28.2 billion (up 5.9% on 2011-12)
Domestic overnight visitor expenditure:	\$51.4 billion (up 3.2%)
Total overnight visitor expenditure (2020 MEASURE):	\$79.6 billion (up 4.2%)
<i>plus</i>	
Domestic day visitor expenditure:	\$18.1 billion (up 3.0%)
TOTAL VISITOR EXPENDITURE (DAY + OVERNIGHT):	\$97.7 billion (up 3.9%)

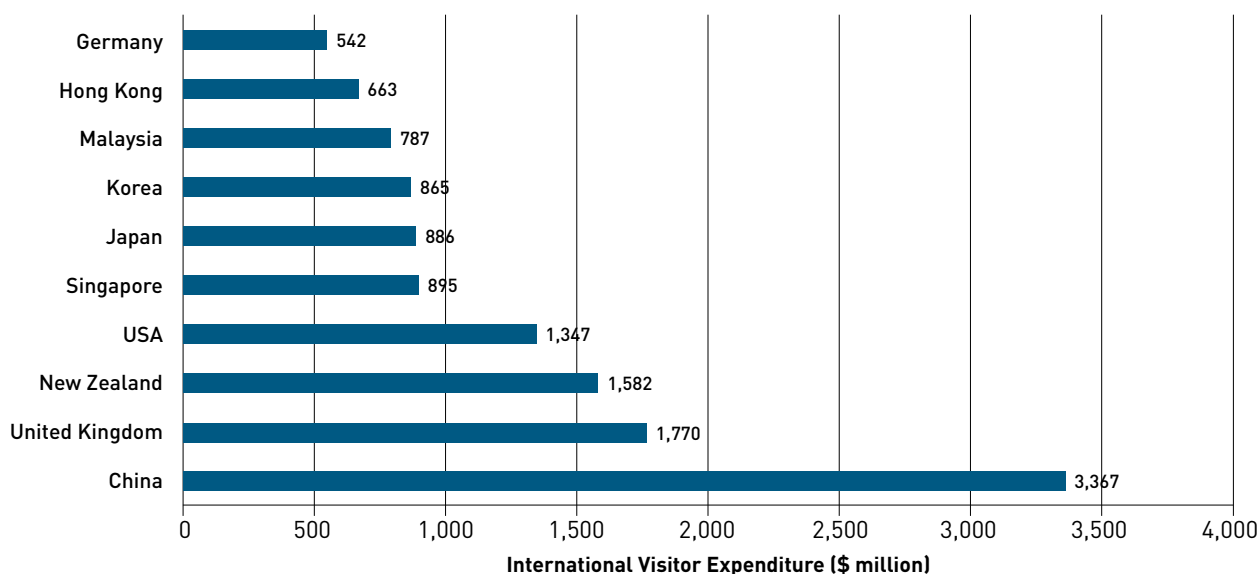
At present, industry is on track to achieve the lower end of the tourism potential's target (i.e. \$115 billion for overnight visitor expenditure) by 2020. This is within expectations given *Tourism 2020* is still in the 'setting the foundation' phase, with growth expected to gather momentum in 2015 and beyond.

International visitation is up 5% on the previous year, with a new record of 6.3 million visitors – driven largely by key Asian markets, including China in particular (up 17%), along with Singapore and Malaysia. Arrivals from traditional markets also improved, with the USA up 6% and the UK seeing growth for the first time in 5 years (up 1.2%).

Top 10 international source markets to Australia – by Visitor Numbers ('000s)



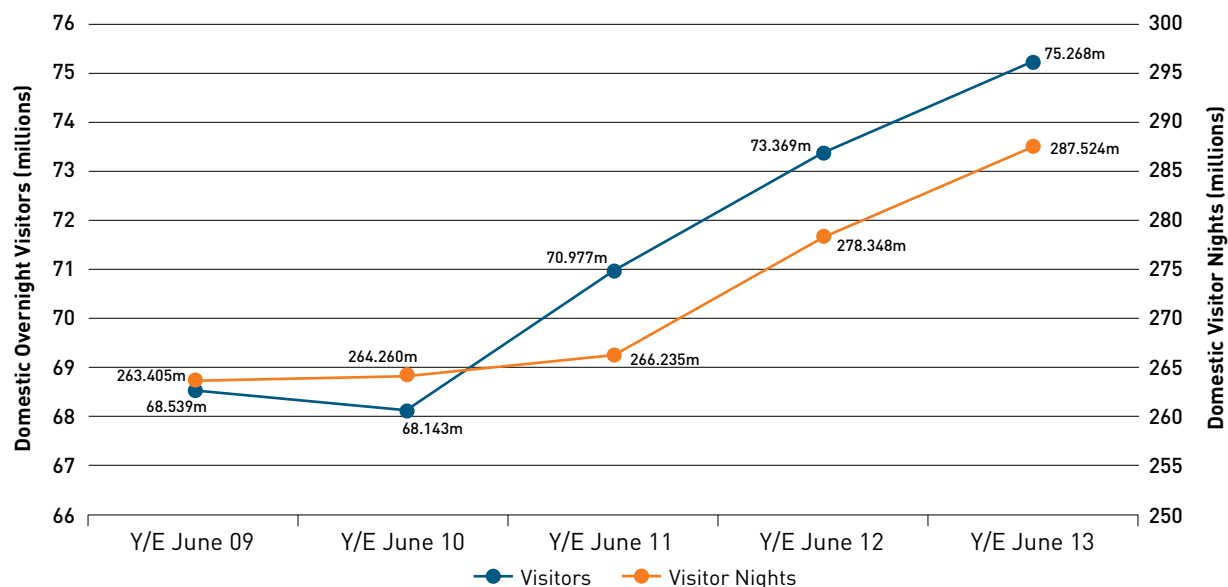
Top 10 international source markets to Australia – by Visitor Expenditure (\$ millions)



Source: International Visitor Survey, Tourism Research Australia, Canberra

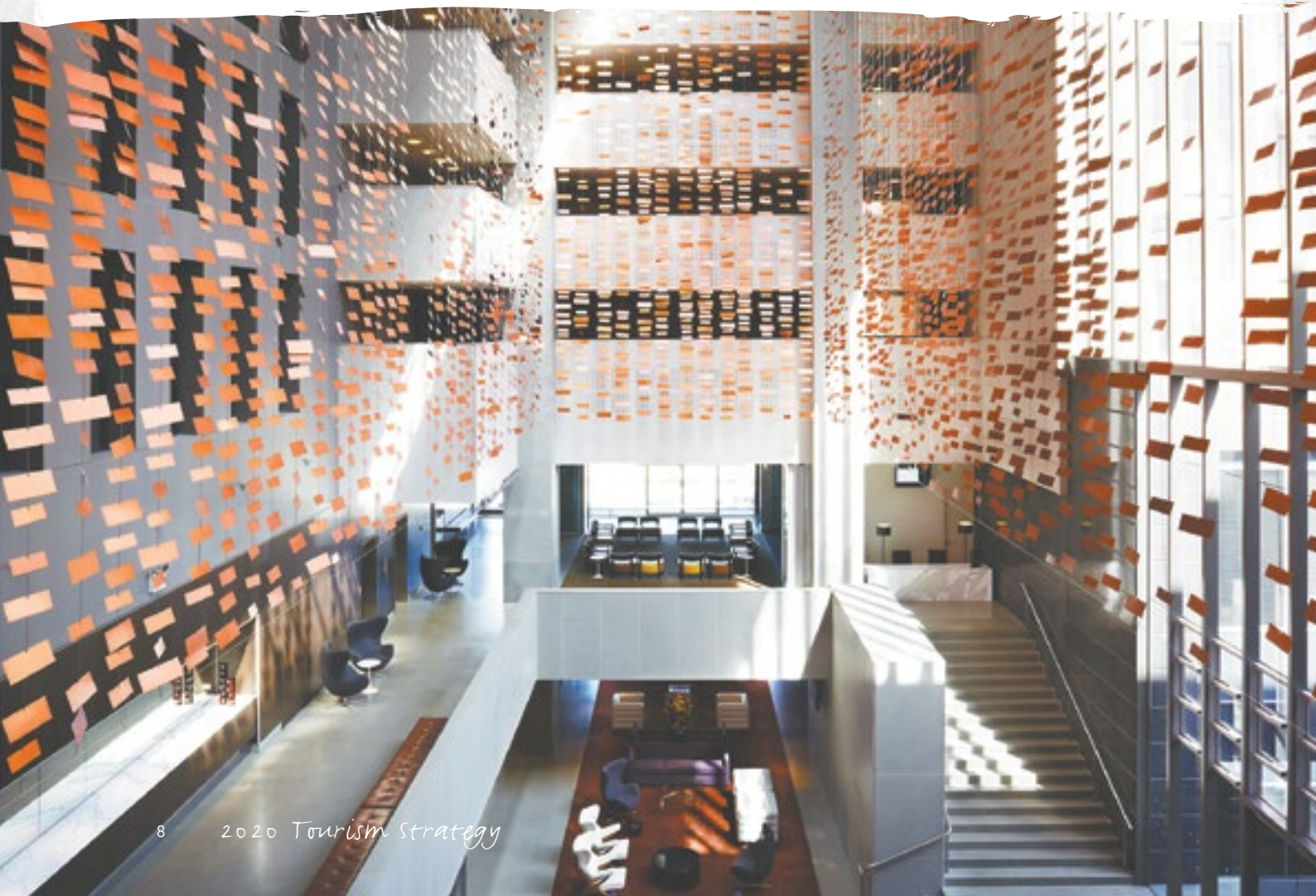
Growth has also been seen in domestic tourism nationally, including growth in overnight trips (up 3%) well above the long term trend rate.

