

Tourism Industry Council Tasmania

Chairman's Annual Report – 2009



It is with great pleasure that I present my report for 2009 as Chairman of the Tourism Industry Council Tasmania. 2009 was a turbulent year for the global economy and tourism sector, but Tasmania came through the period in a comparatively strong position.

During the last year the global economy has been turned upside down and given a good shake. Nearly every advanced economy on the planet was plunged into a deep recession from which they are only now emerging. This recession has impacted severely on global demand for travel and most tourism destinations around the world have suffered a contraction as a result. Closer to home, the domestic economy was also hit hard but Australia rode the storm better than nearly any other advanced economy and did not dip into recession. But most Australian tourism destinations still recorded negative results. Tasmania was one of the very few destinations to continue to grow, even when demand for travel in our key markets dipped.

But we can not be complacent; the state's tourism industry was certainly not unscathed by the drama of 2009. If we have learnt anything from 2009 it is that strong fundamentals are vital for resilience; having a strong brand, providing quality and diverse experiences, and connecting effectively with potential visitors is vital. Our colleagues interstate reliant on high volume and a limited experience have found themselves terribly exposed as the economy headed due south.

But as the domestic and global economies recover (hopefully!) during 2010, Tasmania faces another challenge. Destinations that have suffered during 2009 will be aggressively trying to claw back the business that was lost. This will mean heavy discounting and aggressive marketing strategies by our competitors. This is great for consumers but a challenge for the industry. Having the courage and conviction to continue a successful strategy in the face of these challenges will be important.

Tourism's role in the Tasmanian economy and society continued to grow and the sector now forms a vital link in the welfare of the state and its citizens. Tourism now generates around \$2.3 billion per annum in visitor expenditure. Tourism is also responsible for a higher share of the economy (as measured by contribution to Gross State Product) and employment than any other state in Australia. While these figures are impressive, it is also clear that tourism is now strongly supported by the Tasmanian people and this support is regionally dispersed.

In 2009, the TICT surveyed 1,000 Tasmanians through the research company, EMRS, to determine their views on tourism. The survey was a follow up from a similar survey conducted in 2007 and the results confirmed the high regard that tourism is held in the community. When asked to identify the industry that has played the most significant part in

Tasmania's economic growth in the last five years, tourism was identified as number one and more than doubled the next placed industry. Similarly, when asked about the major drivers of growth in the next five years, tourism was identified as number one and again more than doubled the next placed industry.

The TICT had another busy year addressing the many challenges that the destination and our operators face. Again, I must thank all of the Directors who generously donate their time and energy to the industry cause. This Board is very large and diverse; yet it works, because of the commitment and goodwill of the Directors.

In last year's Chairman's Report I highlighted that while the relationship with Tourism Tasmania was very strong, the relationship with the wider Tasmanian Government had begun to show some strain. I identified that the TICT would need to work to bring this relationship back to where it should be. Thankfully this happened during 2009 but only after our relationship was severely tested. At the 2009/10 State Budget, tourism took a pounding at the very time that we needed the support of our Government. This brought the issues to a head and thankfully the Bartlett Government began to take tourism seriously and provide the sector with the right level of resources to keep growing and keep generating wealth and jobs. A \$4m injection in October was followed by strong commitments across the political spectrum during the 2010 election campaign.

During 2009, the TICT refined its platform to focus on the most important issues. By the end of the year we had refined this down to five key issues which were put to each of the political parties in the election context. It is easy to develop a long list of things that you want Government to do; not so easy to refine it down to the things that are absolutely vital. In the end, the five most important requests of the Tasmanian Government from our perspective were:

- A continuation of the Protocol Agreement and Tourism 21
- Tourism having a high profile within Cabinet
- Tourism Tasmania being given the right amount of resources to effectively promote the destination
- Funding for the Three Capes Track proposal on the Tasman Peninsula
- Future funding for the redevelopment of the Tasmanian Museum and Art Gallery

While political advocacy is an important issue for the TICT, the organisation also manages important industry development programs. The two highest profile programs are the Australian Tourism Accreditation Program and the Tasmanian Awards for Excellence. Both of these programs are important to encourage quality and reward those operators that achieve excellence. In 2009 these programs continued to be run by the TICT to a high standard, it was particularly pleasing to see the Federal Government taking tourism

accreditation seriously with a new National Tourism Accreditation Framework to commence in July 2010. Tasmania has long been a leader in promoting standards and quality and it is nice to see this investment being recognised and followed nationally.

I would also like to acknowledge the outstanding efforts of Tasmanian tourism businesses at the recent 2009 Australian Tourism Awards. The success of Avalon Coastal Retreat, Bruny Island Cruises, and Pure Tasmania means that Tasmania picked up an unprecedented three national gongs. Congratulations to Brett, Rob and Bernard on an outstanding achievement that doesn't just help their business, it helps the whole destination.

Lastly, I would like to list some of the issues that the TICT Board considered during 2009. These are many and varied and indicate the breadth of issues that tourism touches:

- The Tasmanian tourism industry contribution to the National Long-Term Tourism Strategy
- A new Memorandum of Understanding with Ecotourism Australia
- Taking a position on the proposed Tarkine Drive
- Research into the links between marketing and visitor expenditure
- A Tasmanian tourism industry response to Swine Flu
- Support for the development of further options for digital and online product distribution
- A new Tourism-Forestry Protocol Agreement
- Support for the redevelopment of Princes Wharf No 1
- Development of a list of key tourism infrastructure requirements
- Submission and presentation to the Legislative Council inquiry into tourism
- Support for land tax reform

I look forward to 2010 with a sense of cautious optimism. It won't be an easy year but the long-term fundamentals of Tasmanian tourism remain positive. With a minority government in power, a unified and strong industry body remains as important as ever.

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Simon Currant

Chairman, Tourism Council Tasmania Ltd