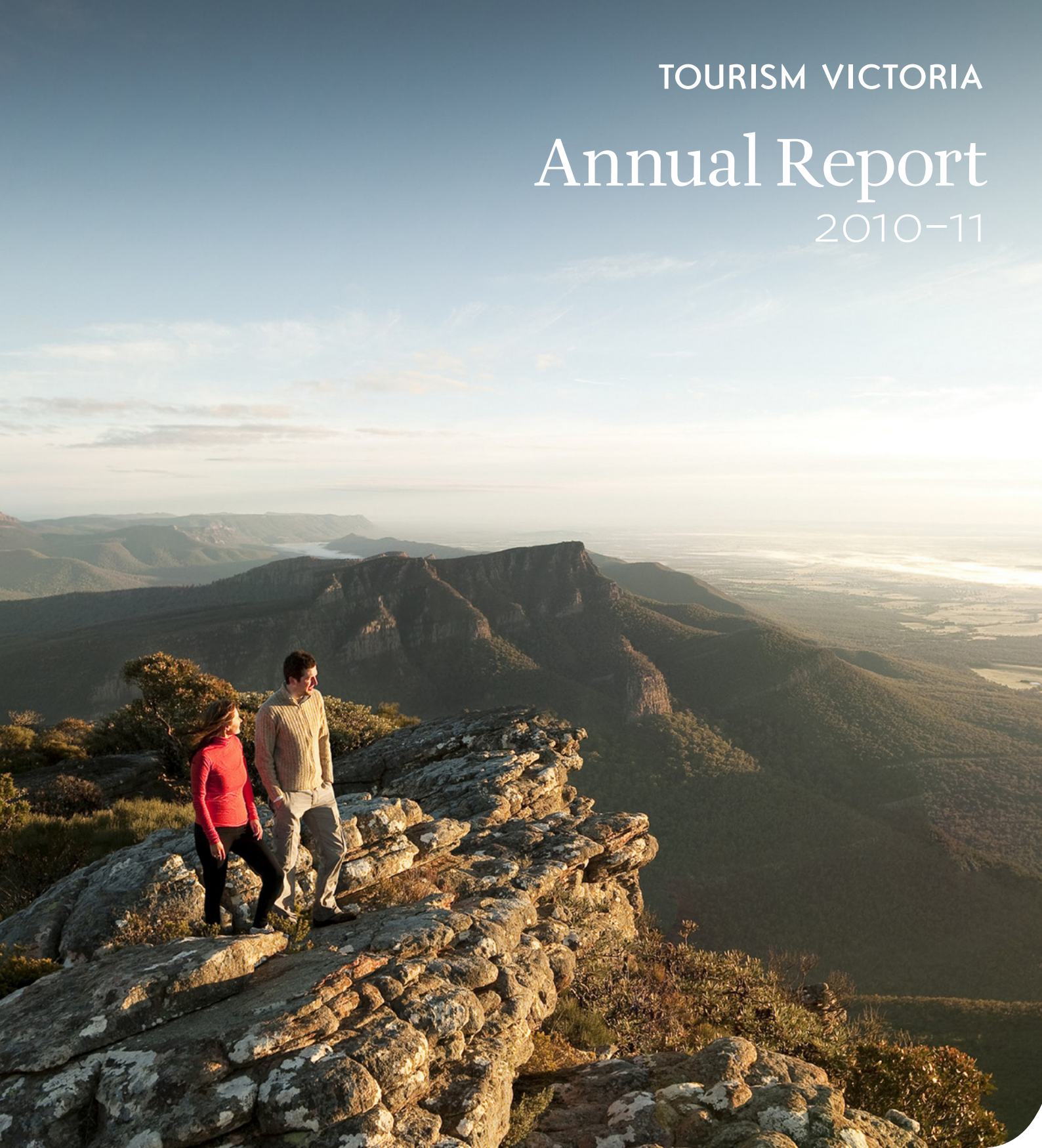


TOURISM VICTORIA

# Annual Report

2010–11





## TOURISM VICTORIA

13 September 2011

**The Hon. Louise Asher MP**

Minister for Tourism and Major Events

Level 36, 121 Exhibition Street

Melbourne VIC 3000

Dear Minister

**RE: Tourism Victoria Annual Report 2010-11**

I am pleased to submit to you Tourism Victoria's Annual Report. The document outlines the achievements of the organisation for the year ended 30 June 2011.

The report has been prepared in accordance with the *Tourism Victoria Act 1992* and *Financial Management Act 1994*.

Yours sincerely

**Dr Janine Kirk AM**

Chairman

Tourism Victoria

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## OUR PROFILE

As a Victorian State Government statutory authority, established by the *Tourism Victoria Act 1992*, Tourism Victoria is the vehicle through which the State Government participates in the tourism and travel industries. The Act sets out Tourism Victoria's objectives as follows:

- To market Victoria as a tourist destination for interstate and international travellers.
- To increase
  - the number of travellers to Victoria
  - travellers' or tourists' length of stay at destinations in Victoria
  - the use of tourist facilities in Victoria.
- To increase the amount of travel within Victoria and the use of tourist facilities by Victorians.
- To improve and develop tourist facilities in Victoria.
- To support and coordinate the provision of tourist facilities in Victoria.
- To provide more efficient and effective utilisation of investment in travel and tourism in Victoria.

As well, our overarching objective is to implement State Government policies as they relate to tourism development in Victoria and contribute to whole of government programs and policy implementation.

## CHAIRMAN'S REPORT



I am pleased to present the *Tourism Victoria Annual Report 2010–11*.

Achieving better outcomes for our industry and our State drives us to improve and succeed. Tourism is a significant economic driver for Victoria worth \$15.2 billion a year – 5.2 per cent of the State's Gross State Product. The tourism industry provides jobs for more than 193,000 Victorians, contributing 7.2 per cent of employment in tourism and other industries. Tourism Victoria, in close partnership with the industry and other areas of government, has achieved record results in 2010–11.

Spending by international visitors to Victoria reached an all-time high of \$4.1 billion. The State saw its highest number and share of total international visitors on record. Despite the long-term downward trend in domestic travel, Australian visitors spent more tourism dollars in Victoria in the year and, according to Roy Morgan Research, Melbourne maintained its number one position as the nation's most popular holiday city with 21.1 per cent of Australians over the age of 14 preferring to visit Melbourne over the Gold Coast (18.4 per cent) and Sydney (12.5 per cent).

Tourism operates in a complex and ever-changing environment. In the past financial year, Victorians endured high impact flood events causing hundreds of millions of dollars in damage, saw the Australian dollar soar to its highest value since it was floated in 1983, and some

of our major visitor markets – Queensland, New Zealand and Japan – also experienced significant natural disasters. The Victorian storm and flood events in January and February 2011 occurred during the critical summer period, the industry's busiest and most profitable time. The Victorian Government responded immediately with a \$1 million Tourism Flood Recovery Program in January, boosted by a further \$1.5 million in May, to help affected tourism regions recover and rebound. Under this program Tourism Victoria delivered strategic marketing initiatives in partnership with the regions to promote events and attractions in flood impacted areas. We also worked closely with the Victorian Government and Victorian Employers' Chamber of Commerce and Industry to provide short term emergency financial support for businesses indirectly impacted through loss of income.

By having a diversity of source markets, the industry has become more resilient to external challenges. To help the industry compete for the tourist dollar, Tourism Victoria will continue to work alongside industry to improve the quality of its tourism offerings and skills.

In August 2010, Tourism Victoria released a comprehensive progress report on the industry's performance against the directions of the 10 year tourism and events strategy. While indicating that Victorian tourism is performing ahead of target, the review also highlighted new opportunities. Our targets for industry growth in size and value remain ambitious.

During the financial year we launched a plan to address the key challenges in attracting and retaining a skilled and experienced tourism workforce. To encourage the industry to offer tourism product for all, including those with accessibility needs, we also launched *Tourism Victoria's Accessible Tourism Plan 2010–2013*.

Tourism Victoria has been working to establish new Regional Tourism Boards in partnership with Victoria's tourism regions. These Boards will promote and support the local tourism sector in active partnership with local government and industry. We see this as critical to delivering positive outcomes for the regions through a coordinated and well supported effort.

My sincere thanks go to my fellow board members for their invaluable leadership and expertise. I acknowledge the commitment and professionalism of former Chief Executives Gregory Hywood and Mark Stone, and the dedication of our talented leadership team and staff who work hard to ensure Tourism Victoria remains responsive to needs of the Victorian tourism industry.

To the returning Tourism and Major Events Minister Louise Asher, our thanks and appreciation for her continued support and ongoing collaboration. Minister Asher has been a strong advocate for the tourism and events sector over many years.

And, of course, I must congratulate Victoria's tourism operators for their continued enthusiasm and resilience. This has been a particularly stressful year in many regions, with floods and an uncertain economic environment.

Tourism Victoria is committed to a continuing partnership with industry to overcome these challenges and pave the way for a sustainable, profitable future. Tourism Victoria works in a collaborative spirit with our regional, government and broader tourism industry partners. With partnerships, skill improvement and a diversified portfolio of markets, we will continue to grow the Victorian tourism industry to benefit all Victorians.