Domestic Overnight Visitation (Australia)



The number of Australian outbound visitors has increased by 5%, which represents the slowest growth for this segment since 2008-09. However, since the year 2000, the propensity of Australians to take an overseas trip has doubled from 19 trips per 100 people to 39 trips in 2013.

Meanwhile, the propensity of Australians to travel domestically has fallen from 480 trips per 100 people in the year 2000 to 400 trips in 2013.



The visitor economy – a key driver for the ACT

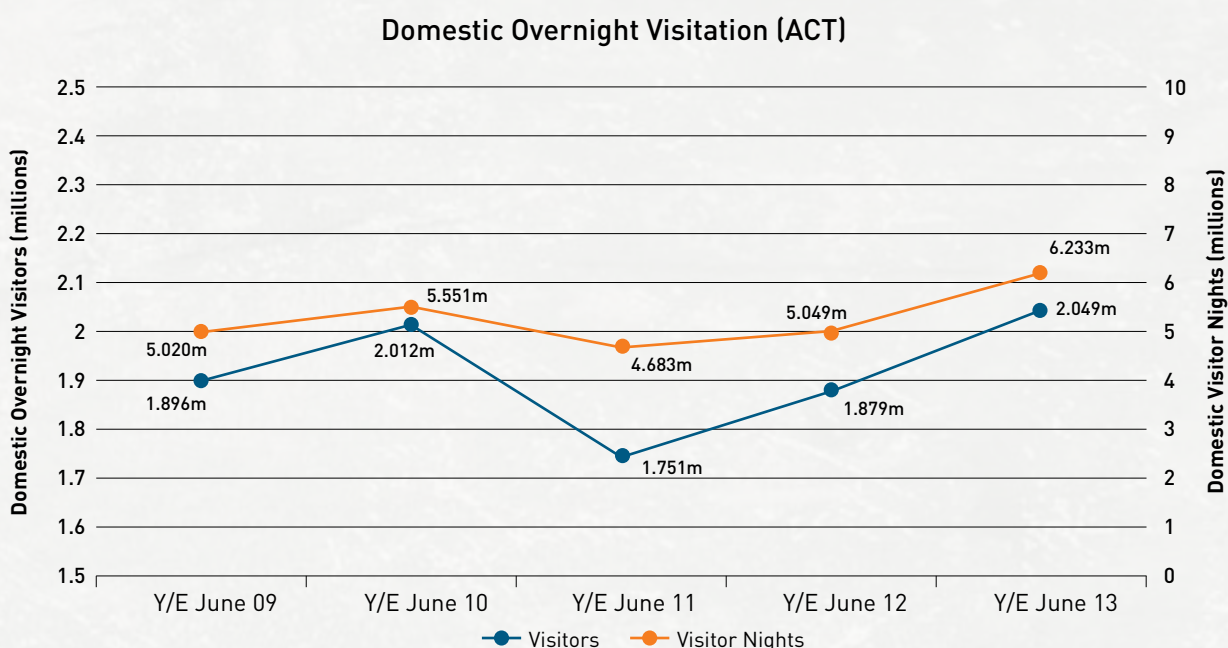
According to the most recent Tourism Satellite Account for the ACT prepared by Tourism Research Australia (based on 2011-12 data), the tourism industry contributes around \$1.65 billion to the ACT economy and is one of the territory's largest private sector employers – supporting an estimated 16,000 jobs.

Outlined below is a snapshot of tourism performance in the ACT over the past five years, with specific reference to the previous 12 months. This data has been taken from the National Visitor Survey (NVS) and International Visitor Survey (IVS) produced by Tourism Research Australia and incorporates overnight visitor expenditure, which forms the basis of the ACT's 2020 stretch target.

DOMESTIC TOURISM IN THE ACT – YEAR ENDING JUNE 2013

The ACT received **2.05 million** domestic overnight visitors for the year ending June 2013, a 9.0% increase compared to the year ending June 2012 (1.88 million). This increase was well above the national average (2.6%) for the same period.

Visitor nights in the ACT increased by 23.5%, up from 5.05 million for the year ending June 2012 to **6.23 million** for the year ending June 2013. Nationally, there was a 3.3% increase in visitor nights across the same 12 month period.



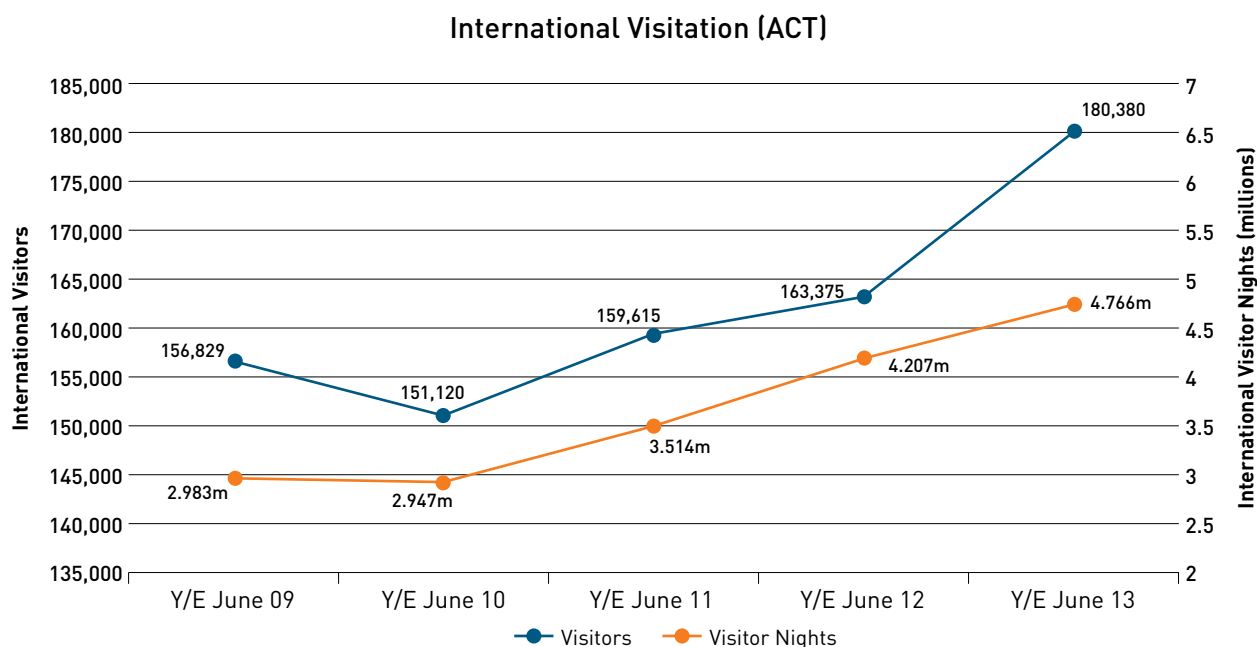
Key points of note:

- The Visiting Friends and Relatives (VFR) market is driving much of the growth for visitors and visitor nights, although in the last 12 months gains were also experienced under both the Holiday and Business sectors.
- The VFR sector clearly remains the ACT's largest, with a 38 per cent share of the visitor market – followed by Business (29 per cent) and Holiday (27 per cent).
- New South Wales currently accounts for two-thirds of the ACT's domestic overnight visitors (on the back of 2% growth over the last 12 months), with Victoria and Queensland the next biggest source markets.
- Domestic overnight visitor expenditure in the ACT for the year ending June 2013 totalled \$1.207 billion, an increase of \$159 million on the previous year.

INTERNATIONAL TOURISM IN THE ACT – YEAR ENDING JUNE 2013

The ACT welcomed **180,380** international visitors in the year ending June 2013, an increase of 10.4% compared to the year ending June 2012 (163,375). This was compared to a 5.1% increase in international visitation to Australia.

International visitors to Canberra stayed for a total of **4.77 million** nights in the year ending June 2013, up 13.3% from the year ending June 2012 (4.21 million). This once again exceeded the average increase experienced nationally (7.8%) across the same period.



Key points of note:

- The ACT performed strongly under the leisure sector in the past 12 months, with international Holiday visitation up by 10.3% and those Visiting Friends and Relatives (VFR) up by 7.9%. International Business visitation was down by 4.9%, while visitation for other purposes (including Education and Employment) was up by 37.1%.
- The top five international travel markets to the ACT in the year ending June 2013 were China (12.3% share), the USA (11.2%), Singapore/Malaysia/Thailand/Hong Kong (10.7%), the United Kingdom (9.8%) and New Zealand (7.3%).
- International visitor expenditure in the ACT for the year ending June 2013 totalled \$376 million, an increase of \$30 million on the previous year.
- With Canberra's impending capacity for hosting international flights, the development of aviation partnerships in key international markets would present significant opportunities for the Territory.

TOTAL ACT VISITATION IMPACT (DOMESTIC AND INTERNATIONAL) – YEAR ENDING JUNE 2013

Overnight Visitors: 2.23 million
Visitor Nights: 11.0 million
Overnight Visitor Spend: \$1.583 billion

2020 Tourism Strategic Framework for the ACT

VisitCanberra engaged BDA Marketing Planning (BDA) to assist with the formulation, preparation and delivery of strategic modelling to identify an industry and organisational goal for tourism in the ACT out to the year 2020.

BDA was a key provider of input for the national *Tourism 2020* strategy and the 2020 targets for the ACT align with the methodology adopted nationally.

