



TOURISM VICTORIA 2011-12
Annual Report





TOURISM VICTORIA

11 September 2012

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 2011-12

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 2012.

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 2011–12*.

Working in partnership with industry and other areas of government, Tourism Victoria's marketing, research, policy, strategy, investment and aviation divisions provide a strong platform to help ensure continued tourism growth and success.

Tourism remains a significant economic driver for Victoria worth \$15.9 billion a year – 5 per cent of the State's Gross State Product. The tourism industry provides jobs for 204,000 Victorians and contributes 7.1 per cent of employment in tourism and other industries.¹

Tourism Victoria has achieved another year of record results in 2011–12. Victoria's tourism industry has continued to perform positively despite challenges such as a strong Australian dollar and the continued growth in the number of Australians travelling overseas.

In the past year, spending by international overnight visitors to Victoria reached a record \$4.3 billion, an increase of 9.4 per cent year-on-year, well above the national average growth of 3.7 per cent.

The current *10 Year Tourism and Events Industry Strategy*, forecasts that 70 per cent of tourism expenditure growth to 2016 will come from international markets, especially China and India.

The Tourism Forecasting Committee predicts the growth in China's share of total international visitors will see it become the largest inbound market to Australia in 2018 up from third place in 2009.

This has already happened in Victoria. China overtook New Zealand to become the number one market for international overnight visitors to Victoria for the year ending December 2011.

To help Victoria's tourism industry capitalise on this growth, the Victorian Government launched *Victoria's China Tourism Strategy* in May 2012. The strategy focuses on market positioning, airline connections, investment, improving the Chinese visitor experience and building on Victoria's strong education, migration and business links with China.

In February 2012, the Minister for Tourism and Major Events, Louise Asher led senior management of 14 Victorian tourism operators, regions, touring routes and events on Australia's largest-ever Super Trade Mission to India.

A priority area for Tourism Victoria is investment attraction. In the past year, we have helped facilitate more than \$204 million in tourism investment. Investment is vital to the continued development of Victoria's tourism infrastructure and in our industry's ongoing growth and global competitiveness.

Eight out of Victoria's ten tourism regions now have a Regional Tourism Board as one of the initiatives identified in the *Regional Tourism Action Plan 2009–12*. The Boards are important to help ensure Victoria's regions have consolidated tourism structures that are better equipped to support regional strategies for growth.

My sincere thanks go to my fellow board members for their invaluable leadership and expertise during 2011–12. I acknowledge the commitment and professionalism of our new Chief Executive, Leigh Harry who commenced in October 2011, and the dedication of our talented leadership team and staff who work hard to ensure Tourism Victoria remains responsive to the needs of the Victorian tourism industry.

To the Minister for Tourism and Major Events, Louise Asher, our thanks and appreciation for her strong and continued support.

And, of course, to our industry, the tourism bodies, operators and dedicated workforce for their continued enthusiasm and resilience.

Tourism Victoria is committed to continuing its partnership with industry to overcome 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 stronger partnerships, skill improvement and a diversified portfolio of markets, we will continue to grow the Victorian tourism industry together.

A handwritten signature in dark ink, reading 'Janine Kirk AM'. The signature is fluid and cursive, with the first name 'Janine' being the most prominent.

Dr Janine Kirk AM
Chairman

¹ *Tourism Research Australia – Revised Methodology, 2009–10; the direct and indirect impacts of the tourism sector*

CHIEF EXECUTIVE'S REPORT



Tourism Victoria is committed to creating opportunities for jobs, exports and regional development in the tourism and travel industries. This report details our achievements in 2011–12 through key business plan priorities that are designed to help us meet this commitment.

I commenced as Chief Executive of Tourism Victoria in October 2011 at a time when the challenging financial climate and a strong Australian dollar combined with the changing travel habits of Australians continued to have a major impact on tourism, in particular on the domestic market.

In response, Tourism Victoria has been actively working across Government and industry to ensure we align our strategies to meet the new opportunities and challenges of today's tourism industry.