A handwritten signature in dark ink, reading 'Janine Kirk'.

**Dr Janine Kirk AM**  
Chairman



## ACTING CHIEF EXECUTIVE'S REPORT



Tourism Victoria has delivered on the government's strategic priorities to ensure the Victorian tourism industry continues to contribute jobs, exports and regional development to the Victorian economy. This report details the way in which we have achieved our eight key priorities for 2010-11.

Tourism contributes \$15.2 billion to the State's economy per annum, with tourists spending \$6.3 billion in regional Victoria in 2010. That Melbourne has sustained a higher number of interstate overnight visitors per year than Sydney since December 2005 confirms Melbourne as a premier destination offering compelling tourism products and experiences.

Victoria's sustained growth in international visitation was highlighted by the 7.8 per cent growth in international visitors in the year to December 2010, above the national average of 5.1 per cent.

Enhancing visitor experiences remains a priority as visitation from emerging international markets continues to rise. For example, visitation from China was up 26 per cent from last year, the market spending \$685 million – the highest spend of all inbound visitors. China is now the second largest market for international overnight visitors to Victoria. Tourism Victoria commenced development of a China consumer marketing campaign and *China Tourism Plan* to ensure Victorian tourism remains attractive to this market in the long term.

Growth in international visitation was underpinned by the number of international airline partners increasing from 25 to 27 and an overall 15.2 per cent increase in seat capacity from new and increased air services. A record 28.1 million passengers travelled through Melbourne Airport in the year to 30 June.

Tourism Victoria is playing a lead role in support of industry capability and effectiveness. The Victorian Competition and Efficiency Commission (VCEC) released its interim report *Unlocking Victorian Tourism: An Inquiry into Victoria's Tourism Industry* in March 2011. The interim report recommended a number of changes in planning and environmental regulation. In its function as a policy advocate to increase Victoria's tourism investment prospects, Tourism Victoria made a detailed submission to the VCEC, and is working closely within government to assist with a formal response.

Tourism Victoria provides support for a number of major events. Due to machinery of government changes during the year, responsibility for the management of the Australian Grand Prix Corporation contract transferred from the Department of Planning and Community Development to Tourism Victoria. This explains the increase in the Tourism Victoria budget. Melbourne's major events credentials were strengthened with the Australian premieres of *Tutankhamun and the Golden Age of the Pharaohs* – on track to set an all-time attendance record for any museum exhibit hosted in Australia – and *Mary Poppins* and *Love Never Dies*. *Mary Poppins* operated at full capacity over its nine-month season, with 20 per cent of 503,644 ticketholders coming from interstate or overseas.

In June 2011 the Minister for Tourism and Major Events, Louise Asher, launched *Play Melbourne* – the 10th phase of Victoria's long-running *Jigsaw* campaign. This campaign aims to position Melbourne's competitive advantage as Australia's leading cultural tourism destination.

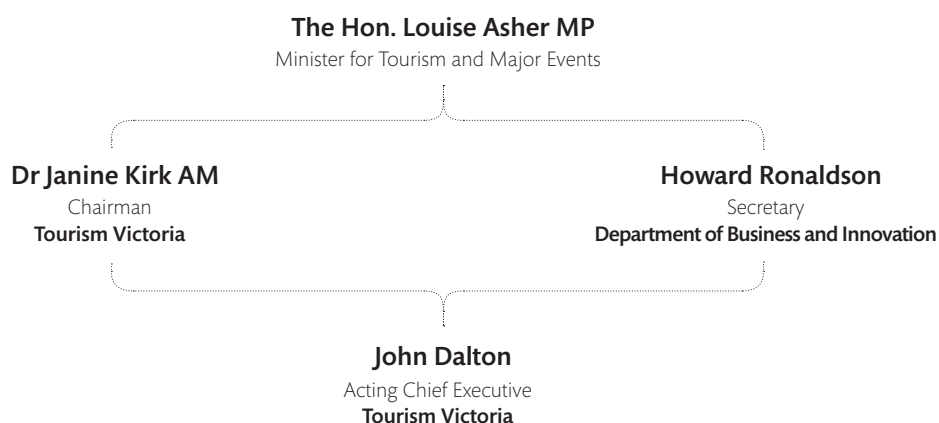
Like other areas of regional Australia, visitor growth in regional Victoria has been flat. To improve the appeal of regional destinations, Tourism Victoria is working with the regions to establish new Regional Tourism Boards. These Boards will replace and build on the work of the Regional Campaign Committees to support tourism growth through marketing, product and industry development and investment attraction. This year, new Boards were established for Daylesford and the Macedon Ranges, North-East Victoria (High Country) and The Murray and I thank the local governments and industry for their support in this process.

Tourism Victoria has achieved significant success in a very challenging environment. During the year, Victorians endured prolonged flooding in the peak tourism season and our largest international market, New Zealand, experienced two significant earthquakes. Other key markets, such as the USA and the UK, experienced high unemployment and low consumer confidence, while the Australian dollar reached a 28-year high since it began trading freely in 1983. Our industry's robust results are more substantial when you consider the context in which they were achieved. Our successes demonstrate the crucial role tourism continues to play in the economy. I thank management and staff, and our partners across the industry and local government, for their ongoing partnership and support of our important and valuable industry.

A handwritten signature in dark ink, appearing to read 'John Dalton'.

**John Dalton**  
Acting Chief Executive

## OUR STRUCTURE



## OUTPUT TARGETS & PERFORMANCE

| Performance indicator   | Unit of Measure  | 2010-11 Target | 2010-11 Result | Comments   |
|---|------------------|----------------|----------------|--|
| Investment projects facilitated   | \$ million       | 250-300        | 235            | Projects anticipated for 2010-11 were realised earlier than expected and resulted in a larger figure being recorded for 2009-10. |
| Number of visitors (international)  | number (million) | 1.5-1.7        | 1.69           | *  |
| Visitor expenditure (domestic)  | \$ billion       | 12.0-13.0      | 12.19          | *  |
| Visitor expenditure (international)   | \$ billion       | 3.6-4.2        | 4.1            | *  |
| Visitor expenditure in regional Victoria (domestic)   | \$ billion       | 5.8-6.3        | 6.0            | *  |
| Visitor expenditure in regional Victoria (international)                                    | \$ million       | 286-331        | 303            | *  |
| visitvictoria.com annual visits to site   | number ('000)    | 6,500          | 7,100          |  |
| Value of media coverage generated (domestic)  | \$ million       | 20-30          | 30.4           |  |
| Value of media coverage generated (international)   | \$ million       | 40-50          | 50.75          |  |
| Victoria's share of domestic tourism advertising awareness among target markets: interstate | per cent         | 16-21          | 18.7           |  |
| Victoria's share of domestic tourism advertising awareness among target markets: intrastate | per cent         | 21-26          | 30             |  |

\* Result is for the year ending March 2011 (latest available)

## VICTORIA'S TOURISM PERFORMANCE

### The competitive landscape <sup>1</sup>

In the past year, Victoria's visitor results have been driven by the continued growth in overseas arrivals from China, and other emerging international markets.

This offset declining visitation from the USA and the UK, which was impacted by poor economic conditions and the increasing Australian dollar.

At the same time, Australians' appetite for overseas travel has grown, driven by strong price competition in the outbound sector, cheap airfares and the strength of the Australian dollar.

The surge in outbound travel is reflected in recent data, which shows that Australians took more than 7.1 million short-term overseas trips during the year ending December 2010. Over the same period international arrivals to Australia continued to grow with 5.9 million short-term arrivals. As a result, Australia has a net balance of 1.2 million short-term resident departures.

### International visitor figures Statewide

International overnight visitor expenditure in Victoria in the year ending December 2010 grew by 4.9 per cent to \$3.9 billion. This is the highest spend on record and the growth outperformed key competitors New South Wales (up 3.0 per cent) and Queensland (down 2.7 per cent), as well as the national average (up 2.9 per cent).

This growth is a good result given the high Australian dollar and the continuing economic difficulties in the USA and UK.

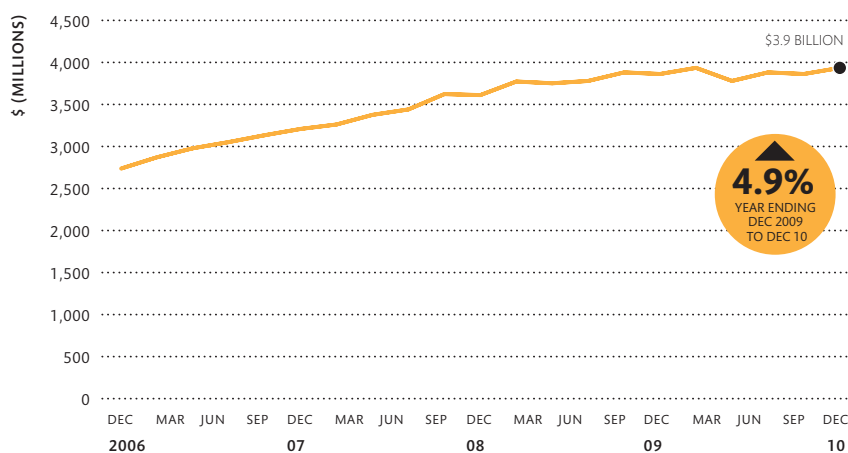
International overnight visitation to Victoria increased by 7.8 per cent over the previous year to 1.65 million, a record.