THE APPROACH

STEP 1 The Market	STEP 2 Outlook	STEP 3 Current demand	STEP 4 Strategic direction	STEP 5 Tracking & evaluation
Market Demand and Supply Audit <ul style="list-style-type: none"> Assessment of tourism performance vs industry & economy Summary of key economic influences Analysis of current tourism trends: broad demand streams & trend in consumer preference/behaviour Assessment of performance across key demand streams Summary of key competitive tourism indicators, including: <ul style="list-style-type: none"> Travel consideration and intention Visitor satisfaction Destination choice motivations Visitation triggers Planning/booking behaviour Status summary of current competitive supply, e.g. <ul style="list-style-type: none"> Accommodation infrastructure Occupancy levels Air supply by origin 	Establish 2020 outlook <ul style="list-style-type: none"> Tourism 'market opportunity' outlook to 2020 Identify markets with most growth opportunity Provide a 'par performance' outlook to 2020 BDA AUSMO forecasting model used to generate a 'Trend' outlook for key markets <ul style="list-style-type: none"> Key Outputs: Forecasts of trips and expenditure across all key markets... ... Includes interstate and inbound overnight demand 	Assessment of Current latent demand <ul style="list-style-type: none"> Original research conducted <ul style="list-style-type: none"> Consumers exposed to 'brochure style' stimulus of various experience & event options Performed domestically as well as in key international markets Outputs include: <ul style="list-style-type: none"> Understanding of consumer awareness for each option tested Measure of appeal Establish latent demand potential for each experience/event Ranking of demand potential for experiences/events tested Identification of consumer markets & segments which are most productive to target 	Recommendation for 2020 Goal & strategic imperatives <ul style="list-style-type: none"> Generation of 2020 demand scenarios and the required performance gains needed to achieve each scenario level Alternative 'Competitive Gaps' between Trend & Goal quantified Recommendation for an appropriate Goal & key KPIs Establish required growth in airline supply & accommodation development to meet 2020 level of demand Direction for marketing mix priorities 	Tracking, evaluation of Goal and KPI progress <ul style="list-style-type: none"> Establish regular performance monitoring (quarterly reporting) Update of Market Demand & Supply Audit Update of 2020 Market Opportunity Outlook Goal / KPI progress evaluation Communications effectiveness tracking Strategic summary and imperatives Concept testing of new experiences as required

2020 DEMAND OUTLOOK

Current Domestic Outlook (if ACT continues to hold market share – i.e. 'Trend' Growth)

- Minimal trips growth – improving somewhat out to 2020.
- Spend growth largely inflationary.

Current Inbound (International) Outlook (if ACT continues to hold market share – i.e. 'Trend' Growth)

- More growth opportunity internationally.
- 25% trips growth and 72% expenditure growth forecast out to 2020.
- Could be further enhanced with introduction of direct flights.

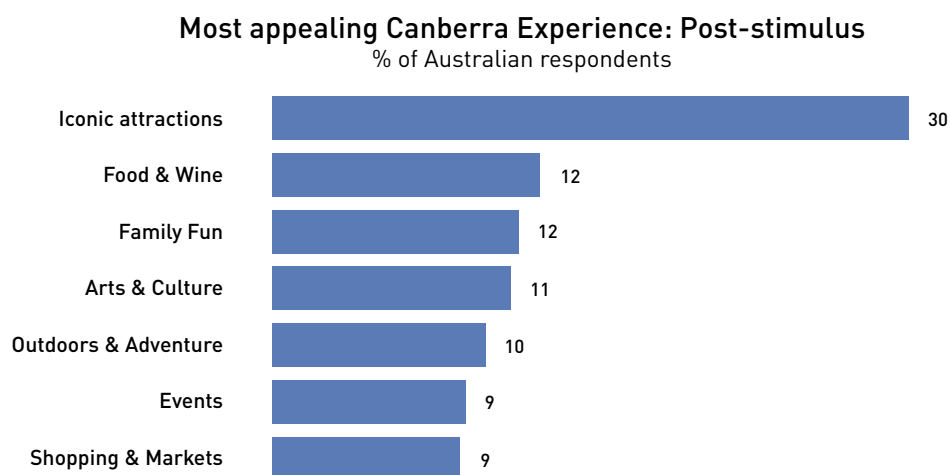
CONSUMER DEMAND TESTING

Consumer demand testing was undertaken domestically and in three key international markets (China, Singapore and New Zealand). This involved original research where consumers were exposed to stimulus presenting a variety of current experience and event options for the Canberra region.

Outputs included awareness of each option tested, along with appeal and latent demand potential for each experience/event – which in turn determined the potential for marketing to influence increased demand performance.

DOMESTIC – KEY TAKEOUTS

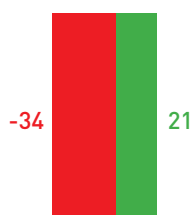
- Low awareness is evident – only 20% of respondents had a high awareness of tourism experiences in the Canberra region pre-stimulus.
- Post stimulus, iconic attractions were clearly the most preferred Canberra tourism experience, with a big gap to the other concepts.



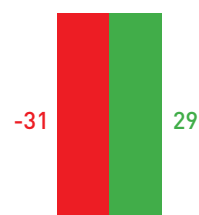
*Question: From the information you have been given, which of the following is the **most** appealing to you?*

- Communication/advertisement examples covering multiple experiences tested strongly across a number of key metrics, including:
 - positive advertising appeal.
 - ability to prompt respondents to seek further information.
 - ability to convey new, interesting and valuable experiences.
 - ability to reflect Canberra's strengths.
 - ability to lift consideration for the region.
 - ability to best communicate 'Canberra' to respondents.
- visitcanberra.com.au featured prominently as the preferred method for then seeking more information about the Canberra region.
- There was a positive shift in intention to visit the Canberra region post-stimulus, with 29% 'likely' or 'certain' to travel to Canberra in the next two years (versus 21% pre-stimulus).
- This indicates that latent demand does exist for the Canberra offer.

Canberra intention – Pre Stimulus
% of Australian respondents



Canberra intention – Post Stimulus
% of Australian respondents



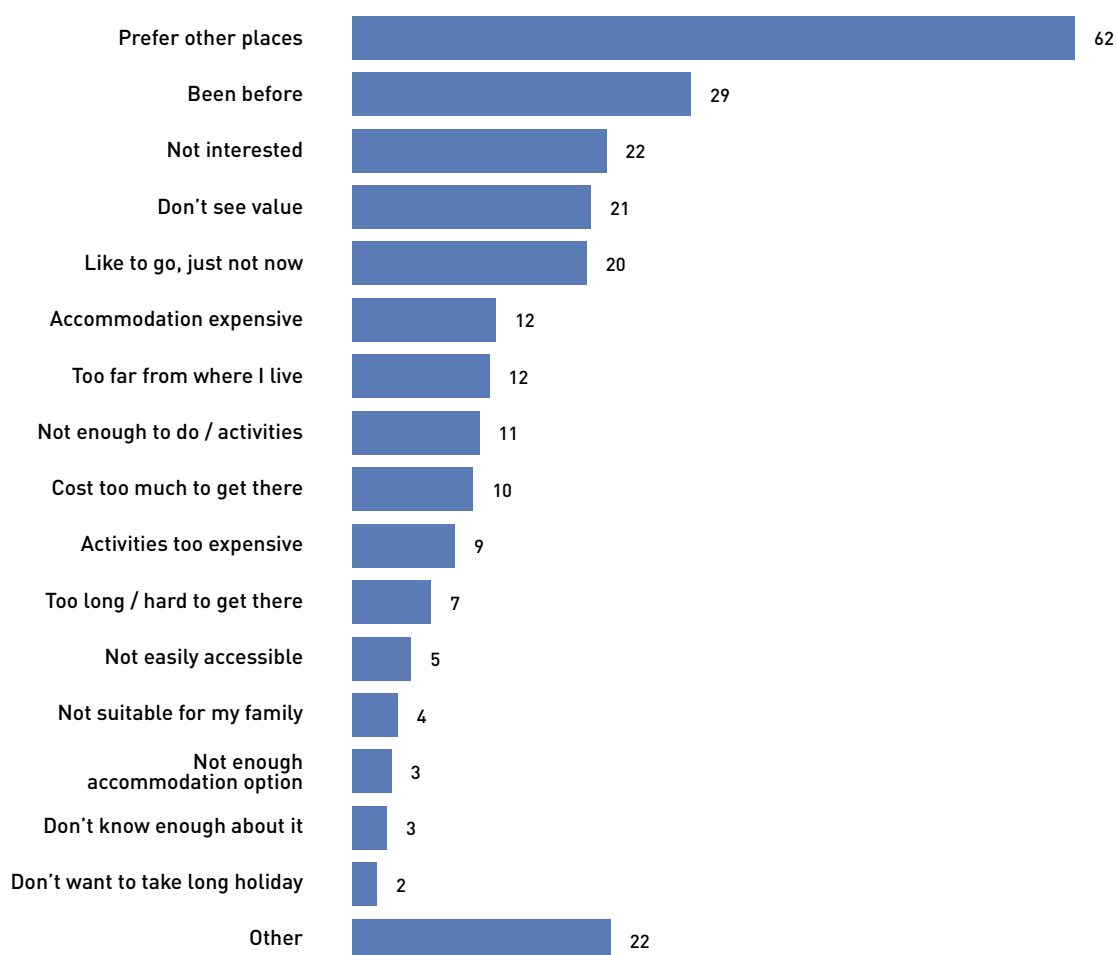
Questions: How likely are you to visit the Canberra Region in the next two years?

