

Grampians Tourism

2016-20 Strategic Plan



Grampians Tourism Board Inc.

June 2016

BACKGROUND

Grampians Tourism Board Inc. has developed a new four-year strategic plan to develop the Visitor Economy in the region in collaboration with its industry partners. The Plan reflects the Board's intent to place the consumer (their behaviours and preferences) at the centre of every decision. The Plan will be used to guide the actions of Grampians Tourism and provide leadership for the tourism industry and other key stakeholders to grow revenue and jobs in the region.

THE VISITOR ECONOMY

In 2015, the Victorian Government recognised the Visitor Economy as a key driver for growth for Victoria.

By 2020-21, it is estimated that tourism will contribute approximately \$34 billion to Victoria's Gross State Product (through both direct and indirect impacts) and generate an estimated 310,000 jobs (direct and indirect)¹. Currently, the tourism and events industries employ around 205,000 Victorians and contribute \$19.2 billion per annum to the state's economy, accounting for approximately 5.8 per cent of Gross State Product.²

The tourism and events industry traditionally works best in collaboration and partnership with government. A more coordinated approach needs to be adopted, both across government and with industry, to ensure the best possible outcome for the Grampians region and its stakeholders.

Regional Tourism Boards must recognise opportunities across a broader funding base. The traditional model of relying on state and local government support as a primary funding source needs to be reviewed, with a greater emphasis on industry participation and other non-traditional state and federal funding streams. In particular, input and direction should be considered for the Victorian and Federal Government's Tourism Pipeline funding pool and other new regional partnership sources.

The benefits to the state of the tourism and events industry are not just financial. The sector also supports innovation, state branding, promotion and reputational benefits, regional development, environmental improvements, new infrastructure provision, and social and community cohesion and pride.

THE GRAMPIANS REGION

Visitation³

- The Grampians tourism region achieved consistent growth in visitation for the 12 quarters from September 2012 to September 2015
- Over 880,000 overnight visitors stayed an average of 2.7 visitor nights in 2015
- 74.7 per cent of visitors and 69.8 per cent of nights are from within Victoria or interstate
- Destinations within the Grampians receive 1.3 million domestic day trippers annually, originating from both within and outside the region
- The Grampians National Park is the third most visited National Park in Victoria after the Twelve Apostles and Point Nepean National Parks
- Domestic overnight visitors spent \$286 million annually in the Grampians. On average, visitors spent \$119 per night in the region

¹ Tourism Victoria, *Victoria's 2020 Tourism Strategy*, 2013, p.8

² 2011-2012 State Tourism Satellite Account by Tourism Research Australia, released July 2013

³ Source: Tourism Research Australia (TRA), National and International Visitor Surveys, y/e September 2015 - Grampians region statistics relate to 5 LGAs that participate in Grampians Tourism.

- 39,800 international visitors spent 284,600 nights in the region. They were mostly from Germany, the United Kingdom, New Zealand, Switzerland, Netherlands and United States of America
- Over the past 36 months, there has been a clear growth in visitors (both domestic and international) and visitor nights.

Visitor Characteristics⁴

According to Visit Victoria Domestic Segmentation (2012), the *Lifestyle Leaders* segment accounts for 32 per cent of domestic overnight leisure visitors to the Grampians region, similar to regional Victoria generally (33%). Visitors to the Grampians region were more likely to be in the *Inspired by Nature* segment (26%) than visitors to regional Victoria generally (19%). *Lifestyle Leaders* are made up of *Opinion Leaders* and *Early Adopters*. This segment travels more often, is more likely to take short trips and spends more on leisure in a 12-month period than more traditional demographics.

Significant traditional markets for the region include families, retirees and lovers of food, wine, wildflowers and the outdoors.