This result also outperformed the national average (up 5.1 per cent) and key competitors New South Wales (up 4.7 per cent) and Queensland (up 4.1 per cent).

The number of nights international visitors spent in Victoria increased 6.0 per cent to 40.7 million nights.

### INTERNATIONAL OVERNIGHT EXPENDITURE IN VICTORIA

YEAR ENDING DECEMBER 2010



Source: *International Visitor Survey*, Year ending December 2010, Tourism Research Australia, Canberra.

### Melbourne

In 2010 Melbourne achieved its highest recorded number of international visitors and visitor nights. International overnight visitation increased 7.5 per cent over the previous year, to 1.54 million, and the number of nights spent in Melbourne grew 4.2 per cent to 35.7 million nights.

International expenditure in Melbourne increased by 6.1 per cent to \$3.7 billion.

### Regional Victoria

The spend by international visitors in regional Victoria decreased by 8.0 per cent year-on-year to \$288 million. The national regional average declined by 1.1 per cent, while in regional New South Wales it increased by 15.7 per cent. Regional Queensland was down by 4.3 per cent.

The year-on-year decrease in regional Victorian expenditure from 2009 to 2010 was prefaced by the comparatively strong 15.9 per cent increase in regional Victoria spend from 2008 to 2009 – a year in which regional Victoria experienced exceptionally strong growth, well above growth in regional Australia (down 0.6 per cent).

### Performance of international markets

International overnight visitation continued to grow from China, up 26.4 per cent, and New Zealand up 6.8 per cent. The UK was down 2.3 per cent and the USA 3.0 per cent.

China now has the highest expenditure of all inbound visitors to Victoria at \$685 million in 2010. New Zealand (\$326 million) has overtaken the UK (\$296 million) to become the second largest market for international visitor spend in Victoria.

Other priority markets that experienced strong year-on-year growth included: Hong Kong up 28.5 per cent, Malaysia up 24.5 per cent, India up 15.0 per cent and Singapore up 4.1 per cent.

<sup>1</sup> *International Visitor Survey*, Year ending December 2010, Tourism Research Australia, Canberra.

# VICTORIA'S TOURISM PERFORMANCE

CONTINUED

## Domestic (Australian) visitor figures <sup>2</sup> Statewide

The rapid increase in outbound travel by Australians has had a major impact on domestic (combined interstate and intrastate) travel. However, Victoria recorded a small increase in domestic overnight visitors – up 0.5 per cent to 15.8 million and expenditure – up 2.7 per cent to \$8.6 billion in 2010. There was a slight decrease in the number of nights domestic visitors spent in Victoria, which were down 0.1 per cent to 49.4 million nights.

### Melbourne

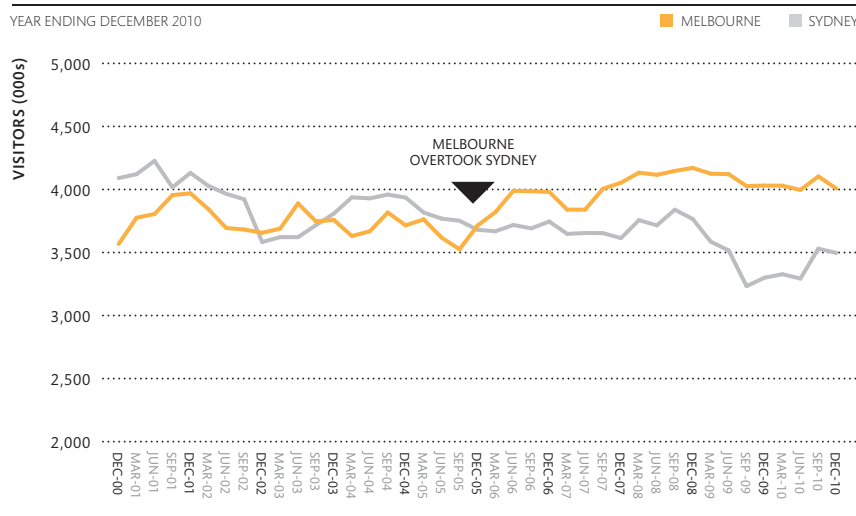
Domestic overnight visitation to Melbourne was flat at 6.3 million visitors, but domestic overnight visitor expenditure increased 1.4 per cent to \$4.7 billion in 2010, which was \$46 million more in Melbourne than in Sydney for the period (\$4.7 billion compared to \$4.6 billion).

The Roy Morgan Research Holiday Tracking Survey for the year ending March 2011 shows Melbourne continues to be the most preferred domestic city, with 21.1 per cent of Australians aged 14 years or more wanting to visit Melbourne for a holiday of one or more nights in the next two years. This is higher than the preference to visit the Gold Coast (18.4 per cent) and Sydney (12.5 per cent).

Melbourne received 4 million interstate overnight visitors (down 0.6 per cent year-on-year) compared to 3.5 million in Sydney (up 6.0 per cent year-on-year) in 2010. Despite the lower year-on-year growth, Melbourne has sustained a higher number of interstate overnight visitors than Sydney since December 2005.

## DOMESTIC OVERNIGHT INTERSTATE VISITORS TO MELBOURNE & SYDNEY

YEAR ENDING DECEMBER 2010



Source: National Visitor Survey, Year ending December 2010, Tourism Research Australia, Canberra.

### Regional Victoria

Domestic overnight visitor numbers to regional Victoria declined by 0.2 per cent to 10 million visitors for the year ending December 2010. However, domestic overnight visitor expenditure increased by 4.2 per cent to \$4 billion.

Domestic daytrip visitation to and within Victoria increased by 1.8 per cent to 38.6 million daytrips for the year ending December 2010. Year-on-year growth in daytrips for Victoria was behind the national average which was up 4.8 per cent. Daytrips represented 71 per cent of domestic visitation to and within Victoria and 29 per cent of visitor expenditure in 2010.

Daytrips to regional Victoria increased 1.1 per cent year-on-year to 24.3 million for the year ending December 2010, with an average annual growth of 3.7 per cent from December 2006 to 2010. Domestic daytrips increased from the previous year's results for four of the ten regional campaign regions: Yarra Valley and Dandenong Ranges (up 35.4 per cent), Murray (up 20.6 per cent), Gippsland (up 8.8 per cent) and Daylesford and the Macedon Ranges (up 1.0 per cent).

<sup>2</sup> National Visitor Survey, Year ending December 2010, Tourism Research Australia, Canberra.



# Grow visitation from China and other emerging markets.

Tourism Victoria pursues a diverse portfolio of markets. In 2010–11 the organisation accelerated investment in emerging, fast growing markets such as China and India while recognising that the long haul markets of Europe and the USA continue to deliver regional dispersal.

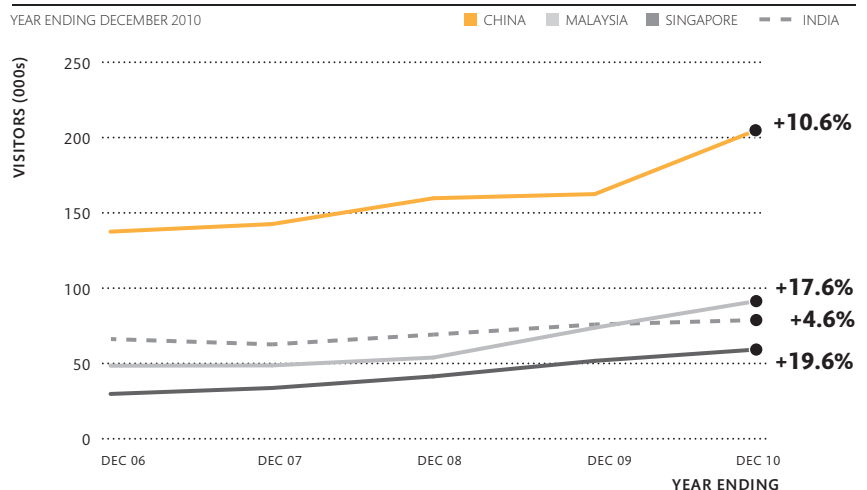
Core to the international marketing strategy was an aggressive approach to public relations which generated more than \$50 million in media value. Oprah Winfrey's visit to Melbourne in December 2010 was a powerful opportunity to put Victoria on the world stage. As one of the key destinations showcased in two episodes of *The Oprah Winfrey Show*, Melbourne achieved significant coverage across 147 countries with a global audience of more than 90 million viewers.

Tourism Victoria monitors Melbourne's international reputation closely and we continue to perform strongly. Melbourne placed second behind Vancouver in the 2010 Economist Intelligence Unit's Most Livable Cities ranking, once again confirming its long held status as one of the world's most livable cities.

Strong global airline partnerships remained a critical aspect of our international marketing efforts in emerging markets. Cooperative marketing agreements with key airline partners Qantas Airways, Emirates Airlines, Etihad Airways, Qatar Airways, Singapore Airlines, China Southern Airlines and China Eastern Airlines allowed us to maximise marketing spend during the financial year.