- 'Very likely' – 'certain' to travel
- 'Not likely' – 'not at all' to travel

- In terms of visitation barriers, the majority of those not intending to visit the Canberra region have other destinations higher on their list.
- Some also cite past visitation as a reason for not visiting in the next two years, while 20% say they would like to visit, but further into the future.
- No 'hard' barriers are particularly evident, with the main reasons provided being possible to overcome with development of more experiences.

Key reasons for not intending Canberra travel

% of Australian respondents "not at all" or "not likely" to travel to Canberra Region in next 2 years.

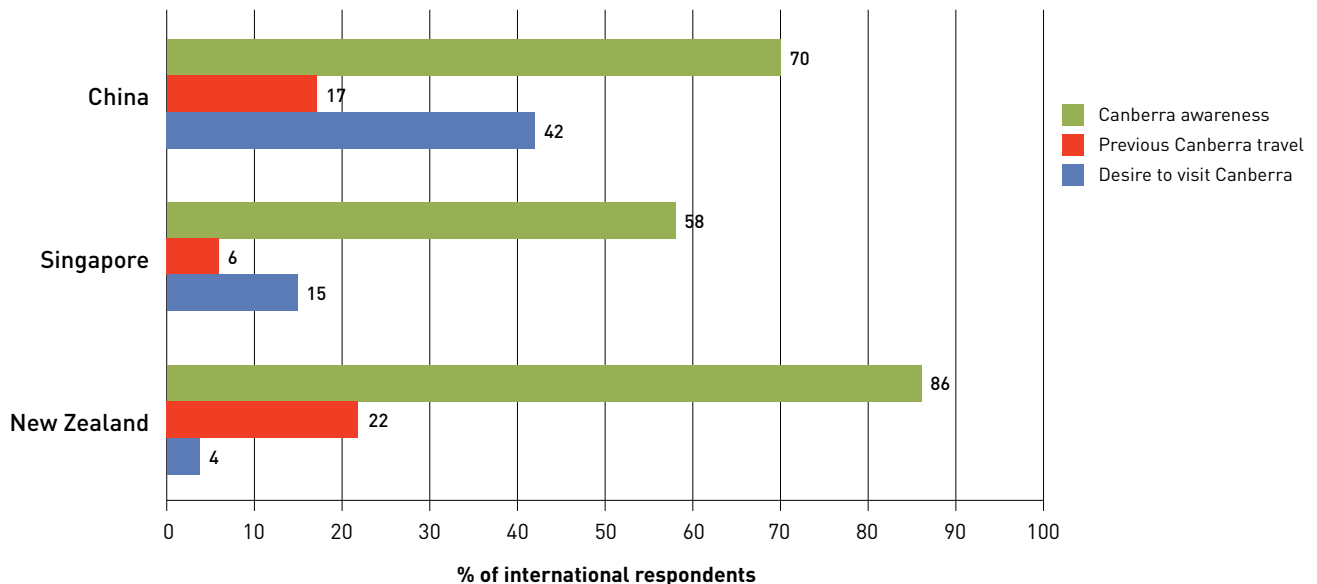


Question: You indicated you are not likely to travel to the Canberra region in the next two years. What are the reasons for not travelling to this region?

INTERNATIONAL (CHINA, SINGAPORE, NEW ZEALAND) – KEY TAKEOUTS

- Most international respondents were aware of Canberra – although there was lower awareness in the Singapore market.
- Relatively few had visited Canberra before – with New Zealand having the highest number of previous visitors.
- The highest desire to visit Canberra came from China (42%), followed by Singapore (15%) and New Zealand (4%).

International Profile – Pre stimulus

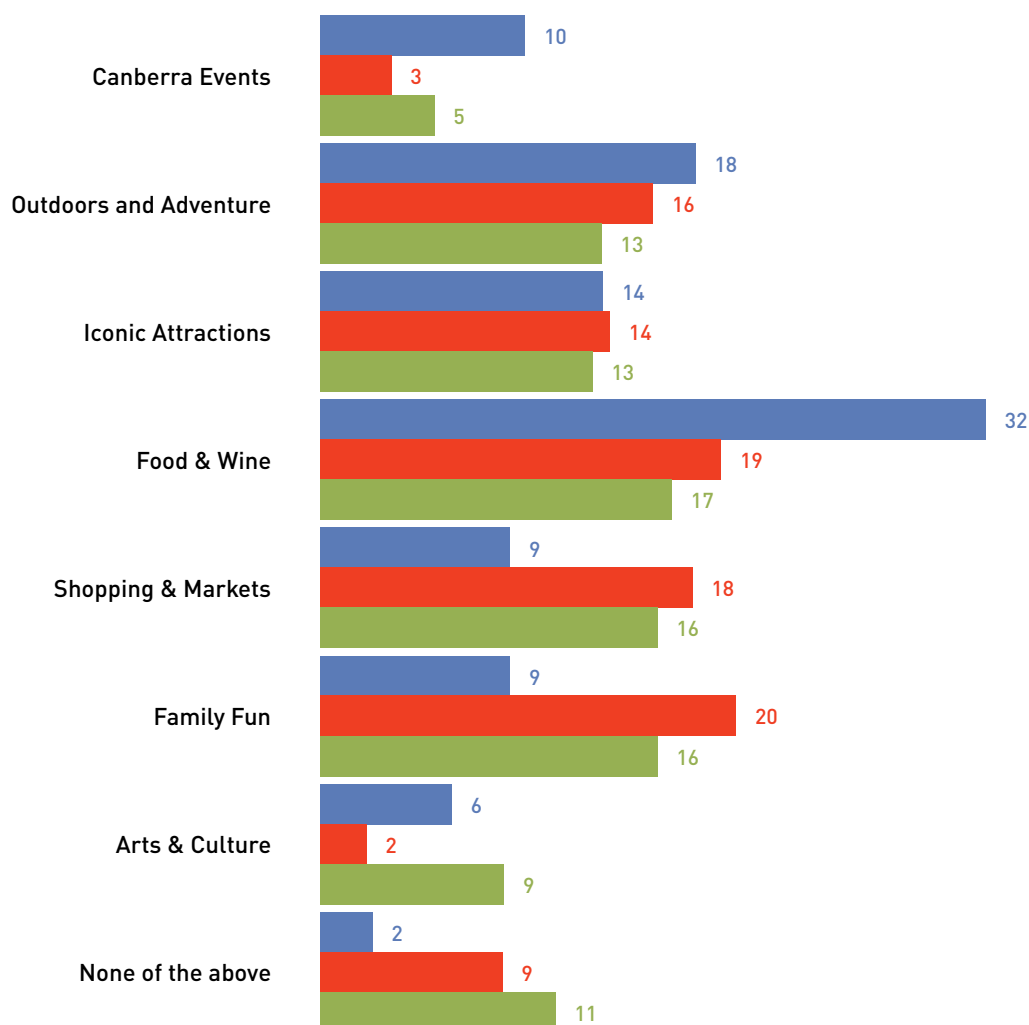


- Similar to the domestic market, there was also generally low awareness of specific Canberra region tourism experiences across all three countries (see chart on page 21 for detailed results).



- Post stimulus, 'Food and Wine' had the strongest appeal – particularly for Chinese respondents.
- 'Iconic Attractions' were in the mix, but much lower than for the domestic audience, while 'Arts and Culture' and 'Events' were the least popular across all three markets.

Most appealing Canberra Experience: Post-stimulus
% of International respondents



Question: From the information you've been given, which of the following is most appealing to you?

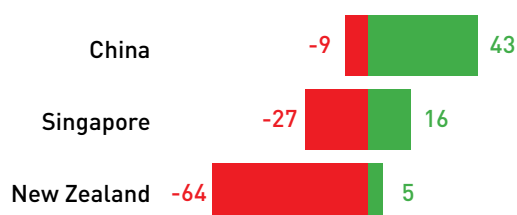
- China
- Singapore
- New Zealand

- Communication testing across all three international markets again clearly indicated that multiple experience advertisements had the most appeal and best reflected Canberra's strengths.
- However, in terms of preferred sources for then seeking more information on the Canberra region, there were some clear differences between markets. New Zealand and Singapore were similar to the domestic profile with visitcanberra.com.au and general internet search performing strongly. China was very different, with guide books, agents and brochures stronger, while travel advice websites were the top online source.

- Intention to visit the Canberra region was clearly higher across all three international markets post-stimulus. This again indicates latent demand.