Despite the increase in Australian outbound travel tourism, both Melbourne and regional Victoria showed positive growth for the year ending December 2011.

National Visitor Survey results showed Victoria experienced an increase in domestic overnight expenditure of 4.3 per cent to reach \$8.99 billion, which was influenced by similarly promising growth in regional Victoria with an increase of 6.5 per cent to \$4.22 billion. At the same time, domestic overnight visitors to Victoria increased by 7.2 per cent to reach 16.9 million, which is particularly significant when compared to the national average of 3.5 per cent growth.

It is worth noting that despite growing domestic competition, Victoria's interstate overnight visitation increased by 6.2 per cent year-on-year to 5.6 million, with Melbourne recording visitor growth of 7.3 per cent to 4.3 million.

In part, Melbourne's success can be attributed to *Play Melbourne*, the latest phase of the award-winning Jigsaw campaign. The campaign followed research that showed interstate consumers loved the city but felt they knew it too well. *Play Melbourne* centres on the idea that there is always something new to discover, which has resonated with consumers not only through visitation results but also the campaign's online elements, including over one million hits on YouTube.

Major sporting and cultural events remain a key drawcard in both Melbourne and regional Victoria. Melbourne Museum's *Tutankhamun and the Golden Age of the Pharaohs* became Australia's most successful touring exhibition attracting more than 800,000 visitors while the Australian Open Tennis Championships and Formula 1 Australian Grand Prix also achieved attendance growth. In regional Victoria, a highlight was Bendigo Art Gallery's latest exhibition, *Grace Kelly: Style Icon*, which attracted more than 152,000 people in its three-month run.

Another priority for Tourism Victoria is attracting more air services to Victoria. In 2011–12, we have successfully attracted more international flights to Melbourne, through airlines such as Royal Brunei Airlines, China Southern Airlines, Garuda Indonesia, Jetstar and Air China. In 2011–12, Melbourne Airport attracted more than 28 million passengers. International passenger numbers growth continued strongly with an eight per cent increase when compared to the previous year with the total number of international passengers reaching 6.7 million.

Tourism Victoria continues to actively work with industry and other Government departments and agencies to ensure that tourism issues are appropriately considered in Government policy and regulatory activities. Tourism Victoria contributes

to the Department of Business and Innovation's business objectives around marketing, investment and trade.

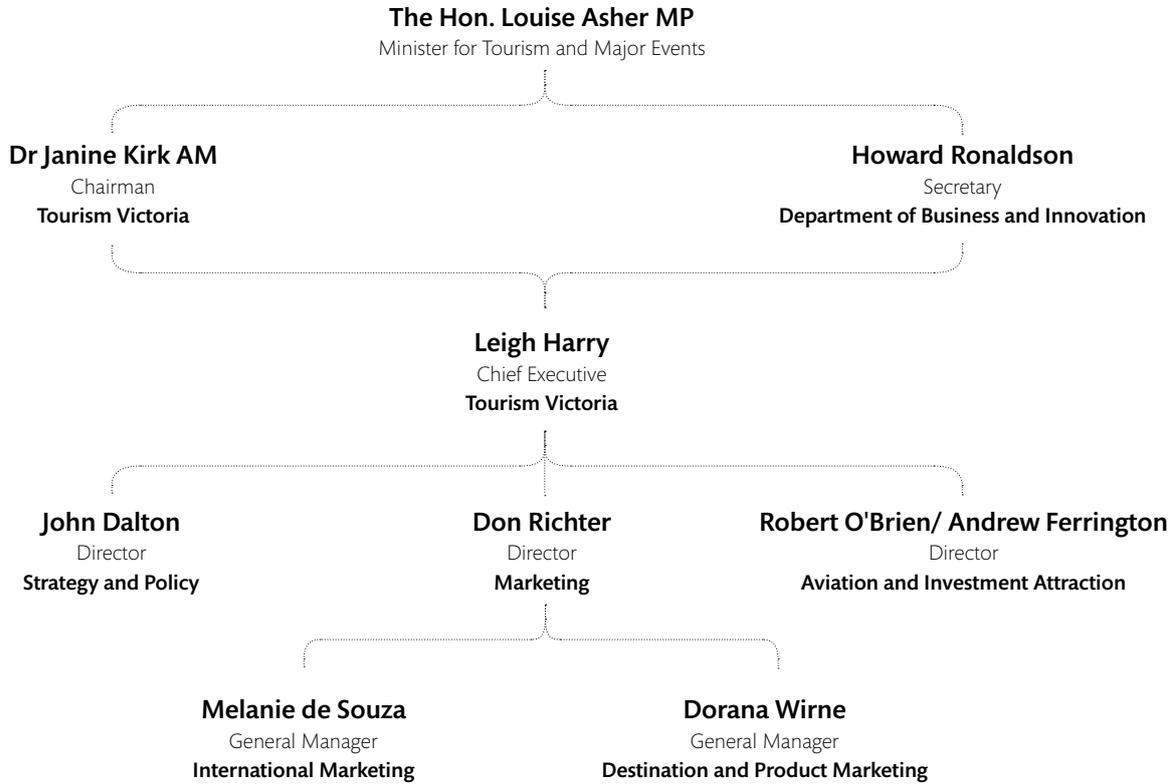
In February 2012, Tourism Victoria played a lead role in coordinating Australia's largest-ever Super Trade Mission to India. We also played an important advisory role in developing the Victorian Government's response to the Victorian Competition and Efficiency Commission inquiry into the tourism industry, *Unlocking Victorian Tourism*.