## INTERNATIONAL OVERNIGHT VISITORS (EMERGING) TO VICTORIA\*

YEAR ENDING DECEMBER 2010



Source: International Visitor Survey, Year ending December 2010, Tourism Research Australia, Canberra.

Tourism Victoria's consumer websites achieved record high visitation, with a 12.4 per cent increase from international visitors on the previous year. Significant increases were seen from China and India, with growth in website visitation from both countries exceeding 50 per cent.

Significant work was undertaken to increase Victoria's reputation as a golfing destination, ahead of the 2011 Presidents Cup in Melbourne. Licensed tour operators were appointed in New Zealand, the United States, and in Asia in China, Singapore, Malaysia, Japan, Korea and India, with cooperative marketing activities rolling out across these markets.

### China

China had the highest expenditure of all visitors to Victoria at \$685 million for the year ending 2010, nearly 30 per cent higher than the previous year. During this period, China overtook the United Kingdom to become the second largest market for international visitors to Victoria. This shift in ranking was not forecast to occur until the end of 2011. With year-on-year growth of 26.4 per cent, Chinese overnight visitation reached its highest number on record at 206,000 visitors, representing 47.8 per cent of all Chinese visitors to Australia who visited Victoria.

## PRIORITY ONE

CONTINUED

In 2010–11 Tourism Victoria's public relations activity generated approximately \$8 million in publicity value in China. In addition, Tourism Victoria developed a range of integrated marketing activities to target China's increasingly tech-savvy residents.

An extensive marketing program was undertaken following the Shanghai World Expo in November 2010. The cornerstone of the activities was a major integrated trade and online consumer marketing campaign – the 'Victoria Awards / I Love Melbourne'. The integrated digital marketing campaign and interactive microsite attracted 300,000 unique visitors and 17,000 consumer votes. Twelve key distribution partners were selected to promote these quality travel experiences.

During the year, Tourism Victoria highlighted the State's unique nature-based offering in partnership with Phillip Island and Zoos Victoria with a highly visible trade and consumer marketing campaign. The campaign was delivered through a range of channels, including outdoor promotions at the Beijing Zoo, newspaper advertisements, media familiarisations and a public relations program. A range of supporting travel packages were also developed by key travel agency partners.

To support the launch of China Southern Airlines daily flights to Melbourne, Tourism Victoria developed an integrated marketing campaign throughout China. Brand and tactical advertisements through a range of print, outdoor, radio and online media channels promoted Victoria and the new air services.

In addition, Tourism Victoria developed an integrated sales and marketing campaign targeting the Australian Open Tennis Championships. Through a partnership with *Tennis World Magazine*, a national tennis publication, and four licensed tour operators in Beijing, Shanghai, Guangzhou and Hong Kong, more than 400 consumers visited Melbourne to experience the 2011 Australian Open Tennis Championships.

### India

To harness India's significant potential for market growth over the next decade Tourism Victoria increased its investment in public relations to help drive visitation to Victoria. This activity generated more than \$1.4 million in media coverage in India. Travel trade engagement extended beyond the core cities of Mumbai and New Delhi to Bangalore, Chennai, and Kolkata. Tourism Victoria also ran a successful trade mission into India which was supported by six Victorian tourism products.

An online campaign was launched to increase consumer visitation to [visitmelbourne.com/in](http://visitmelbourne.com/in), featuring an interactive digital quiz. The campaign ran in partnership with India's leading online travel company, *Make My Trip*, and encouraged the Indian audience to interact with unique experiences in Melbourne and Victoria. The three-week campaign was supported through electronic direct mail to an extensive client database which attracted more than 11,000 entries and received more than 14 million page views.

In April the Minister for Tourism and Major Events, Louise Asher launched a variety of travel packages for Indian golf fans to attend the 2011 Presidents Cup in November. The packages, which were tailored to suit a range of budgets and timeframes, were available through three licensed tourism operators – Thomas Cook, KUONI/SOTC and Tiger Sports Travel – and will also give visitors access to play at Melbourne's internationally acclaimed golf courses.

### South East Asia

Significant cooperative campaign activity underpinned activities in South East Asia in 2010–11. By leveraging industry partnerships with other State Tourism Organisations (STOs) and airlines, Tourism Victoria undertook a *Melbourne Family Playtime* campaign targeted at families.

Similarly, cooperation between Tourism Victoria, Qantas, Tourism Australia and other STOs focused on touring and self-drive holidays in the *Great Australia Journeys* campaign targeting 'young singles' and 'double income no kids' markets from March to September 2010. Victoria-specific advertisements featuring the Great Southern Touring Route, specifically the Grampians, appeared in the daily Singaporean newspapers of *Straits Times* and *TODAYOnline*, in addition to being distributed to Tourism Australia's Aussie Specialists travel agents database.

Tourism Victoria also collaborated with Air Asia X, Tourism Western Australia, and Tourism Queensland to commission a 10-part travelogue, *Now Everyone Can Fly To Australia*, which was telecast to an estimated audience of 800,000 people in Malaysia. Air Asia X was a key partner in the *Chillout In Winter* campaign, promoting travel to Victoria's snowfields from June to October.

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## China overtook the United Kingdom to become the second largest market for international visitors to Victoria.

# Roll out the next phase of Melbourne marketing to interstate markets.



*Play Melbourne campaign image*

In June 2011 the Minister for Tourism and Major Events Louise Asher unveiled the next phase of Victoria's highly successful tourism marketing *Jigsaw* campaign, *Play Melbourne*.

The \$14 million *Play Melbourne* campaign, to be implemented over three years, seeks to deepen visitors' appreciation of Melbourne's creative culture and reinforce its reputation as Australia's most culturally diverse city.

The campaign aims to convert a high domestic preference to travel to Melbourne into actual visitation, evolve the Melbourne brand to incorporate more active and energetic elements, and position Melbourne as a premium destination by highlighting the authentic qualities of the city.

The *Play Melbourne* campaign intends to encourage participation from potential tourists by inviting them to explore Melbourne on a whim and to tell their friends. It is designed to attract interstate visitors from the key markets of Sydney, Brisbane, Adelaide, Perth and Canberra, and predominantly targets Creative Opinion Leaders who have extensive social networks and are strong generators of positive word of mouth.

The campaign was launched with a 60-second television commercial which aired nationally across free-to-air television networks and subscription channels. *Play Melbourne* is a fully integrated media campaign which includes television, cinema, print and radio advertising, as well as online – including social media – and public relations activity.

Tourism Victoria also developed a strategic partnership with Virgin Australia Group for the launch of *Play Melbourne*. This is the first time Tourism Victoria has partnered with an airline group in a major domestic brand campaign for Melbourne.

*Play Melbourne* is led by a year-long competition in which Tourism Victoria, in conjunction with Virgin Australia, is giving away a weekend for two every week, for 52 weeks. The benefits of combining a major advertising campaign with social media were demonstrated instantly, after the first competition winner saw the television commercial on YouTube after it was shared by a friend on Facebook.

The cornerstone of the campaign is the dedicated microsite, [playmelbourne.com.au](http://playmelbourne.com.au) which is complemented by online activity and the *Play Melbourne* iPhone application.

# Increase consumer awareness of regional Victoria in interstate markets.

## **Daylesford. Lead a double life campaign**

In 2010–11 Tourism Victoria and the industry continued to implement the \$7.3 million *Daylesford. Lead a double life* regional tourism campaign in the key interstate markets of Sydney, Adelaide and Brisbane.

The campaign positions Daylesford as the premium destination for a spa and wellbeing short break among high-income earning females aged between 30 and 59 in Sydney, through targeted print media activities.

A secondary objective was to increase visitation from Adelaide, capitalising on this market's significant increase in unprompted awareness from 1.9 per cent to 10.2 per cent in 2009<sup>3</sup>. Tourism Victoria is working with the Daylesford and Macedon Ranges region to develop supporting offers.

From July to October 2010, a \$1.1 million integrated advertising campaign was implemented nationally through SBS and subscription television, cinema, online and print advertising. Daylesford and the Macedon Ranges Tourism generated significant industry buy-in of almost \$250,000 to support this campaign with tactical activity. Feedback from

local tourism stakeholders indicated the campaign had a positive impact on enquiries and bookings in the region.

The placement of the *Daylesford. Lead a double life* television commercial during an advertising break on the Masterchef finale optimised exposure, reaching 37 per cent of the Australian viewing population with 5.4 million viewers.

From February to June 2011, a dedicated print campaign featured in publications such as *InStyle*, *Belle*, *Gourmet Traveller* and *Women's Health*. The print activity was supported by public relations activity which included sponsorship of a Business Chicks breakfast event held in Sydney in May 2011. The breakfast was attended by over 1,500 influential business women, including the Minister for Tourism and Major Events Louise Asher and Olivia Newton-John.

In addition, a significant media partnership was developed with *Marie Claire*, a flagship publication for the target audience and a natural fit for the Daylesford brand. The first initiative was a 16-page fold out insert that showcased Daylesford's spa and wellbeing offering and strengths in food and wine. The partnership will

pave the way for advertisements, reader promotions, advertorials and sponsored reader events over the next two years.