Regional Awareness

Research into perceptions of Victorian tourism destinations shows low and declining awareness of the Grampians as a holiday destination:

- Awareness of the Grampians region (unprompted) as a holiday destination declined from 9.1 per cent in 2009 to 8.2 per cent in 2011
- Grampians region is eight out of twenty 'Top of Mind' holiday destinations in Victoria (down from sixth in 2009)
- This low awareness level was more recently confirmed by qualitative research conducted in 2013⁵
- The Grampians region is most well known for natural attractions, adventure and wildlife.

Economic Impact of the Grampians Visitor Economy

In 2013-14, the tourism industry directly and indirectly contributed an estimated \$1.0 billion to the Grampians economy (21.2% of gross regional product) and employed approximately 9,200 people (both directly and indirectly), which is 20.1 per cent of the region's total employment⁶.

It generates an estimated \$295 million in direct economic output for the five local government partners.⁷

Economic Contribution of Tourism to the Grampians by Council boundary		
Local Government Area	Revenue (million)	Employment (jobs)
Ararat Rural City	\$38.522	224
Horsham Rural City	\$79.669	497
Northern Grampians Shire	\$81.768	459
Pyrenees Shire	\$28.086	128
Southern Grampians Shire	\$66.344	329
Total	\$294.389	1637

⁴ Source: Victorian Regional Tourism Satellite Accounts 2013-14, developed by Deloitte Access Economics for Tourism Victoria

⁵ Source: ISpy Qualitative research – Grampians 2013

⁶ Source: Victorian Regional Tourism Satellite Accounts 2013-14, developed by Deloitte Access Economics for Tourism Victoria

⁷ Source: REMPLAN 2016

OUR PARTNERS

Grampians Tourism has a leadership and co-ordination role in the development of the region's Visitor Economy. It relies heavily on the goodwill, financial support and cooperative efforts of its public and private industry partners to develop and deliver tourism programs for the region.

State and local government and business owners financially contribute to Grampians Tourism.

Key partnerships

- Tourism business owners
- Visit Victoria (Tourism Victoria)
- Parks Victoria
- Regional Development Victoria
- Ararat Rural City Council
- Horsham Rural City Council
- Northern Grampians Shire Council
- Pyrenees Shire Council
- Southern Grampians Shire Council.

Stakeholders

Members of the tourism industry and other organisations that support the development of the Visitor Economy in the Grampians region include:

- Local tourism associations, industry sector groups and business groups
- Local community members and groups (including organisers of community-based tourism initiatives).

OUR GOALS

1. Raise the profile and front of mind awareness of the Grampians region, and thus:
 - a. Create sustained growth in visitor numbers, length of stay and spending
 - b. Increase revenue from the visitor economy in local towns
 - c. Increase jobs (particularly for young people) in the visitor economy
 - d. Support the growth and success of business owners investing in the visitor economy
 - e. Introduce the region to visitors who may go on to consider living, learning or investing in the region.
2. Conduct product and industry development to create compelling visitor experiences.
3. Attract investment into world-class products and experiences.
4. Provide leadership and create productive partnerships that:
 - a. Raise the profile of the visitor economy among stakeholders
 - b. Advocate on behalf of stakeholders in the visitor economy.

CURRENT ENVIRONMENT

The Grampians Tourism Board has identified the key environmental factors in 2016 that affect the strategic direction and output of Grampians Tourism, its partners and industry:

1. **The current market for intrastate tourism in Victoria is favourable**

- a. The current Australian dollar exchange rate favours domestic rather than overseas travel, as was the case for a long time. This creates a positive environment for an increase in intrastate, interstate and international visitation to regional Victoria
- b. Retirees are the largest travelling demographic to the region⁸. In the current financial climate, low returns from retirement savings encourage local travel and not higher cost holiday experiences
- c. Our key market is Melbourne. Over 60 per cent of overnight visitors are from Melbourne. Melbourne is the fastest growing capital city with over 100,000⁹ new residents annually. Those residents are unaware of the Grampians as a holiday destination
- d. After a number of years focusing on interstate tourism, Visit Victoria is now focusing on – and allocating resources to – intrastate tourism with the release of a three-year multi-million dollar marketing campaign to encourage Melbournians to visit regional Victoria (February 2016).