I would like to take this opportunity to thank management and staff for their ongoing commitment and dedication to Victoria's vibrant tourism industry. I would also like to thank our partners across industry and local governments for their ongoing support in helping to position our industry for further growth and success in the future.

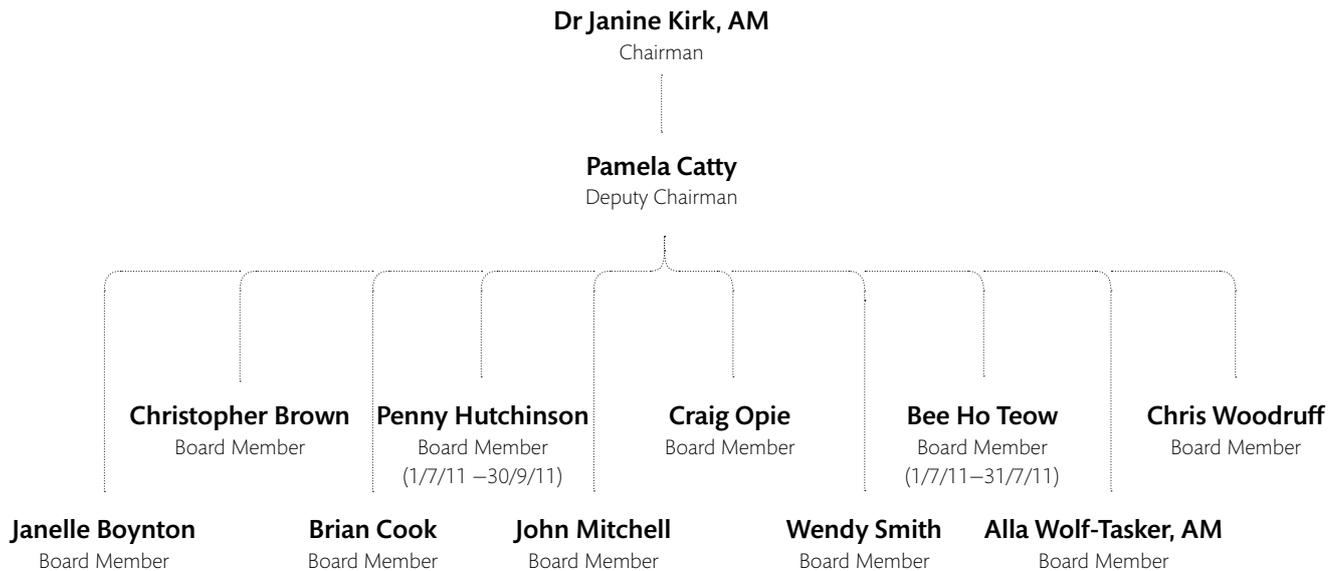
A handwritten signature in black ink, appearing to read 'Leigh Harry', written over a horizontal line.