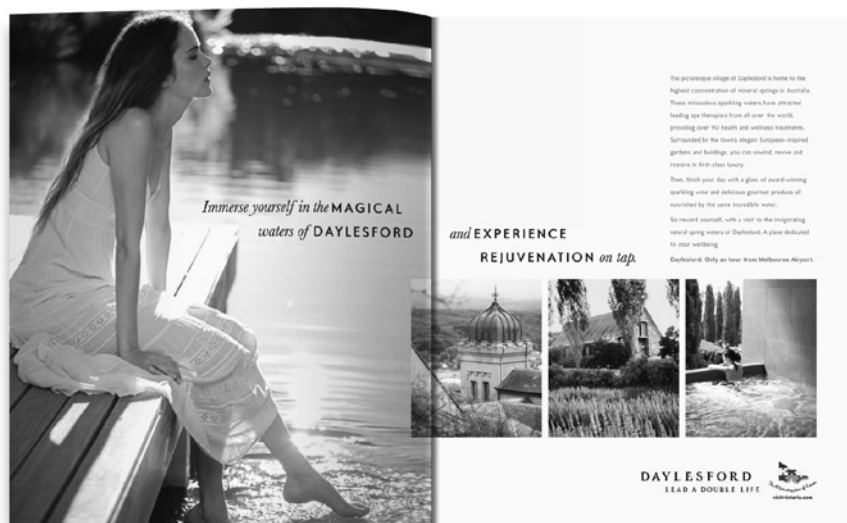
The campaign results to date have been positive with Victoria maintaining its strong position in the spa and wellbeing market. In the 2011 *Brand Health Survey* Victoria increased its lead by 2 percentage points to reach 26 per cent as the lead state recognised for offering spa and wellbeing experiences.

## **Villages of Victoria program**

To enable other regions to leverage the *Daylesford. Lead a double life* campaign, Tourism Victoria continued to work with Regional Tourism Boards and Regional Campaign Committees to highlight the 27 iconic regional villages featured in the cooperative *Villages of Victoria* marketing program.

Following the success of the 2009–10 *Villages of Victoria* activity, an additional \$6 million was secured to execute the program over four years to 2014. Significant marketing activity is being undertaken, with a particular focus on the food and wine, nature-based and spa and wellbeing experiences in and around the villages of Victoria.

<sup>3</sup> Brand Health Survey, Roy Morgan Research 2009.



Daylesford. Lead a double life campaign advertisement

Qualitative research was undertaken in January 2011 to gain further insights into consumer attitudes and perceptions of villages and regional Victoria. Focus groups in Melbourne, Sydney and Adelaide were conducted finding that Victoria's villages are a highly motivating tourism offer, particularly with the over-45 market.

The 2010-11 *Villages of Victoria* program focused on building marketing content, and distributing this through key marketing channels.

The following interstate marketing activities were undertaken:

- A cooperative promotion was undertaken with Fairfax Media through *Good Living* in Sydney in conjunction with Regional Tourism Boards. The series highlighted Victoria's food and wine villages and was supported with food and wine offers.

- Dedicated content was secured on television programs including a refreshed sponsorship of Channel Nine's *Postcards* series and Channel Seven's *No Leave No Life*.
- A content audit was undertaken to identify opportunities to profile villages through key websites including Wikipedia, tripadvisor.com, Google maps and other social networking sites.
- A media promotions and familiarisations program generating coverage on spa and wellbeing, food and wine and nature-based experiences in and around the villages.

Quality marketing assets were also produced, including videos for six 'hero' and priority villages (Warburton, Sassafrass, Olinda, Healesville, Halls Gap and Maldon), with regional photography undertaken for Barwon Heads.

The 2011 *Brand Health Survey* indicated that Victoria had maintained its leading position as the number one state recognised for having a variety of interesting and unique villages, with 20 per cent of respondents selecting Victoria ahead of our competitor states.

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**In the 2011 Brand Health Survey Victoria increased its lead by 2 percentage points to reach 26 per cent as the lead state recognised for offering spa and wellbeing experiences.**



# Expand direct international and domestic airline services to the State.

Victoria's major airports continued to defy the odds attracting significant growth in visitors throughout the year, despite the rising Australian dollar, floods in Queensland and Victoria, earthquakes in Japan and New Zealand, unrest in the Middle East and North Africa and the sharp rise in oil prices slashing the global aviation industry's profit expectations.

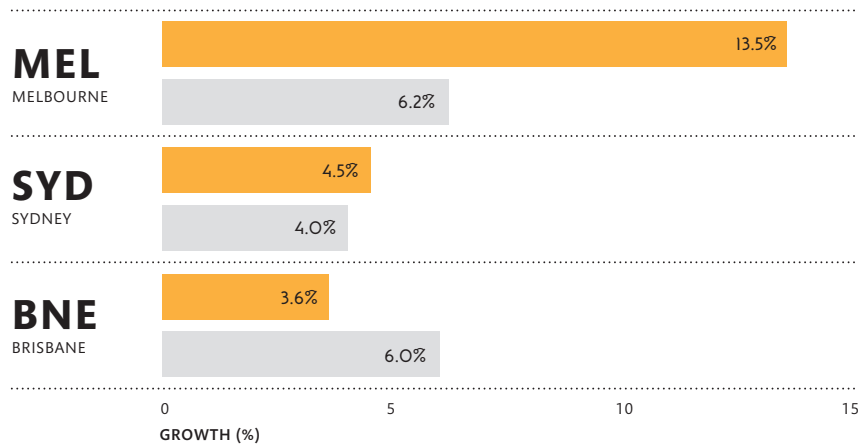
Melbourne Airport was Australia's best performing major airport in terms of growth, recording a 7.7 per cent increase on June 2010 to reach more than 28.1 million passengers in the year ending June 2011. This record feat highlighted sustained growth in overseas visitors and Melbourne's resilience as a key tourism and business city.

Of the 28.1 million travellers through Melbourne Airport, 6.2 million were international passengers – a 13.5 per cent increase on the previous year. This strong international performance, driven by increased travel from Asian markets, was notably greater than Sydney Airport (up 4.5 per cent) and Brisbane Airport (up 3.6 per cent).

## ANNUAL PASSENGER GROWTH BY AIRPORT

YEAR ENDING DECEMBER 2010

INTERNATIONAL DOMESTIC



Source: Melbourne, Sydney and Brisbane Airports

Direct air services are critical to growing Victoria's export sectors, particularly international education, tourism and trade in high value low volume goods. Tourism Victoria actively works to improve air services between Victoria and key international markets.

A long-term objective of the Victorian Government has been to secure more international direct flights to Melbourne. Persistent efforts have brought results.

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## Twenty-seven international airlines now service Melbourne Airport, accounting for 320 weekly international services.



Melbourne Airport. Photo: James Lauritz

Victoria continued to be an attractive option for international airlines wanting to commence or increase services. Twenty-seven international airlines now service Melbourne Airport, two more than last year, accounting for 320 weekly international services – up from 281. This equates to a 15.2 per cent boost in passenger seat capacity resulting in a 2.0 per cent increase to Melbourne Airport's share of overall Australian seat capacity to 23.1 per cent.

In 2010-11, Victoria welcomed new international airlines Royal Brunei Airlines and Strategic Airlines, new A380 services from Qantas and increased services from China Southern Airlines, China Eastern Airlines, Vietnam Airlines, Jetstar and Philippine Airlines, bringing more tourists and business visitors to Victoria from overseas.

Domestically, Melbourne Airport's Australian passenger count rose 6.2 per cent to reach 21.9 million passengers, continuing to outperform Sydney (up 4 per cent) and Brisbane (up 6 per cent).

In November 2010, Avalon Airport became the third Australian base for Tiger Airways Australia. Avalon Airport continues to be served by Jetstar as well as regional carrier, Sharp Airlines.

During the financial year, Avalon Airport served 850,000 domestic passengers. Extensive infrastructure work was undertaken on the airport's hardstand to accommodate the increased number of aircraft operating at the airport.

In November 2010, the 127th International Air Transport Association Scheduling Conference was held at the Melbourne Convention and Exhibition Centre. It was the first time Melbourne had hosted the high profile conference which was attended by 904 delegates from 300 airlines and 200 airports from around the world. The event provided a significant opportunity to showcase Melbourne and its aviation infrastructure to key airline decision makers, helping to grow the city's position as Australia's aviation gateway.

# Accelerate investment priorities in regional Victoria.

New investment and infrastructure helps our industry venture into new territory while fuelling visitation. In 2010–11, Tourism Victoria facilitated \$235 million in investment. And we accelerated priority investment in regional Victoria aligned with our product strengths of nature-based tourism, high quality accommodation and business conferencing facilities.

New projects that Tourism Victoria facilitated included the Dromana Estate development on the Mornington Peninsula, the RACV Torquay, the Warburton Resort and the Vintara Winery Resort in Rutherglen. In addition, some of Victoria's newest regional hotel developments opened their doors with the Mercure Horsham and Quest Portland opening in September 2010 and April 2011 respectively.