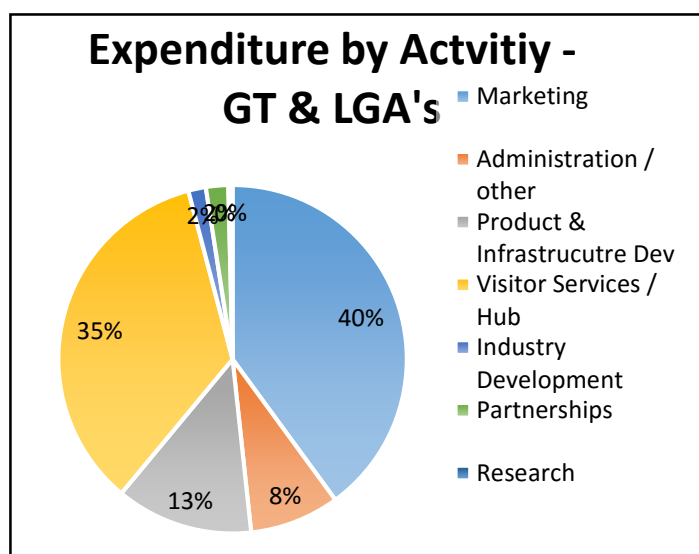
2. Front of mind awareness of Grampians as a holiday destination is low and has been declining

- a. Nine out of ten Melbourne residents are unaware of the Grampians as a holiday destination; this did not improve between 2009 and 2011¹⁰
- b. Consumers did not realise the breadth of experience and activities on offer in the Grampians region¹¹.

3. The current spend of state and local governments and Grampians Tourism is heavily weighted to servicing visitors when they arrive in the Grampians rather than destination marketing to:

- a. Increase front of mind awareness
- b. Increase visitor revenue that underpins private sector investment
- c. Increase employment in regional towns.

In other words, current spending is not focused on economic development, but rather on servicing visitors who are already here.



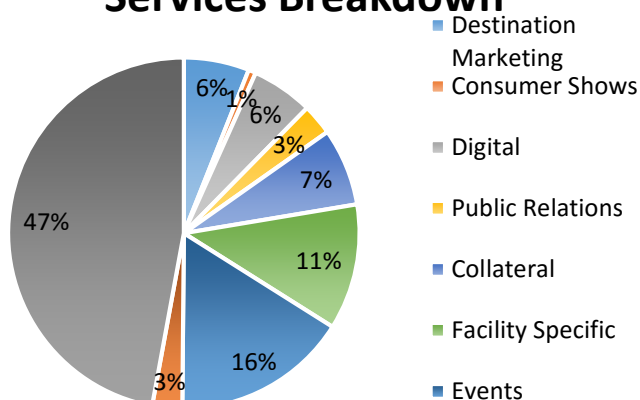
⁸ Source: National Visitor Survey, YE Dec 15, Tourism Research Australia (TRA)

⁹ Source: Australian Demographic Statistics, Jun 2015 (ABS)

¹⁰ Source: Tourism Victoria, Regional Awareness Perceptions Study, 2011

¹¹ Source: ISpy Qualitative research – Grampians 2013

Marketing & Visitor Services Breakdown*

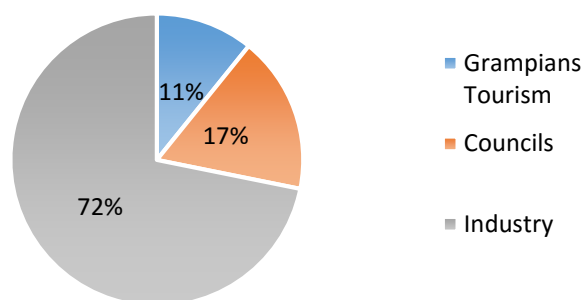


* Over half of resources (54%) are allocated to servicing the information needs of visitors after they have arrived in the region (visitor information centres and printed material). One twentieth of resources (6%) are allocated to destination marketing with an economic development focus to increase visitors, revenue and jobs.