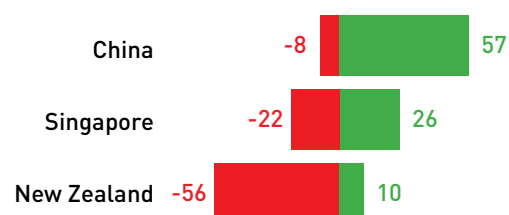
Canberra intention – Pre Stimulus

% of International respondents



Canberra intention – Post Stimulus

% of International respondents



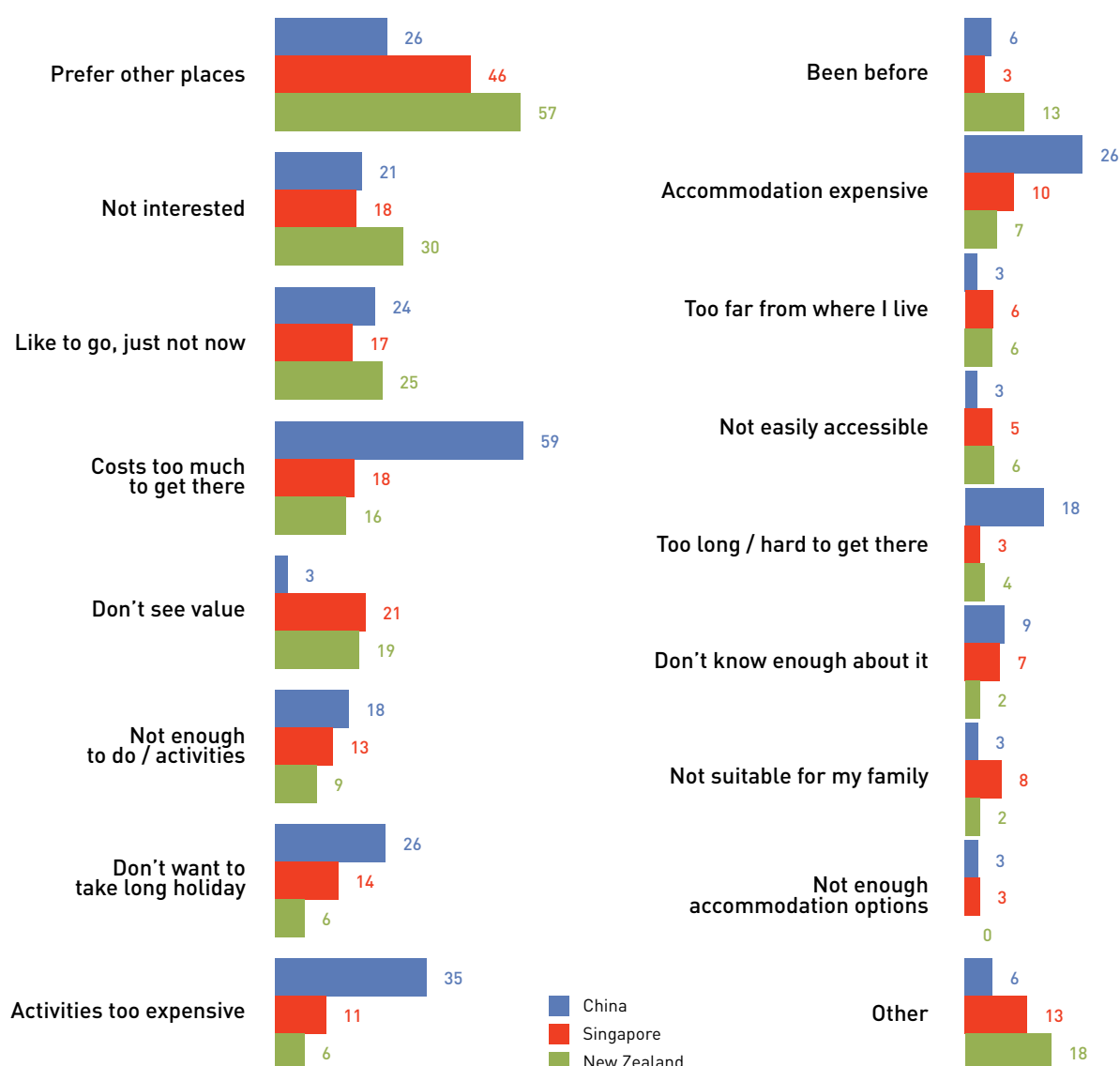
Question: How likely are you to visit the Canberra Region in the next two years?

■ 'Very likely' – 'certain' to travel
 ■ 'Not likely' – 'not at all' to travel

- In terms of barriers to visiting Canberra, there were some clear differences across the three markets. Cost was a bigger issue for those from China, while those from Singapore indicated that they preferred other places or didn't see value in the destination.
- Nearly 60% of respondents from New Zealand preferred other places or cited a lack of interest in the destination.

Key reasons for not intending Canberra travel (%)

% of International respondents "not at all" or "not likely" to travel to Canberra Region in next 2 years.



Questions: You indicated you are not likely to travel to the Canberra region in the next two years. When do you think you will travel there? What are the reasons for not travelling to this region?

The 2020 Goal for the ACT

Trend Forecast (*i.e. if we keep doing what we do now and maintain market share*):

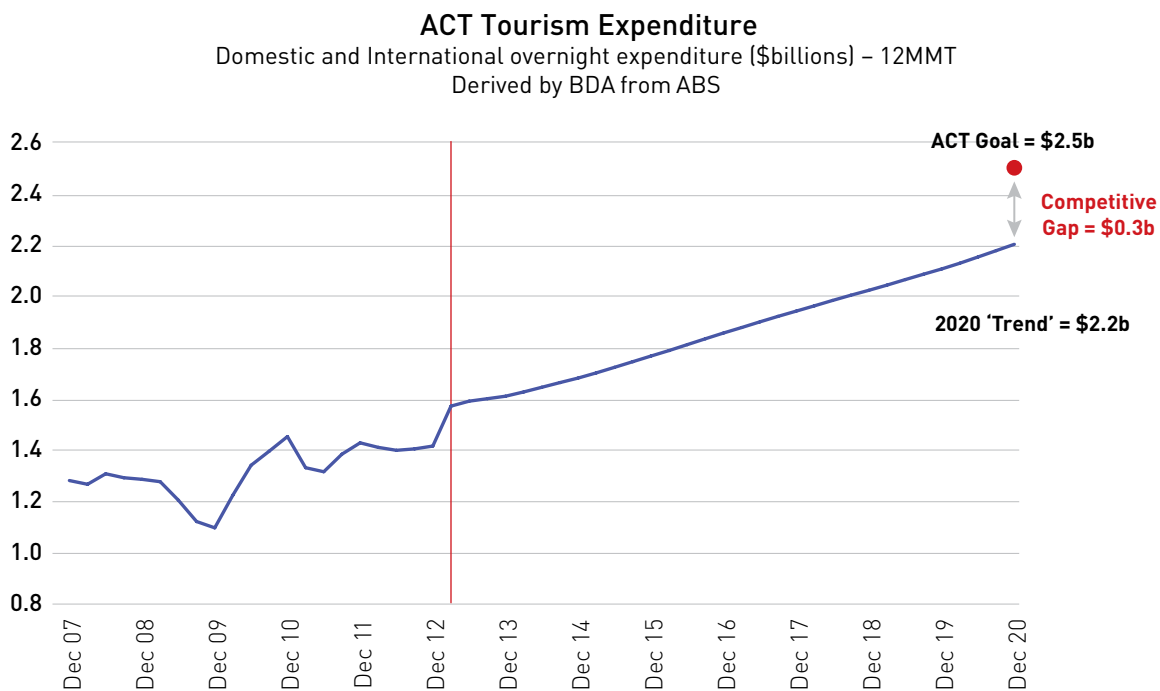
- **\$2.2 billion** in overnight visitor expenditure by 2020 (currently \$1.58b)

'Stretch' Goal

- **\$2.5 billion** in overnight visitor expenditure by 2020 (70% domestic, 30% international)

Competitive Gap (between trend forecast and 'stretch' goal)

- \$300 million



Implications

Gap to be filled by effective strategy development:

- i.e. development and marketing of most appealing and new experiences.
- i.e. appropriate infrastructure to maximise demand potential.

Achieving the potential — 7 key pillars

The following seven pillars will form the foundation from which targeted programs and activities can be developed to achieve the 2020 tourism potential for the ACT. These pillars will be reviewed on an annual basis.

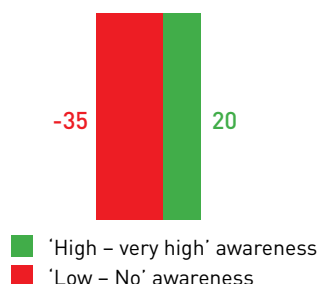
1. DOMESTIC MARKETING INNOVATION

Domestic visitation is the foundation of the visitor economy in the ACT, currently responsible for over 90% of the ACT's overnight visitors.

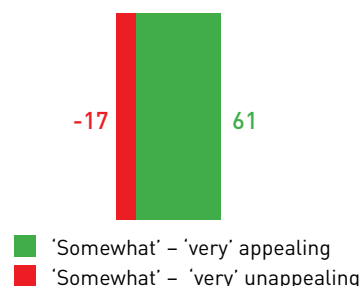
The ongoing domestic challenge

- Low national awareness of Canberra, but a high level of appeal for the breadth of destination experiences. This is particularly evident for Canberra's iconic attractions – a key attribute of the destination.
- Negative perceptions and low association as a market leader in delivering quality tourism experiences.

Canberra Region awareness
% of Australian respondents



Canberra Region appeal
% of Australian respondents



Addressing the challenge

VisitCanberra will play a key role with industry to address this awareness challenge and the opportunity to unlock latent demand through implementation of its *Domestic Marketing Strategy 2013-15*. The domestic marketing strategy is a high-level road map that includes key travel insights and outlines activities that will be used to increase economic return from domestic leisure travel.

The following activities and principles underpin the delivery of the domestic marketing strategy:

- Engagement with the Roy Morgan *Socially Aware* and *Visible Achiever* visitor segments to raise awareness of Canberra as a short break destination. Whilst these segments are big spenders and have the highest desire to take a short break, they also have relatively low awareness levels of Canberra. There is a significant opportunity to increase visitation by focusing marketing efforts on these segments.

These two visitor segments communicate to a broad set of market lifestyle choices. This will ensure the destination is promoted to a range of niche consumer groups including the *Grey Nomads* market.