Leigh Harry
Chief Executive

OUR STRUCTURE



TOURISM VICTORIA BOARD



TOURISM VICTORIA RISK AND AUDIT COMMITTEE

The Risk and Audit Committee assists the Board of Tourism Victoria in fulfilling its oversight responsibilities. Comprising four non-executive directors, the Committee maintains effective working relationships with the Board, management and the internal and external auditors. The Committee is responsible for ensuring good corporate governance, effective risk management, legal compliance and the strategic direction of Tourism Victoria.

The Risk and Audit Committee members during 2011-12 comprised:

Pamela Catty (Chairman)

Brian Cook

Penny Hutchinson

John Mitchell

Wendy Smith

Alla Wolf-Tasker, AM

Chris Woodruff

OUTPUT TARGETS AND PERFORMANCE*

Performance indicator	Unit of Measure	2011-12 Target	2011-12 Result
Investment projects facilitated	\$ million	200-250	204.4
Number of domestic overnight visitors	number (million)	15.9-16.2	17.8
Number of visitors (international)	number (million)	1.6-1.8	1.77
Visitor expenditure (domestic)	\$ billion	12.1-13.1	14.3
Visitor expenditure (international)	\$ billion	3.8-4.4	4.3
Visitor expenditure – regional Victoria (domestic)	\$ billion	5.9-6.5	7.1
Visitor expenditure – regional Victoria (international)	\$ million	290-330	355
Visitvictoria.com annual visits to site	number (000)	7000	5,940
Value of media coverage generated: domestic	\$ million	20-30	24.5
Value of media coverage generated: international	\$ million	40-50	66.1
Victoria's share of domestic tourism advertising awareness among target markets: intrastate	per cent	16-21	16
Victoria's share of domestic tourism advertising awareness among target markets: interstate	per cent	25-30	27.7

* Visitation and advertising awareness results are for the year ending March 2012

VICTORIA'S TOURISM PERFORMANCE

The competitive landscape

Travellers to and within Victoria spent a total of \$17.3 billion for the year ending December 2011 (including domestic daytrip and overnight expenditure and international overnight expenditure) and this equates to 22.2 per cent of tourism expenditure in Australia. Victoria experienced an increase of 7.3 per cent year-on-year, higher than the national average (+3.1%).

For the year ending December 2011, Victoria achieved domestic overnight expenditure growth of 4.3 per cent to \$8.99 billion, which was well ahead of the national rate of growth of 1.6 per cent. International overnight expenditure was the highest on record, outperforming the national average year-on-year growth rate and growth for key competitors.

Growth in international visitors to Victoria has been influenced by China and other emerging markets. In 2011, China overtook New Zealand to become the number one international market for Victoria in terms of visitors and expenditure.

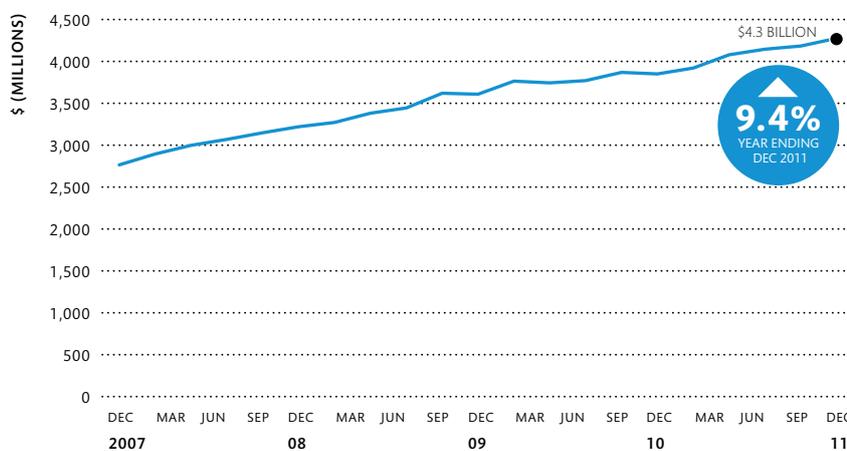
This growth occurred in the context of a strong Australian dollar and continued economic uncertainty in the USA, UK and Europe.