Whilst activity like consumer shows and events showcase the region to special interest groups and have a destination marketing flow-on, these are not a substitute for a broad destination awareness campaign.

Relatedly, while visitor centres can increase length of stay and awareness for the one in six visitors that enter the doors, these also are not a substitute for a broad destination awareness campaign.

Total Regional Expenditure on Marketing & Visitor Services



4. Grampians Tourism's current Business Model has no growth – the current business model relies on majority funding from local and state government. Both sources are severely constrained by infrastructure demands and the health and ageing costs of the baby boomers. The Grampians tourism industry does not currently invest in strategic destination marketing and there are no mechanisms operating at scale to facilitate and encourage that investment.

5. Business engagement with Grampians Tourism and local governments has remained static –

industry investment and participation in destination marketing has remained static for the past four years. Industry spends more than twice the resources of local, state government and Grampians Tourism combined.

6. The customer has changed¹²

- Customer expectations of services are higher. Customers now demand good food and wine and good retail experiences when in the region e.g. good coffee is essential
- Customer holiday research and purchase decisions have evolved – those decisions are now more immediate (digital) and require personalisation of products
- International markets, such as China and South East Asia, are opportunities for growth.

7. Grampians Peaks Trail – State and Federal Governments have committed \$30 million (to be complete by 2019). The Peaks Trail will:

- Incorporate new public infrastructure that champions the region's nature-based credentials

¹² Source: ISpy Qualitative research – Grampians (2013)

- b. Provide opportunities for private investment in visitor service industries and development on private adjacent land
- c. Provides a basis for competition in the lucrative multi-day (3-4 and up to 12-day) walking market that is presently dominated by destinations like the Larapinta Trail in the Northern Territory and Cradle Mountain in Tasmania.

8. The region is out of crisis recovery

- a. Assets, with the exception of Mackenzie Falls, have largely been repaired/rebuilt by local government and Parks Victoria. A further \$1.8 million will be spent by 2017 by Parks Victoria to repair bushfire damage to the Grampians National Park
- b. The region is recovering well after the bushfires – services and communication tools allow the visitor to make more educated pre-travel decisions
- c. Recovery activity has improved public perceptions about bushfire risk.

9. **Online Platform** – the development of www.visitgrampians.com.au and the growth of social media assets such as Facebook and Instagram has resulted in the region having a strong digital and online presence.

OBJECTIVES

Objective 1 – Marketing

- Increase visitor numbers, length of stay and expenditure
- Increase revenue and jobs

	KEY FOCUS	STRATEGIES
1.	Destination Marketing	<p>Develop and implement an annual marketing plan that:</p> <ul style="list-style-type: none"> • Promotes the Grampians' unique nature-based product strengths to drive awareness • Promotes other key destinations and other experiences • Identifies the key target markets of Melbourne (primary) and Adelaide (secondary) • Uses Grampians Tourism's key online and social media assets • Grows visitors and visitor nights • Increases the economic value of the Visitor Economy and grows revenue and employment.
2.	Resource Priority	<p>Consider the resources available for marketing to be the consolidated resources that are already being spent by state and local government, Grampians Tourism and business owners in the visitor economy.</p> <p>Advocate and encourage local government to re-prioritise expenditure away from servicing visitors already in the region <i>and towards economic development that encourages visitors to come to the region.</i></p> <p>Target destination marketing to comprise 30 per cent of state, local and Grampians Tourism expenditure by June 2018.</p>