Following the return of the Point Nepean Quarantine Station from the Commonwealth to Victoria, Tourism Victoria and Parks Victoria examined the opportunity for a high quality boutique hotel to be built on the Quarantine Station precinct. The hotel's master-planning process has been undertaken with the community and stakeholders.

Tourism Victoria is working with the Department of Business and Innovation through the Leveraging Global Opportunities program to investigate the potential of the Middle East market for outward tourism investment and infrastructure in Victoria.

The Frankston Safe Boat Harbour project has advanced over the year with successful consideration of issues such as hill stabilisation, public boat ramps and cultural heritage in order to assist investors to deliver a successful tender in the coming year.

Work is currently underway to facilitate a high quality, boutique nature-based tourism lodge on a site along the Great Ocean Road. This facility would have the potential to showcase Victoria's premier natural attraction, capitalise on the significant visitation to the region and highlight the state in our marketing campaigns. This project is complemented by Tourism Victoria's assistance to the Corangamite Shire Council in the proposed rezoning of a number of sites to better facilitate tourism investment.

Tourism Victoria continued to assist the City of Greater Geelong plan for a new pier at Geelong's waterfront to create Victoria's second cruise ship port. The project involves the construction of a new pier at the end of Yarra Street, a possible marina for the Royal Geelong Yacht Club and channel deepening to accommodate

large cruise ships. Concept plans have been prepared and a business case is planned.

Tourism Victoria also worked with the City of Greater Geelong in planning a mineral spring bathhouse and spa complex at Eastern Beach overlooking the Geelong waterfront. Concept plans and technical studies have been prepared to assist in determining the project's feasibility and potential to attract the necessary investment.

Tourism Victoria worked with the Colac Otway Shire plan to redevelop Apollo Bay's harbour and waterfront precinct. Consultation was undertaken to determine the level of community support for the master plan, including the potential for a boutique hotel to be developed in the harbour precinct.

Victoria's ski fields form a key part of the Victorian tourism experience. To facilitate the growth and attractiveness of these areas, Tourism Victoria also assisted the Mount Buller and Mount Stirling Resort Management Board with a master plan to identify key investment opportunities to grow Mount Buller as a year round destination.

As part of the Victorian Government's \$14.5 million election commitment to the redevelopment of Mildura's Riverfront, Tourism Victoria assisted Regional Development Victoria with the implementation of stage one project initiatives.

# Deliver on our commitments outlined in the *Regional Tourism Action Plan 2009–12*.

The *Regional Tourism Action Plan 2009–2012* (RTAP) was released in December 2008 and provides a clear direction to stimulate growth in regional tourism. A report card, released in February 2011, outlined progress to date and key outcomes for the year ending December 2010.

A key outcome has been the development and implementation of annual Regional Marketing and Development Plans for the 10 campaign regions of Victoria.

## **Establishing Regional Tourism Boards**

Tourism Victoria is progressively working with the regions of Victoria to establish new Regional Tourism Boards (RTBs). In 2010–11, Tourism Victoria facilitated the establishment of RTBs for Daylesford and the Macedon Ranges, North-East Victoria (High Country) and The Murray. Joining the Grampians, Gippsland, and the Yarra Valley and Dandenong Ranges, these three Boards are now operational in line with the guidelines presented in the RTAP.

Processes have commenced to establish Boards for the Great Ocean Road, Mornington Peninsula and the Goldfields. The establishment of Boards for these regions and Phillip Island are a priority for 2011–12.

A review of the first two operational RTBs (Grampians and Gippsland) was undertaken to track the Boards' progress, highlight positive outcomes and identify areas for improvement.

## **Regional Marketing Program**

The 2009–12 Regional Marketing Program provides \$2 million in marketing funds annually to RTBs. Tourism Victoria worked with the Boards to develop and implement annual marketing plans and cooperative and tactical marketing activities to garner industry participation and drive regional visitation.

## **Expansion of the Tourism Excellence Program**

The Tourism Excellence Program is a key tool in improving service standards and business practices. In 2010–11, the RTBs and Regional Campaign Committees hosted Tourism Excellence workshops attended by 900 tourism businesses. More than 1,200 businesses were audited to assess customer service delivery and 17 businesses graduated from the International Mentoring Program.

## **2009 Bushfire recovery**

Tourism Victoria continues to provide ongoing support to RTBs to implement recovery initiatives as part of the \$10 million 2009 Bushfire Recovery Program.


A number of initiatives were undertaken, including:

- \$1.7 million was provided for tourism marketing and events in relation to the Marysville triangle to assist in the economic recovery of fire affected areas from 2011 to 2014.
- Victoria's High Country implemented a range of marketing campaigns highlighting adventure trails, cycling, the Great Alpine Road, food and wine and cycling.
- Destination Gippsland implemented a summer campaign focusing on coastal, lake, and water-based experiences and an autumn campaign highlighting Gippsland's unique events.
- Yarra Ranges Regional Marketing worked with Tourism Victoria to undertake filming of the region's villages. In addition, the region attended the Taste of Sydney festival and worked to develop a signature food and wine event.

## PRIORITY SIX

CONTINUED

— SEE THE MURRAY RIVER AT ITS BEST —




After recent rains, the Murray River is flowing refreshed, healthy and spectacular. At holiday destinations along the Murray, you will see it at its best.

"Receding high waters are revealing wildlife and vegetation that you may not have seen for years. So, choose your own pace. Come for a relaxing time and soak up the ambiance, or enjoy the thrills and colour of some of our fast-paced events."

Now is the ideal time to visit. In coming months plan to make the most of those long weekends or school holidays by visiting the Murray River...see it like you've never seen it before.

Call now for your Murray River Holiday Planner.

**Phone 132 842**  
**visitmurray.com.au**



— THE MURRAY RIVER. ALWAYS IN SEASON —

Flood recovery campaign to promote The Murray

- The Murrindindi Mitchell Response and Recovery Group, working with Yarra Ranges Regional Marketing, implemented public relations activity and online marketing including the development of an iPhone application. An *Official Visitors Guide* was also produced.
- Tourism Victoria also worked closely with the Department of Justice, Department of Sustainability and Environment and emergency services agencies on a *FireReady* communication strategy.

### Flood recovery

The January and February 2011 flood and storm events impacted tourism businesses in the western half of Victoria, specifically parts of the Grampians, Great Ocean Road, the Murray, the Goldfields and Daylesford and Macedon Ranges regions.

The floods affected more than 3,300 properties, resulting in approximately \$176 million of lost revenue to the tourism industry. More than 4,000 small businesses and primary producers were directly or indirectly affected by the flood events. Tourism Victoria played a lead role in the Victorian Government's response to the floods by taking immediate action

to identify the physical and economic impacts to regions and ensuring tourism issues were considered in broader emergency messaging.

In January 2011, the Victorian Government announced a \$1 million, 18-month Tourism Flood Recovery Program aimed at restoring visitation to the Victorian regions affected by the floods.

Tourism Victoria worked in conjunction with RTBs and Campaign Committees to implement the program which includes a number of initiatives to be implemented from March 2011 to June 2012:

- \$300,000 immediate response advertising campaign aimed at mitigating negative perceptions and generating visitation to impacted regions for the March Labour Day and Easter holiday period.
- \$300,000 to generate positive advertorial or editorial support for the key flood affected regions. Initiatives included features on television programs including *Postcards* and *Cox's Big Break* and across print media including the *Herald Sun* and *Royal Auto*.

- \$400,000 in funding grants to the Regional Tourism Boards and Campaign Committees in the five impacted regions to support their own recovery initiatives.

In May 2011 a further \$1.5 million was announced to promote the flood affected regions of the Murray, Grampians and South Gippsland. The funding will support marketing activities and events to attract visitors back to flood affected areas. This funding is in addition to whole-of-government support for small businesses such as clean up and restoration grants and the Small Business Mentoring Service.



# Build on Victoria's leadership as a world-class business events and major events destination.

Tourism Victoria works closely with a number of government agencies, event promoters and organisers and the Victorian Major Events Company to maximise tourism impacts of major events staged in Melbourne and Victoria. In 2010–11, Tourism Victoria advised the Victorian Government on major events, as well as coordinating and overseeing all funding submissions for the acquisition of major events and business events for the State.

Victoria's year-round major events calendar included a variety of hallmark sporting events and theatre shows this year. Throughout 2010–11, Tourism Victoria implemented tourism marketing campaigns, familiarisation programs for media and trade and leveraged broadcast media activities for events such as the UCI Road World Championships, JBWere Masters, the 150th Melbourne Cup Carnival, the 2011 FORMULA 1 Qantas Australian Grand Prix, and a raft of theatre shows including *Mary Poppins*, *Rock of Ages* and *Love Never Dies*.

Tourism Victoria continued to forge strong partnerships with the domestic travel industry to underpin interstate brand activity in-market and to promote major sporting and cultural events including the *Melbourne Winter Masterpieces* series, the Vodafone Ashes Boxing Day Test Match, the 2011 Presidents Cup and the 2011 Australian Open Tennis Championships.