- Implementation of an annual media plan that responds to changing consumer behaviour by focusing on the following:
 - An 'always on' approach that includes destination advertising 365 days of the year. This approach responds to consumers' active search behaviour and keeps the destination top of mind.
 - Bursts of tactical advertising activity at key times of the year. These will promote Canberra's four key experience pillars: Arts and Culture, Food and Wine, Family Fun, and Outdoors and Adventure – providing compelling reasons to visit.
 - An annual campaign activation. VisitCanberra will evolve the *Human Brochure* campaign, creating an activation in 2014 that will:
 - ◇ shine a spotlight on the destination and profile Canberra's unique experiences.
 - ◇ enhance the destination's brand and increase the pool of Canberra advocates.
 - ◇ engage, attract and convert potential visitors.

- Redeveloping core promotional channels including visitcanberra.com.au to engage and enhance the visitor experience at all stages of the consumer decision making cycle – i.e. dreaming, planning, booking, in destination etc.
- Working with industry to create, aggregate and distribute engaging content including blogs, videos and photos that profile Canberra's unique experiences. Content marketing activities that engage audiences through storytelling are key to attracting and converting potential visitors.
- Promoting short breaks that offer valuable and rewarding experiences and enable friends and families to relax and connect.
- Continuing to administer the ACT Government's Special Event Fund (SEF) to broaden the ACT annual events calendar and drive visitation to the destination. The ACT Government is already supporting three summer blockbuster exhibitions in 2013 through the SEF including the National Gallery of Australia's *Gold and the Incas – Lost worlds of Peru*, the National Library of Australia's *Mapping Our World – Terra Incognita to Australia* and the National Portrait Gallery's *Elvis at 21* exhibition.

Priority

- Implementation of the Domestic Marketing Strategy 2013–15

(More information on the Domestic Marketing Strategy 2013–15 can also be viewed at www.tourism.act.gov.au)



2. ESTABLISH INTERNATIONAL AIR ACCESS AND INCREASE DOMESTIC AVIATION CAPACITY

Key supply side requirement to achieve the ACT's 2020 goal

Aviation – Seat Supply:

- At current load factors, another 650,000 seats per annum would be required to achieve the stretch goal (current average load factor 66%).
- At an 80% load factor average, the requirement for additional seats drops to 180,000.
- Securing daily direct international services from two international destinations will provide the required seats at an 80 percent load factor scenario.

The \$480 million investment in the Canberra Airport terminal and supporting infrastructure provides a foundation and unique opportunity to achieve the supply goal.

In particular, the opportunity to establish direct international flight services and to open Canberra to the international marketplace will secure the city's long term future as a key business and tourism hub.

INTERNATIONAL

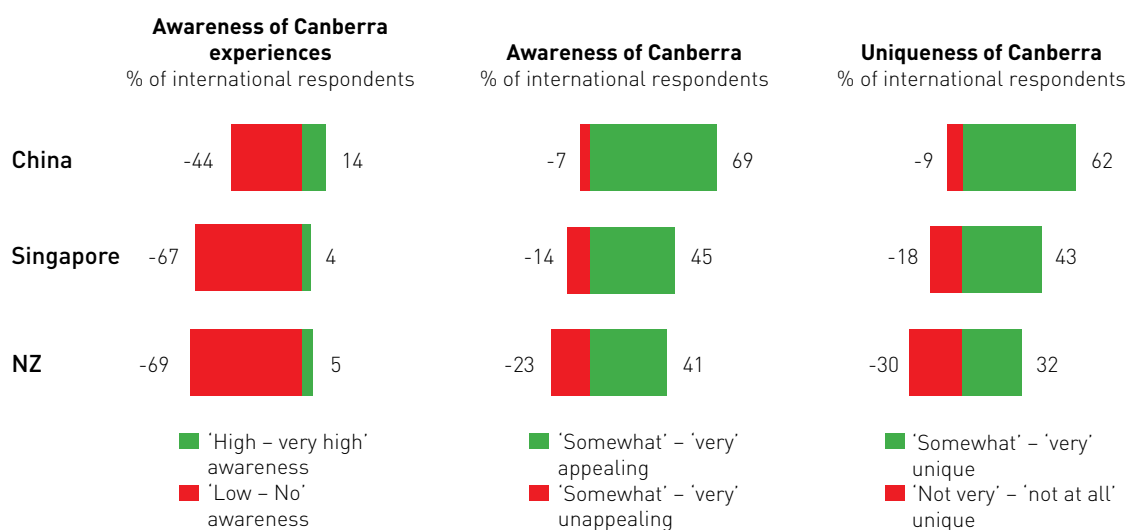
Opportunity

- Providing access to new leisure markets with projected growth.
- Education partnerships and increased international student numbers.
- Enhancing the tourism impact of visiting friends and relatives (VFRs) associated with international students.
- Foreign direct investment opportunities.
- Economic growth for the surrounding regions of New South Wales, in particular the South Coast, the Snowy Mountains and nearby inland New South Wales.
- Growing business-to-business links and export opportunities for businesses in the ACT and region.
- Establishing Canberra as a freight and transport hub.

Key market focus

- Singapore – As a global hub, Singapore presents the opportunity to realise the potential of the fast growing Asian markets, particularly China – while also opening up access to and from Europe.
- New Zealand – The largest market by volume to Australia that provides an opportunity to grow leisure, government, business, education and diplomatic visitation to the ACT.

The 2020 consumer demand research confirmed low awareness, but high latent demand for Canberra's core experiences in the Singapore, New Zealand and China markets. This is highlighted in the graph below. Food and wine in particular, along with events, nature and shopping experiences have the highest appeal.



The Economic Development Directorate (EDD), through VisitCanberra, is leading the effort to attract direct international services in partnership with the Canberra Airport Group.

However, securing and sustaining direct services requires commitment from all parts of Government and industry. Aligning effort to influence markets where flights are likely to originate from is a fundamental requirement and includes:

- Advocating the opportunity Canberra presents to international carriers through business and political networks.
- Securing and growing the value of international business events.
- Trade and investment activities.
- International education and study programs.

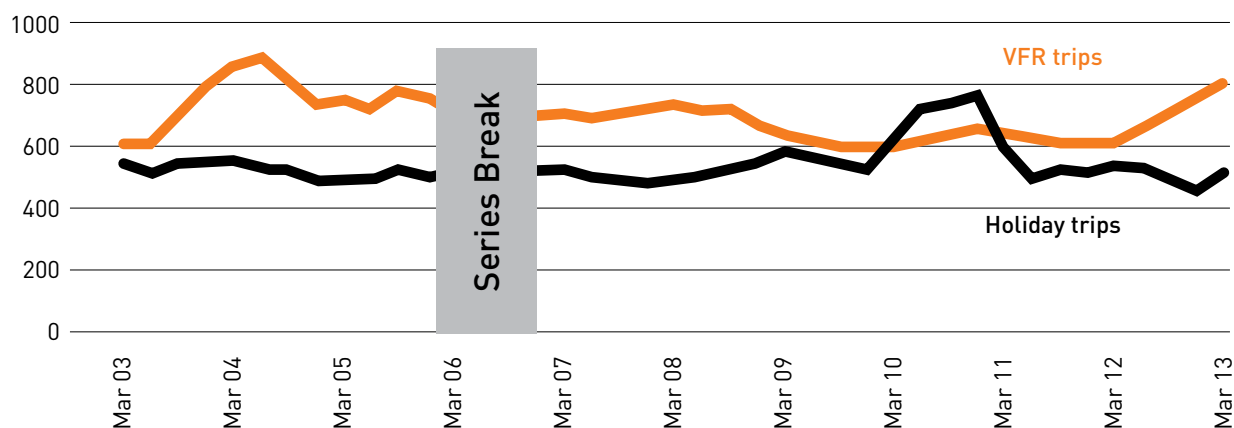


DOMESTIC

The graph below highlights domestic overnight leisure trips (Holiday and VFR) for the ACT since 2003. The trend shows flat performance apart from increased visitation as a result of major event activity.

ACT Interstate leisure trips

Trips (000's) – 12 MMT
Derived by BDA from NVS



The ACT currently receives 65% of total domestic overnight visitation from Sydney and regional New South Wales. The majority of this market is self drive.

Broadening the ACT's visitation mix is critical to growing the value of the domestic market and ensuring its sustainability.

Therefore, establishing new domestic aviation routes, and in particular securing low cost carriers, will provide better and more cost effective access to the destination from other parts of Australia. The addition of a low cost carrier will add competition and options for consumers and assist in making the destination more affordable and accessible to new domestic visitors.

Priorities

- Establish a capable international function within VisitCanberra. The business unit will focus on development and implementation of international programs, including marketing and aviation partnerships.
- Secure direct international services focusing on Singapore as a major global hub and New Zealand as Australia's largest visitation market.
- Secure ongoing funding to support direct access initiatives and partner with Tourism Australia and airlines to create international marketing campaigns that stimulate demand and unlock existing latent demand.
- Facilitate a coordinated, whole of region approach to destination marketing in the international marketplace.
- Support established domestic services through cooperative marketing initiatives.
- Maintain and grow viable capacity on existing domestic routes.
- Encourage competition and choice in domestic routes through the introduction of a low cost carrier.

3. FOCUS ON DIGITAL

The way tourism destinations reach and engage with audiences has evolved considerably to keep pace with developments in the digital world.

The fragmented media landscape has provided audiences with a myriad of choices—from new online activities and services to new devices from which to source information and gain inspiration.

Consumer behaviour has also fundamentally changed, particularly the way people research, share their opinion and interact with destination experiences. Consumers are always on, always connected and want easy access to accurate information on tourism offerings.

The internet is a primary media source with people now spending upwards of 14 hours per week searching online. Time spent accessing mobile internet continues its upward trend with a 74 per cent increase in mobile page views in 2012.