		<p>Annually, Grampians Tourism will:</p> <ul style="list-style-type: none"> • Review its goals • Define priorities • Determine the mechanics of delivery.
3.	Business Model	<p>Create a business model that consolidates a percentage of currently fragmented expenditure by state and local government, Grampians Tourism and business owners in the visitor economy into a destination marketing pool. Grampians Tourism will:</p> <ul style="list-style-type: none"> • Start a new conversation about incentives for business owners to participate in the destination marketing pool • Complete campaigns with two separate business groups by June 2017 and four groups by June 2018.
4.	Grampians Online	<p>Continue to invest and evolve Grampians Tourism's digital and social assets to meet visitor expectations.</p> <p>Target to become the core visitor economy asset for the region.</p>
5.	Grampians Peaks Trail	<p>Grampians Tourism will promote the Grampians Peaks Trail as the lead product in its nature-based product suite.</p> <p>Grampians Tourism has been allocated \$50k per year for the next three years by Parks Victoria to increase market awareness of the trail.</p> <p>Grampians Tourism will actively promote the trail to attract walkers interested in a multi-day walking experience.</p>
6.	International Markets	<p>Continue the region's historical relationship with the Great Southern Touring Route (GSTR) to position the Grampians in international markets. Focus on:</p> <ul style="list-style-type: none"> • Traditional markets of UK/Europe and North America • Emerging and growth markets of China, Singapore, India and Malaysia.
7.	Brand	<p>Communicate opportunities to leverage the benefits of the region's tourism brand to business owners, local government and other stakeholders:</p> <ul style="list-style-type: none"> • Provide brand toolkits to industry and local government partners, and ensure brand attributes are in alignment.

Objective 2 - Product and Infrastructure Development

Further develop tourism experiences based on the diverse product strengths of the region.

	KEY FOCUS	STRATEGIES
8.	Food and Wine	<p>Customers look for and expect a strong food and wine product as part of their visit. Grampians Tourism will</p> <ul style="list-style-type: none"> • Raise the profile of the Grampians food and wine in its own activities

		<ul style="list-style-type: none"> Work with region's winemaker and produce groups to stage events that raise the food and wine profile.
9.	Grampians Peaks Trail	Encourage new experiences and products aligned to the GPT that meet visitor expectations.
10.	Indigenous	Incorporate the cultural and indigenous stories of the Grampians region into the marketing message.
11.	Villages enhancement	Support local government strategic planning and other initiatives for the region's villages.
12.	Grampians Way	Continue to produce printed collateral encouraging travel upon the Grampians Way.

Objective 3 - Investment

Increase the level of private and public investment in new priority tourism projects and existing facilities.

	KEY FOCUS	STRATEGIES
13.	Private Investment in Visitor Economy improved	Grow the revenue of the visitor economy and create improved market conditions for the investment of private capital by increasing market awareness and visitor numbers.
14.	Public Investment in the Visitor Economy	As part of its wider role in public investment, Grampians Tourism will: <ul style="list-style-type: none"> Take a lead role in specific projects (e.g. GPT) Advocate for and support other projects in which local or state government has a lead role (e.g. Grampians Way road infrastructure upgrade).
15.	Destination Management Plan	Review and update Grampians Tourism's Destination Management Plan to recognise regional priorities and past successes. Champion projects that will best attract public and/or private investment.
16.	Grampians Way	Advocate for funding of upgrades to local government infrastructure.
17.	Grampians Peaks Trail	Support investment opportunities – both public and private. Support local government town planning amendments that facilitate private investment.
18.	Cultural Tourism	Grow the recognition and market awareness of the Grampians' regional arts and gallery offering.

Objective 4 - Industry Development

Increase the tourism industry's capacity to operate businesses that provide high quality experiences that surpass the target market's expectations.