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. Australians took more than 7.8 million short-term overseas trips for the year ending December 2011. However, over the same period the number of international arrivals remained steady for Australia at 5.9 million short-term arrivals² and Victoria's growth in international visitor expenditure grew by 9.4 per cent to \$4.3 billion.

For the year ending December 2011, Victoria again recorded its highest number of total international overnight visitors – up 6.7 per cent to 1.76 million, driven by strong growth in both Melbourne and regional Victoria. Growth for Victoria outperformed

INTERNATIONAL OVERNIGHT EXPENDITURE IN VICTORIA

YEAR ENDING DECEMBER 2011



Source: *International Visitor Survey*, Year ending December 2011, Tourism Research Australia, Canberra.

the national average (down by less than 0.1 per cent) and key competitors New South Wales (down 2.9 per cent to 2.76 million) and Queensland (down 7.4 per cent to 1.90 million).

Melbourne

For the year ending December 2011, Melbourne achieved its highest recorded number of international visitors, visitor nights and expenditure. International overnight visitation increased 6.7 per cent over the previous year, to 1.65 million, and the number of nights spent in Melbourne grew 5.8 per cent to 37.7 million nights, while international expenditure in Melbourne increased by 8.8 per cent to \$4.0 billion.

Regional Victoria

International overnight visitor numbers to regional Victoria increased year-on-year by 5.7 per cent to 342,200 for the year ending December 2011. Expenditure by international visitors in regional Victoria increased by 17.0 per cent year-on-year to \$337 million. The national regional average declined by 2.9 per cent, while it was down by 8.8 per cent in regional New South Wales and 7.4 per cent in regional Queensland.

Performance of key international markets

International overnight visitors from China outpaced those from New Zealand and became the largest market for Victoria in the year ending December 2011. There were 265,300 Chinese overnight visitors to Victoria, up 28.8 per cent. New Zealand visitation rose by 6.2 per cent.

Other markets that experienced strong year-on-year growth in visitation in 2011 to Victoria included Korea (up 37.5 per cent to 43,100), Singapore (up 17.0 per cent to 91,500), Indonesia (up 15.6 per cent to 44,000), Taiwan (up 14.3 per cent to 29,300) and India (up 6.1 per cent to 61,800).

China has the highest expenditure of all inbound visitors to Victoria at \$816 million in 2011, up 19.1 per cent year-on-year. Chinese visitors spent more in Victoria than the combined expenditure of the top three Western Hemisphere markets New Zealand (\$313 million), UK (\$287 million) and the USA (\$194 million). Singapore (\$331 million) and Malaysia (\$328 million) have overtaken New Zealand to become the next largest spend markets for international visitors in Victoria.

² Overseas Arrivals and Departures data, Australian Bureau of Statistics, year ending December 2011

Domestic (Australian) visitor figures Statewide

Over recent years, the rapid increase in outbound travel by Australians has had a major impact on domestic (interstate and intrastate) travel. However, there were promising signs of recovery in visitation to and within Victoria during 2011.

Victoria recorded an increase in domestic overnight visitors – up 7.2 per cent to 16.9 million and expenditure – up 4.3 per cent to \$9.0 billion in 2011. There was also an increase in the number of nights domestic visitors spent in Victoria, of 4.0 per cent to 51.4 million nights. Year-on-year growth was experienced for both interstate overnight visitors (up 6.2 per cent) and intrastate overnight visitors (up 7.7 per cent) to Victoria.