The top four activities that people perform on their mobile phones are:

- browsing websites and searching for information.
- accessing sport and news.
- using social network sites.
- streaming audio or video content.

Consumers draw on a variety of sources and resources to support their decision making, with 71% reading other consumers' opinions and discussions about brands online, while 59% view online videos to help inform their purchase choices.

VisitCanberra will provide leadership through a commitment to investing in campaign activity that engages people through digital channels. This includes continued use of social media as a key vehicle to increase the volume of positive noise about the city and to engage with consumers in an authentic, believable way.

Key learning

The *Human Brochure* campaign provided a foundation to ensure that a whole of industry approach could be adopted when using digital channels to not only influence consumer decision making, but importantly grow industry capability through active involvement in a program. The campaign accelerated industry's digital capacity and provided a lasting legacy for businesses to use social media as a vehicle to promote their own product.

Building the competitive digital capability of the tourism industry is essential in both marketing Canberra and in the distribution of tourism product. Business capability will be enhanced through:

- Encouraging participation in campaign initiatives – i.e. learning through involvement.
- Partnering with and informing programs delivered by other parts of Government and industry.
- Development of assistance tools and training packages (such as the VisitCanberra *Social Media Playbook*).
- Making the latest market intelligence and research available to ensure industry has up to date advice and information available to use the digital space effectively.

Priorities

- Informing digital business development programs delivered by Government and industry bodies and increasing tourism business participation.
- Implementing innovative campaign initiatives that involve industry and engage consumers to encourage content creation and distribution.
- Continuing to develop and invest in digital assets that ensure the destination is at the forefront of digital marketing and distribution trends.

4. LEVERAGING MAJOR CONTRIBUTORS TO THE VISITOR ECONOMY

MAJOR EVENTS

Events are proven visitation drivers and play a crucial role in providing a tangible reason for people to visit, especially during traditionally low visitation periods. Events also have the capacity to generate overnight stays on weekends, an important means of maintaining occupancy outside of Canberra's busy weekday business visitation.

Blockbusters

Blockbuster exhibitions in particular have delivered outstanding return on investment for the Canberra region. The ACT Government has invested \$1.2 million in five completed blockbuster exhibitions since 2009 – *Masterpieces from Paris, Renaissance, Handwritten, Toulouse Lautrec* and *Turner from the Tate* – delivering \$260 million in economic value to the city. The establishment and success of the Special Event Fund (SEF) is a great example of Government and industry working in partnership to deliver benefits that flow to all parts of the tourism sector.

Value of blockbuster exhibitions:

- Five major exhibitions completed since 2009.
- \$1.2 million ACT Government investment.
- \$5.6 million total interstate marketing investment leveraged.
- 72% average attendance ratio from interstate/overseas.
- \$260 million total economic value generated.

Major international and milestone events

- The Centenary year has further demonstrated the value of events, with a full calendar contributing to the ACT's strongest domestic overnight visitation results since 2004.
- There are a number of major events on the horizon that Canberra will play host to which provide additional opportunities to drive visitation to the destination, including:
 - The 2015 AFC Asian Cup football tournament.
 - The 2015 ICC Cricket World Cup.
 - The Anzac Centenary (including the 100th anniversary of the Gallipoli landings in 2015), which looms as one of the most significant commemorations to take place in the lives of current generations.

Event development and acquisition

- The destination's flagship event, Floriade, continues to be the foundation of the ACT visitation calendar and is renowned as Australia's celebration of Spring. The event must continue to evolve, provide new reasons to visit and engage consumers in new and innovative ways.
- Ongoing investment from Government and industry to grow the appeal of emerging events such as Enlighten is also required. In addition, working with event organisers to grow and acquire events that drive visitation will assist in filling hotels on weekends and other traditionally quiet times of the year. This includes participation based events.

Business events

The current value of the business sector to the ACT (for the year ending June 2013) is outlined below:

- Domestic overnight business visitors – 591,000.
- Domestic business visitor nights – 2,099,000.
- Domestic overnight business visitor spend – \$510 per visitor (\$301.4m in total).

The ACT Government, through VisitCanberra, invests in the operations of the Canberra Convention Bureau (CCB) together with a wide range of local businesses and other stakeholders. This enables the CCB to deliver programs that seek to grow the number and scale of business events held in the national capital.

Business events will play an important role in contributing to and achieving the 2020 potential for the ACT. For the year ending June 2013, 42,000 domestic overnight visitors indicated that they came to Canberra for the purpose of a business event (conferences, exhibitions, conventions or tradefairs). Direct international air services will provide further opportunity to grow the value of this sector by attracting international business events and providing easier access for international delegates.

The value of business events could be further enhanced by maximising the opportunity to showcase the national capital to delegates. This would provide the chance for delegates to discover a wider range of destination experiences, change perceptions of Canberra, create advocates for the city and stimulate repeat visitation.

Primary and secondary educational tourism

A total of 160,681 primary and secondary school students visited Canberra in 2012-13 for the purpose of educational tourism. In 2012, the direct economic impact in the ACT as a result of interstate school excursions was valued at \$105 million.

In a joint venture partnership with the National Capital Attractions Association (NCAA), VisitCanberra supports the activities of the National Capital Educational Tourism Project (NCETP) to market Canberra as an educational tourism destination.

A major barrier to growth of this market is availability of low cost accommodation that caters to the needs of visiting school groups. If addressed, the value of educational tourism to the Canberra region would grow and play an important role in achieving the ACT's 2020 potential.

International education

The total number of enrolments in the ACT in 2012 by international students who entered Australia on a student visa was 13,200. The data indicates that 74% of students were from China, South East and North Asia.

There were also an estimated 26,200 international visitors to the ACT who stated that a reason for their trip to Australia was to visit a friend or relative who was an international student in Australia.

Direct international air access will provide a new opportunity to stimulate additional visiting friends and relatives (VFR) visitation. VisitCanberra will actively seek to develop a closer working relationship with the ACT's key academic institutions to assist efforts in delivering innovative approaches to influencing this market.

Priorities

- Continuing to support the staging of major exhibitions with broad appeal through the Special Event Fund (SEF).
- Implementing programs and campaigns that effectively leverage the opportunities associated with future major events including the Asian Cup Football tournament, the ICC Cricket World Cup and the Centenary of Anzac.
- Continuing to support programs that grow the value of business events and educational tourism to the ACT Economy
- Implementing programs that leverage the opportunity associated with the international student market and the associated VFR potential.



5. ENCOURAGING INVESTMENT AND CREATING THE RIGHT BUSINESS ENVIRONMENT

VisitCanberra will work with the Federal and ACT Governments to ensure that the ACT tourism industry is able to effectively leverage priority investment and regulatory reform initiatives.

This includes:

- Ensuring tourism has an appropriate share of voice through the implementation of the ACT Government's *Business Development Strategy – Growth, Diversification and Jobs*, including:
 - Accelerating business innovation.
 - Supporting business investment.
 - Fostering the right business environment.
- Effectively leveraging national *Tourism 2020* investment and regulatory reform initiatives.

Investment

Investment in tourism product plays a vital role in providing new reasons for people to visit, changing perceptions of the destination, catering to the needs of new markets, improving product quality and increasing job opportunities.

Anticipating product and infrastructure needs that will support future market demands is vital. For example, accommodation supply has not kept pace with demand from visiting school groups. There is currently a critical shortage of low cost accommodation, leading to missed opportunities to grow the value of the educational tourism market.

Other considerations include:

- Business/event facilities and event infrastructure, including sporting venues.
- Public transport required to connect the airport to the city.
- Digital infrastructure.

Key supply side requirement to achieve the ACT's 2020 goal

Room Supply

- At current occupancy, 1,550 new rooms would be required to achieve the stretch goal (current average occupancy 68%).
- At 75% occupancy, this reduces the number of new rooms required to 930.
- Canberra currently has just under 5,000 available rooms for properties with 15 rooms or more. This figure has decreased by 119 rooms since 2003.

InvestCanberra is responsible for the ACT Government's investment promotion activity. It coordinates investor facilitation across Government to provide a case-managed service for major investors. Through InvestCanberra, the ACT Government will play an ongoing role in influencing investment decision making, providing advice on investment priorities and driving investment outcomes for the tourism industry. This includes:

- Identifying the most suitable land for tourism product development.
- Bringing sites to an 'investment ready' stage that meet international investor expectations.
- Marketing of tourism investment opportunities to global and domestic investors.
- Providing an effective and efficient investment facilitation service.
- Leveraging the international investment promotion and facilitation partnership established between Tourism Australia and Austrade.

Priorities

- Through InvestCanberra, encouraging and securing investment in key infrastructure including short term accommodation.
- Supporting investment in infrastructure that enhances existing product and contributes to the development of new product aligned to core experience pillars.
- Ensuring the tourism opportunities associated with major infrastructure projects such as the *City to the Lake* project and *Capital Metro* are maximised.
- Ensuring tourism issues are addressed through red tape reduction initiatives such as *Fix My Red Tape*.
- Contributing to cross jurisdictional regulatory reform initiatives.