	KEY FOCUS	STRATEGIES
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19.	Business Owners	Business owners are primarily responsible for ensuring they have the knowledge and skills to operate their own business. Social media and online accommodation reservation services (with a high commission cost) are two areas that are fast-moving and especially challenging for business owners. Where Grampians Tourism has specific knowledge, Grampians Tourism will: <ul style="list-style-type: none"> • Focus industry training in these areas • Continue development of Grampians Online to align with changing customer expectations and purchasing behaviour.
20.	Tourism Excellence	Support and encourage industry to enter local and Victorian Tourism Awards.
21.	International development market	Tourism Victoria offer International Mentoring Programs to encourage industry participation. For example, Great Southern Touring Route provide market intelligence such as “China ready” workshops. GT will encourage local business owners to use these resources.

Objective 5 - Partnerships

Develop new partnerships with all levels of government and the private sector, and strengthen existing relationships to support the implementation of all strategies.

	KEY FOCUS	STRATEGIES
22.	Memorandum of Understanding (MOU) with Councils 2016 - 2020	Negotiate a new four-year MOU with Councils. Adopt shared performance goals and metrics that are recorded and updated annually within the MOU. Consider the resources available for marketing to be the consolidated resources that are already being spent by state and local government, Grampians Tourism and business owners in the visitor economy.
23.	Parks Victoria	Support and assist Parks Victoria to promote the Grampians National Park, Arapiles and other nature-based assets to visitors.
24.	Visit Victoria	Visit Victoria (VV) provides a range of marketing and industry development opportunities. Grampians Tourism will continue to work with VV to: <ul style="list-style-type: none"> • Position the Grampians (and Victoria) in key interstate and international markets via cooperative opportunities • Position the Grampians within VV's intrastate campaign • Develop a new Business Model that will facilitate greater industry participation in strategic destination marketing campaigns.
25.	Regional Development Victoria	Regional Development Victoria (RDV) plays a pivotal role in funding support for infrastructure projects and events. Grampians Tourism will:

		<ul style="list-style-type: none"> Position the Grampians' key infrastructure and investment opportunities to ensure the best opportunity for public funds Advocate for regional events to ensure the best opportunity for public funds.
26.	Other State Agencies	Grampians Tourism will advocate and/or partner where applicable with other state agencies (such as Culture Victoria) to grow experiences or investment in the Grampians region.
27.	Communications – Industry	Develop new messages for business owners and stakeholders to reduce the fragmentation of marketing spend.
28.	Advocacy	<p>Increase awareness and understanding of the value of the visitor economy within the region:</p> <ul style="list-style-type: none"> Promote the value of tourism and Grampians Tourism's achievements within the region. Promote the perspectives of the tourism industry to all key stakeholders and the media when advocating for policy and / or attitudinal changes in relation to key issues. <p>Strengthen relationships with the region's media outlets.</p>
29.	Halls Gap Hub	Manage as per the agreed contract with Northern Grampians Shire Council.

Objective 6- Crisis Management

Increase the region's capacity to prepare for, respond to and recover from natural and other disasters.

	KEY FOCUS	STRATEGIES
30.	Crisis Preparation, Response and Recovery Planning	Maintain and implement an up-to-date Crisis Preparation, Response and Recovery Plan that is integrated with the activities of emergency services, councils and other tourism-related organisations.
31.	Crisis Management	<p>During crisis events, Grampians Tourism will:</p> <ul style="list-style-type: none"> Relay emergency service information to business owners Respond to media enquiries regarding the crisis and the tourism industry.

Objective 7 - Research and Evaluation

Conduct research programs to monitor changes in visitor markets, levels of tourism activity and the effectiveness of all Grampians Tourism initiatives.

	KEY FOCUS	STRATEGIES
32.	Monitor Tourism Activity	Collect, interpret and distribute NVS and IVS statistics on behalf of the region.

33.	Share Local Government Performance Metrics	Maintain key performance metrics (economic impact and employment data) as stated in the four-year MOU with councils.
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IMPLEMENTATION

This strategic plan outlines Grampians Tourism's key directions for the development of tourism in the region over the next four years. It will be reviewed annually.

A business and marketing plan containing actions that outline how each strategy will be implemented will be developed annually.

For Further Information

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