Significant highlights included:

- *Mary Poppins* finished its Melbourne season on 1 April 2011 after selling at full capacity over its nine-month season. The performances were seen by 503,644 ticketholders with approximately 20 per cent coming from interstate or overseas.
- The 2011 Australian Open Tennis Championships, held from 17–30 January, attracted 651,127 spectators. There was significant media coverage of the event including 386 Australian and 320 international media outlets and a total of 36 television networks

from Australia, Europe, North and South America, Asia, the Middle East and New Zealand. The event provided excellent branding and profiling for Melbourne through signage, vignettes, and sweeping footage of the city shown to a large international audience.

Placement of the Melbourne landmark at internationally renowned sporting events like the 2011 Australian Open Tennis Championships, 2011 FORMULA 1 Qantas Australian Grand Prix, UCI Road World Championships, and the JBWere Masters secures unique coverage and brand exposure.

Tourism Victoria produced a new 30-second television commercial to capitalise on the global broadcast opportunities presented by Victoria's major events. The commercial debuted in the broadcast of the 2011 Australian Open Tennis Championships and was seen by millions of people worldwide.

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# The Victorian business events industry is estimated to be worth more than \$1.2 billion per annum, providing 22,000 jobs.



Mary Poppins © Disney/CML

With a \$1.45 million allocation from the Events Program, Tourism Victoria continued to assist with the creation, development and marketing of events held in regional Victoria, while working with regionally-based shires on the development or refocusing of their event strategies.

Throughout the year Tourism Victoria supported various product segments in cycling, food and wine, and golf events to complement relevant Tourism Victoria strategies.

Tourism Victoria funded the development of various cultural exhibitions held in Bendigo and assisted in securing additional funding from the Major Events Fund to support the Bendigo International Collection series of cultural exhibitions.

Tourism Victoria assisted with the creation of a new cultural exhibition that focused on photography, the Ballarat International Foto Biennale, and the creation of the Gippsland Lakes Boat Muster – a new water-based major event for Gippsland.

Melbourne remains a competitive business events destination. The Victorian business events industry is estimated to be worth more than \$1.2 billion per annum, providing 22,000 jobs.

Melbourne's '6 Star Green Star' Convention and Exhibition Centre (MCEC) is recording strong business event bookings, with more than 90 international business events secured. In the year ending December 2010, the number of domestic overnight business event visitors to Melbourne reached 175,000, an increase of 14.4 per cent from the previous year.

International conferences held at MCEC during the year included:

- The International Society for Haematology and Stem Cells Conference, (September 2010) which hosted 750 attendees.
- The Asian and Oceanian Epilepsy Congress (October 2010) which attracted 2,000 delegates.
- The International Air Transport Association Conference (November 2010) which was attended by 904 delegates, 94 per cent of whom were from overseas. Statistics from the Melbourne Convention and Visitors Bureau also estimated that 47 per cent of delegates travelled with an accompanying person.

In October 2010, Business Events Victoria – a collective, membership-based group of conference venues, accommodation providers, tour operators, local councils, regional tourism organisations and service providers – was appointed to facilitate the delivery of the Regional Business Events Program across Victoria. The focus of the Program is to facilitate and attract business events to the regions, and build relationships between public and private stakeholders to generate bids to secure events. The Program will also develop and implement marketing activities to promote the capability of Victoria's regions to host and attract business events.

# Develop organisational and industry capability and effectiveness.

## Industry

In this highly competitive environment, Tourism Victoria works in partnership with industry to pave the way for future growth. In August 2010, Tourism Victoria released the *10 Year Tourism and Events Industry Strategy: Progress Report*. The review indicates Victoria's tourism industry has been performing ahead of target since the strategy's release almost five years ago. Our targets for industry growth in size and value remain both ambitious and relevant.

During the year Tourism Victoria completed its *Corporate Plan 2011–15* which sets out a clear approach to realising the Victorian Government's goals of growing Victorian tourism. The plan identifies the following priority action areas over the next three years:

- Attracting high-yield international visitors
- Increasing the domestic market
- Attracting and leveraging events
- Maximising our digital marketing opportunities
- Increasing aviation access
- Investment attraction
- Infrastructure development
- Investing in our workforce.

In November 2010, Tourism Australia released the *2020 Tourism Industry Potential*, calling for the Australian tourism industry and governments to focus on increased returns from the tourism sector. Tourism Victoria is currently reviewing the implications of this report for the State and our strategic direction.

To drive the growth potential of Victorian tourism, Tourism Victoria works closely across all tiers of government to place tourism at the forefront of government decision making.

Tourism Victoria chairs the Investment and Regulatory Reform Working Group of the *National Long-Term Tourism Strategy*. Comprising representatives from the private and public sectors across a range of portfolios, the working group considers initiatives to lower barriers to tourism investment and general options for regulatory reform.

The working group has commissioned a review into barriers to investment in the tourism industry and a review of best practice facilitation. Final recommendations arising from both reports will be presented to the Tourism Ministers' Council in late 2011.

Tourism Victoria will conduct a product gap audit in the Great Ocean Road region which will deliver reports that outline the tourism infrastructure and products required to cater for forecast and potential visitor numbers over the long term.

The Victorian Competition and Efficiency Commission (VCEC) released its interim report *Unlocking Victorian Tourism: An Inquiry into Victoria's Tourism Industry* in March 2011. The inquiry identifies regulatory and other major impediments to the future development and growth of the industry. The interim report recommended a number of changes in the areas of planning and environmental regulation, to remove unnecessary barriers to tourism investment. Tourism Victoria was actively involved in the review process, working with VCEC throughout the development of its report. Tourism Victoria provided a submission on key issues affecting the tourism sector and met directly with Commissioners. Tourism Victoria also assisted VCEC by facilitating meetings with regional tourism representatives and publicising the inquiry through industry communications channels. A final report was delivered to the Treasurer on 1 June 2011. Tourism Victoria is working with other agencies on a government response.

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# To drive the growth potential of Victorian tourism, Tourism Victoria works closely across all tiers of government to place tourism at the forefront of government decision making.

To help the industry respond to crisis situations such as bushfires, Tourism Victoria conducted a series of regional workshops with tourism stakeholders in high-risk bushfire areas. Tourism Victoria, in partnership with the Department of Primary Industries and RTBs, also conducted workshops to help Regional Tourism Managers prepare for the potential tourism impacts of forecasted locust activity in parts of the State.

Bushfire preparedness workshops were delivered to regional tourism managers and officers in December 2010. Training was based on information in the *Crisis Communications Handbook for Regional and Local Tourism* and crisis media training. Topics included the establishment of Regional Response and Recovery Groups as well as a special crisis media management session, conducted by Media Manoeuvres.

The 2010 instalment of the RACV Victorian Tourism Awards again recognised the drive and innovation of individual businesses to remain at the forefront of the industry. The awards showcased the work of Victorian tourism operators while providing participants with practical assistance – through workshops and mentorships – to help them build on their success and achieve a competitive and marketable edge. The program attracted 135 participants, a 30 per cent increase on 2009 program participants.

Victoria took top honours at the 26th Qantas Australian Tourism Awards hosted by the National Tourism Alliance in Perth in March 2011 across five categories: Tourism Marketing (Destination Gippsland), Visitor Information and Services (Bendigo Visitor Centre), Tourism Restaurants and Catering Services (Max's at Red Hill Estate), Specialised Tourism Services (Mornington Peninsula Tourism) and Tourism Education & Training (Holmesglen). These results show that Victoria is a national leader in tourism thanks to the dedication and creativity of individuals and businesses that strive to deliver quality visitor experiences.

### Organisational

Tourism Victoria is committed to sharing its knowledge and resources to deliver industry growth. To enable staff to rise to this challenge, the organisation continues to invest in developing employees' skills and behaviours by learning from on-the-job experiences, workplace relationships and feedback, and formal training opportunities.

At least 123 training programs were undertaken by Tourism Victoria staff during the financial year. Areas of training included digital marketing workshops, high impact communications, executive coaching, and leadership performance and coaching.

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As a Victorian State Government statutory authority established by the *Tourism Victoria Act 1992*, Tourism Victoria is the vehicle through which the Government participates in the tourism and travel industries.

**Attestation on compliance with the Australian/New Zealand Risk Management Standard**

I, Janine Kirk certify that Tourism Victoria has risk management processes in place consistent with the *Australian/New Zealand Risk Management Standard* and an internal control system in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Corporate Governance and Audit Committee verifies this assurance and that the risk profile of Tourism Victoria has been critically reviewed within the last 12 months.



**Dr Janine Kirk AM**  
Chairman  
Tourism Victoria

**OTHER RELEVANT INFORMATION**  
**Legislation**

Tourism Victoria was established under the *Tourism Victoria Act 1992*. The Act outlines Tourism Victoria's functions, powers and duties.

**Merit and Equity Statement**

In accordance with Government policies and guidelines, all appointments to Tourism Victoria in 2010–11 were made on the basis of merit.

**Employees' Health and Safety**

This year's Annual Report for the Department of Business and Innovation (DBI) covers occupational health and safety matters and performance indicators concerning staff employed in the Tourism Victoria offices. See the Department's Annual Report 2010–11.

**Progress in Implementing National Competition Policy**

Implementing National Competition Policy does not impact on the business of Tourism Victoria.