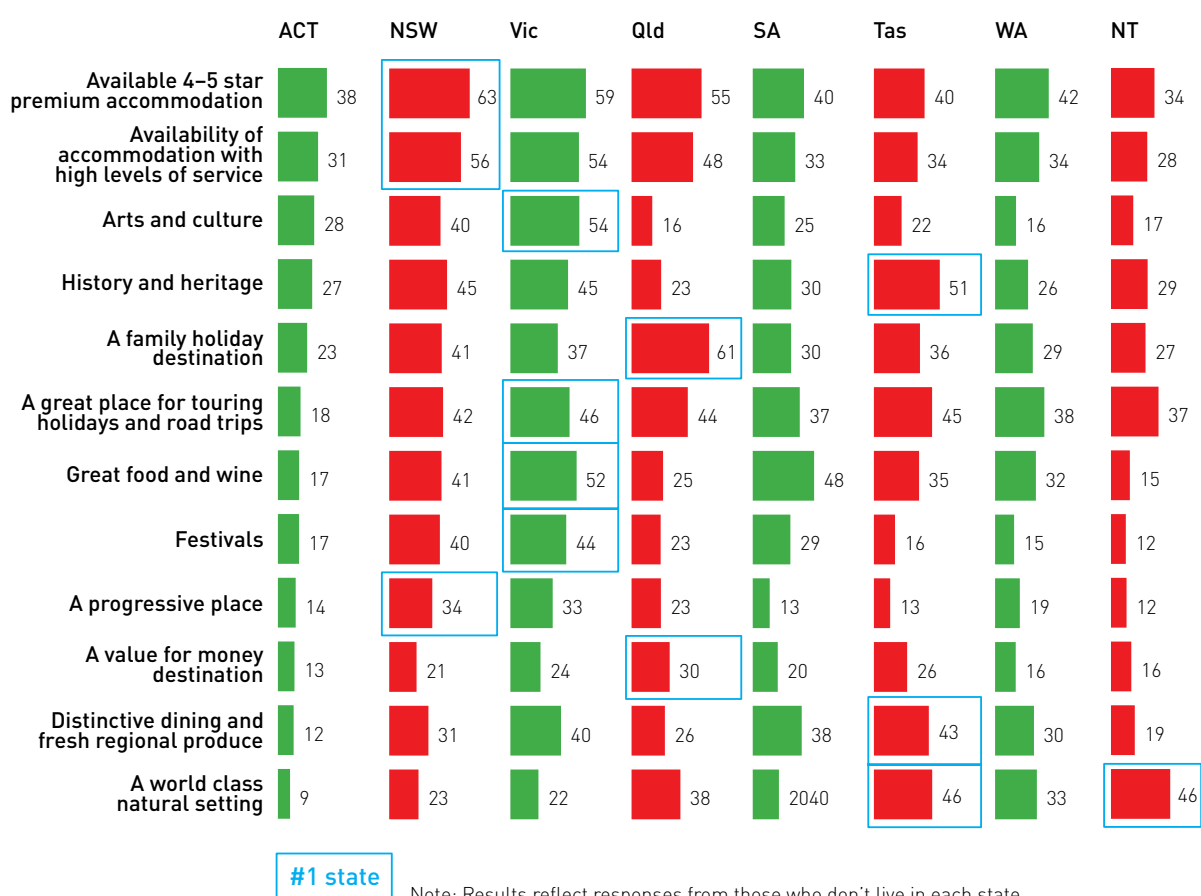
6. INDUSTRY DEVELOPMENT

Tourism quality and experience development

The 2020 consumer demand research highlighted several areas where latent demand exists for quality tourism experiences. However, the ACT is not associated as a national leader in any experience attribute.

The graph below highlights that in the eyes of Australian travellers, the ACT does not rank above any other state or territory for the listed product and experience associations.

State associations (% of travellers from other States). Which States do you most associate with this attribute?



Whilst this issue is also influenced by perceptions and can be in part addressed through campaign initiatives, engaging experiences are the key to changing perceptions, growing visitor satisfaction and building advocacy for the destination.

Consumers are seeking experiences that:

- Appeal to the needs and expectations of target markets.
- Deliver quality and value for money.
- Provide authentic, personalised interpretation and a high quality of service.
- Allow engagement with people and elicit social interaction.
- Allow visitors to engage with the destination in an unexpected way.

VisitCanberra will work with industry to guide the development of experiences that align with visitor needs and expectations, with a focus on experience development in the following areas:

- Food and wine.
- Arts and culture.
- Nature and outdoor adventure.
- Indigenous.
- Events and festivals.

Business development and assistance

Experience delivery is also enhanced by ensuring businesses have access to relevant development programs and tools and can address barriers to growth.

VisitCanberra will work with industry partners to ensure the tourism industry has access to business and skills development programs.

Opportunity

Coordinate the efforts of all sectors and industry bodies to ensure that investment in business development programs is targeted, reduces duplication and meets the expectations and needs of ACT businesses.

Canberra's tourism industry is not immune to national labour and skills challenges as it competes with the wages and secure jobs offered by the Commonwealth and the ACT public service.

The Australian tourism industry faces the ongoing challenge of:

- A job vacancy rate over four times the national average.
- An estimated 56,000 workers required nationally to fill expected vacancies in 2020.

VisitCanberra will work with national and local partners to ensure local solutions can be activated that address availability, service standards and training. This includes investigating opportunities to encourage greater Indigenous participation in the tourism industry.

Priorities

- Providing the latest research and market intelligence to guide the development of experiences.
- Creating and promoting the benefits of accreditation, aligning business with appropriate accreditation programs and providing opportunities for accredited businesses to feature in campaign initiatives.
- Ensuring industry is able to leverage national business development initiatives such as the ATEC *China Ready* program, *Enterprise Connect* and other grant programs.
- Leveraging national labour and skills initiatives and applying local solutions.
- Advocating reform initiatives that contribute to increased labour supply (e.g. recognition of tourism and hospitality as an eligible industry under the 12-month extension program for the second year of the Working Holiday Makers Visa).



7. INDUSTRY PARTNERSHIPS

Realising the ACT's 2020 potential requires the commitment and involvement of all parts of the industry. This includes relevant parts of the ACT Government, the Commonwealth Government, industry bodies and the private sector.

All parts of our industry can demonstrate leadership and deliver programs that will help achieve the stretch goal of \$2.5 billion in overnight visitor expenditure for the ACT by 2020.

Peak industry bodies

The ACT Government through VisitCanberra will continue to build productive working relationships with peak industry bodies including the National Capital Attractions Association (NCAA), Australian Hotels Association (AHA), Canberra Business Council (CBC), ACT Chamber of Commerce and the Canberra District Wine Industry Association (CDWIA).

VisitCanberra will work with these bodies to ensure a whole of industry approach to campaign delivery and the development of cooperative programs that will contribute to achieving the ACT's 2020 potential. These organisations also play an integral role in championing the intent of the 2020 framework and aligning their own programs to assist in maximising overnight visitor expenditure.

Canberra Convention Bureau (CCB)

The ACT Government through VisitCanberra will continue to support the operations of the CCB to grow the value of domestic and international business events to the ACT economy. The CCB helps plan and facilitate these events in Canberra and works with convention organisers to make their Canberra experience positive and unique. VisitCanberra will work with the CCB to ensure their activities align with and support programs under the core pillars of the 2020 framework – e.g. growing business event visitation through the facilitation of direct international flight services for Canberra.

National Capital Educational Tourism Project (NCETP)

The ACT Government through VisitCanberra will continue to support the operations of the NCETP (and support the joint venture agreement with the NCAA) to grow the value of the educational tourism market to the ACT economy. This includes ensuring the activities undertaken by the NCETP align with and support programs under the core pillars of the 2020 framework.

Canberra Airport

The ACT Government through VisitCanberra will continue to work with Canberra Airport to attract direct international flight services to Canberra and develop domestic routes, including the addition of a low cost carrier.

ACT Government

VisitCanberra will ensure relevant parts of the ACT Government can contribute to delivering solutions for the tourism industry including investment, land supply, regulatory reform, policy initiatives and experience delivery through Government-owned and operated assets.

Commonwealth Government

The ACT Government through VisitCanberra will represent the ACT tourism industry at relevant Commonwealth forums to support and influence the implementation of the national *Tourism 2020* framework. This includes influencing the national tourism policy agenda to assist in meeting the ACT's 2020 potential – e.g. aviation access and visa reform.

Tourism Australia

The ACT Government through VisitCanberra will work in partnership with Tourism Australia to ensure the ACT (and region) is represented in relevant Tourism Australia led campaign initiatives. In particular, efforts will be focused on working with Tourism Australia to implement cooperative international programs designed by Tourism Australia, VisitCanberra and airline partners.

NSW Tourism Organisations, boards and businesses

The ACT Government through VisitCanberra will work with Destination NSW, Tourism Snowy Mountains, Inland NSW Tourism and South Coast Tourism to ensure a whole of region approach to destination development activities and relevant campaign initiatives. This is particularly important in positioning Canberra and the region as a major international gateway.

Growing the visitor economy — key actions

Summary of primary actions that will be initiated to achieve the ACT's 2020 potential:

1. Implement the *Domestic Marketing Strategy 2013-15* in partnership with industry.
2. Drive demand through investment in targeted and focused domestic and international marketing activities.
3. Secure direct international flight services and invest in ongoing domestic route development programs, including low cost carriers.
4. Grow the digital capability of the industry and establish an industry wide commitment to content creation and distribution through digital channels.
5. Investment in major events and blockbuster exhibitions through ongoing delivery of the Special Event Fund (SEF).
6. Reduce regulatory burdens through red tape reduction and regulatory reform initiatives.
7. Stimulate investment in key product including hotel infrastructure and new business event/convention facilities to meet future demand.
8. Ensure product development is complemented by experience development relevant to domestic and international target markets.
9. Secure the commitment of peak bodies to achieve the 2020 goal by aligning activities with the intent of the 2020 framework.
10. Develop and maintain productive working relationships with Tourism Australia, Destination NSW and Regional Tourism Organisations.