**Reviews of Legislation that Restrict Competition**

No reviews were undertaken in 2010–11 in relation to legislation relating to Tourism Victoria.

**Application of the Competition Test to New Legislative Proposals**

No new legislation was introduced during 2010–11 relating to Tourism Victoria.

**Application of Competitive Neutrality Principles to significant Government business activities**

Tourism Victoria does not undertake any significant Government business activity with respect to the application of competitive neutrality principles.

**Application of Competitive Neutrality principles to In-House Bids**

There were no in-house bids relating to Tourism Victoria in 2010–11.

**Engagements of Consultants for 2010–11 in excess of \$100,000**

Tourism Victoria engaged two consultants, each with a total consultancy cost above \$100,000 during the 2010–11 year. The total cost of consultancies in the financial year was \$425,000.

**Engagements of Consultants for 2010–11, \$100,000 and under**

Tourism Victoria engaged one consultant with a total consultancy cost below \$100,000 during the 2010–11 year. The total cost of the consultancy in the financial year was \$89,870.

**Other Information**

Other relevant information relating to the financial year is retained by the accountable officer and made available to the relevant Minister, Members of Parliament and the public on request.

**Summary of additional information available on request**

The following information is available on request:

- A statement that declarations of private interests have been duly completed by all relevant officers.
- Details of publications produced during 2010–11.
- Details on any major external review carried out during 2010–11.
- Details of any major research and development activities.
- Details of overseas visits undertaken.
- Details of major promotional, public relations and marketing activities undertaken during 2010–11.

The information is available from:  
Group Manager Business Services  
Tourism Victoria  
GPO Box 2219T  
Melbourne VIC 3001  
Telephone: (03) 9653 9721



## Workforce data as at 30 June 2011

|                  | Ongoing Employees     |                       |                   |             | Fixed Term & Casual Employees | Total Employees |
|------------------|-----------------------|-----------------------|-------------------|-------------|-------------------------------|-----------------|
|                  | Full time (headcount) | Part time (headcount) | Total (headcount) | Total (FTE) | Total (FTE)                   | Total (FTE)     |
| June 2010        | 84                    | 12                    | 96                | 90          | 5                             | 95              |
| <b>June 2011</b> | <b>88</b>             | <b>11</b>             | <b>99</b>         | <b>94</b>   | <b>11</b>                     | <b>105</b>      |

|  | June 2010         |     |                               | June 2011         |     |                               | June 2011 totals (FTE) |
|--|-------------------|-----|-------------------------------|-------------------|-----|-------------------------------|------------------------|
|  | Ongoing Employees |     | Fixed Term & Casual Employees | Ongoing Employees |     | Fixed Term & Casual Employees |                        |
|  | Headcount         | FTE | FTE                           | Headcount         | FTE | FTE                           |                        |

## Gender

|        |    |    |   |           |           |          |           |
|--------|----|----|---|-----------|-----------|----------|-----------|
| Male   | 33 | 33 | 1 | <b>36</b> | <b>36</b> | <b>3</b> | <b>39</b> |
| Female | 63 | 57 | 4 | <b>63</b> | <b>58</b> | <b>8</b> | <b>66</b> |

## Age

|          |    |    |   |           |           |          |           |
|----------|----|----|---|-----------|-----------|----------|-----------|
| Under 25 | 2  | 2  | – | <b>2</b>  | <b>2</b>  | –        | <b>2</b>  |
| 25–34    | 35 | 34 | 3 | <b>34</b> | <b>32</b> | <b>7</b> | <b>39</b> |
| 35–44    | 30 | 25 | 2 | <b>32</b> | <b>30</b> | <b>4</b> | <b>34</b> |
| 45–54    | 19 | 19 | – | <b>20</b> | <b>19</b> | –        | <b>19</b> |
| 55–64    | 8  | 8  | – | <b>9</b>  | <b>9</b>  | –        | <b>9</b>  |
| Over 64  | 2  | 2  | – | <b>2</b>  | <b>2</b>  | –        | <b>2</b>  |

## Classification

|            |    |    |   |           |           |          |           |
|------------|----|----|---|-----------|-----------|----------|-----------|
| VPS1       | –  | –  | – | –         | –         | –        | <b>0</b>  |
| VPS2       | 3  | 3  | – | <b>1</b>  | <b>1</b>  | –        | <b>1</b>  |
| VPS3       | 17 | 16 | 2 | <b>15</b> | <b>14</b> | <b>1</b> | <b>15</b> |
| VPS4       | 25 | 23 | 3 | <b>27</b> | <b>25</b> | <b>5</b> | <b>30</b> |
| VPS5       | 27 | 25 | 1 | <b>29</b> | <b>27</b> | <b>4</b> | <b>31</b> |
| VPS6       | 18 | 18 | – | <b>21</b> | <b>21</b> | <b>1</b> | <b>22</b> |
| STS        | 1  | 1  | – | <b>1</b>  | <b>1</b>  | –        | <b>1</b>  |
| Executives | 6  | 6  | – | <b>5</b>  | <b>5</b>  | –        | <b>5</b>  |

## **DIVERSITY, EQUALITY AND ENVIRONMENTAL MANAGEMENT**

Tourism Victoria is committed to the employment and engagement of people from a diverse range of backgrounds, both in our workplace and in the communities in which we operate.

Throughout the year, Tourism Victoria complied with the office-based environmental performance improvement initiatives and requirements of the Department of Business and Innovation (DBI).

The Department manages matters relating to the application of merit and equity principles and environmental practices. See the DBI Annual Report 2010–11.

## **FREEDOM OF INFORMATION** **Freedom of Information Act 1982 – Section 7** **Publication Requirements**

The Victorian *Freedom of Information Act 1982* gives individuals the right to request information held by Tourism Victoria. During the year, DBI received three Freedom of Information requests specifically pertaining to Tourism Victoria, and 23 additional departmental requests which captured data from Tourism Victoria.

Access to documents may be obtained through written request to the Freedom of Information Unit, as detailed in section 17 of the *Freedom of Information Act*. In summary, the requirements for making a request are:

- It should be in writing
- It should identify as clearly as possible what document is being requested
- It should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Request for documents in the possession of Tourism Victoria should be addressed to:

Mr Darcy Provatas  
Freedom of Information Officer  
GPO Box 2219T  
Melbourne VIC 3001  
Telephone: (03) 9653 9721  
Facsimile: (03) 9653 9755

Requests can also be lodged online at [foi.vic.gov.au](http://foi.vic.gov.au).

From 1 July 2011, the required application fee per request is \$24.40.

Access charges may also apply once documents have been processed and a decision on access made, for example photocopying, search and retrieval charges.

Further information regarding Freedom of Information can be found on FOI Online, [foi.vic.gov.au](http://foi.vic.gov.au).

## **WHISTLEBLOWERS PROTECTION ACT 2001**

The *Whistleblowers Protection Act 2001* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

Tourism Victoria does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. We are committed to ensuring transparency and accountability in our administrative and management practices and support the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment. Tourism Victoria will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. We will also afford natural justice to the person who is the subject of the disclosure.

## **Reporting procedures**

Disclosures of improper conduct or detrimental action by Tourism Victoria or our employees may be made to the following persons:

Tourism Victoria's Protected Disclosure Coordinator is:

### **Mr John Dalton**

Acting Chief Executive  
Tourism Victoria  
Level 32, 121 Exhibition Street  
Melbourne VIC 3000  
[john.dalton@tourism.vic.gov.au](mailto:john.dalton@tourism.vic.gov.au)

Tourism Victoria's Protected Disclosure Officer is:

### **Mr Darcy Provatas**

Group Manager Business Services  
Tourism Victoria  
Level 32, 121 Exhibition Street  
Melbourne VIC 3000  
Telephone: (03) 9653 9721  
[darcy.provatas@tourism.vic.gov.au](mailto:darcy.provatas@tourism.vic.gov.au)

You can also make your complaint or provide information directly to the Ombudsman.

The Ombudsman, George Brouwer  
Level 22, 459 Collins Street  
Melbourne VIC 3000 (DX 210174)  
Telephone: (03) 9613 6202  
Toll Free: 1800 806 314  
Email: [ombudvic@ombudsman.vic.gov.au](mailto:ombudvic@ombudsman.vic.gov.au)  
Website: [ombudsman.vic.gov.au](http://ombudsman.vic.gov.au)

Disclosures can be made in writing or made verbally. You may also provide information anonymously.

A copy of Tourism Victoria's Whistleblower Protection Procedures can be obtained by contacting Tourism Victoria on (03) 9653 9777 or from our website at [tourism.vic.gov.au](http://tourism.vic.gov.au)

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All Seasons Houseboats Mildura, The Murray



Meringa Springs Lodge, Grampians



Willsons Promontory, Gippsland

*The January and February 2011 flood and storm events had a devastating direct and indirect effect on regional Victorian tourism businesses. To help the industry recover, the Victorian Government – through Tourism Victoria – implemented a Tourism Flood Recovery Program to encourage visitors back to impacted towns and communities through strategic marketing initiatives and event promotion. Tourism Victoria remains committed to driving a successful recovery for flood affected areas and working with our government and tourism partners to show that Victoria is open for business.*