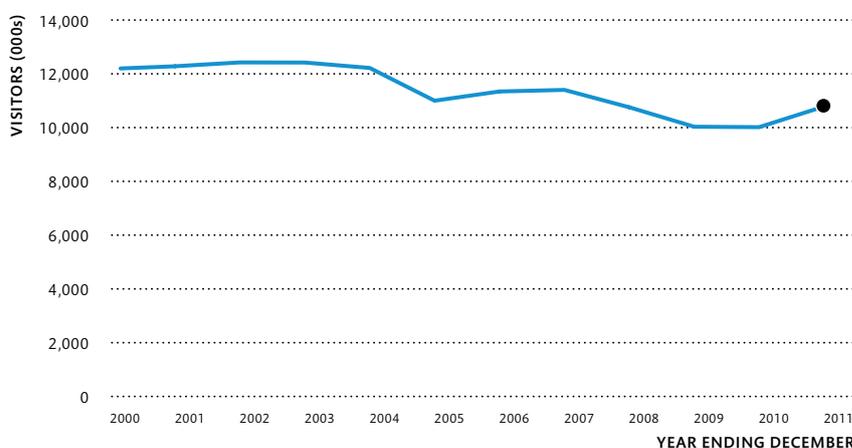
Melbourne

Domestic overnight visitation to Melbourne increased by 5.7 per cent year-on-year to reach 6.6 million visitors, with domestic overnight visitor expenditure increasing 2.4 per cent to \$4.8 billion in 2011. This is well above the average growth of 1.9 per cent in domestic overnight visitation to capital cities and the Gold Coast. Expenditure by these visitors to these locations declined 0.2 per cent.

Results from the 2011 Roy Morgan Research Holiday Tracking Survey show that Melbourne is Australia's most preferred destination for a domestic holiday in the next two years. The survey revealed 20.9 per cent of respondents wanted to holiday in Melbourne – higher than the Gold Coast (17.5 per cent) and Sydney (12.9 per cent). Among the interstate market, preference for Melbourne was even higher at 23.4 per cent compared to the Gold Coast (15.9 per cent) and Sydney (14.7 per cent).³

DOMESTIC OVERNIGHT VISITORS TO REGIONAL VICTORIA

YEAR ENDING DECEMBER 2011



Source: National Visitors Survey, December 2011, Tourism Research Australia, Canberra. Released March 2012.

Melbourne continues to attract more interstate overnight visitors than other capital cities. Melbourne attracted 4.3 million interstate visitors in 2011 (up 7.3 per cent year-on-year), compared to 3.7 million in Sydney (up 5.8 per cent year-on-year). Melbourne has attracted a higher number of interstate overnight visitors than Sydney each year since December 2005.

Regional Victoria

During 2011, domestic overnight visitor expenditure increased by 6.5 per cent to \$4.2 billion, outperforming growth in regional Queensland (up 5.4 per cent), regional New South Wales (up 3.0 per cent) and the national regional average (up 3.2 per cent).

Domestic overnight visitor numbers to regional Victoria increased by 7.9 per cent to 10.8 million visitors for the year ending December 2011. Growth came from both the intrastate and interstate markets, which increased by 8.9 per cent and 3.2 per cent respectively.

Total visitor nights in regional Victoria also increased 5.6 per cent to just under 33 million nights, driven by the intrastate market (up 9.7 per cent),

Daytrips to regional Victoria also increased 5.0 per cent year-on-year to 25.5 million for the year ending December 2011 to reach their highest level since year ending September 2001.

³ Holiday Tracking Survey, Roy Morgan Research, year ending December 2011

* Unless otherwise stated all data comes from the following sources:

International Visitor Survey, for year ending December 2011, Tourism Research Australia, Canberra, released in March 2012.

National Visitor Survey, for year ending December 2011, Tourism Research Australia, Canberra, released in March 2012.

Attracting high yield international visitors

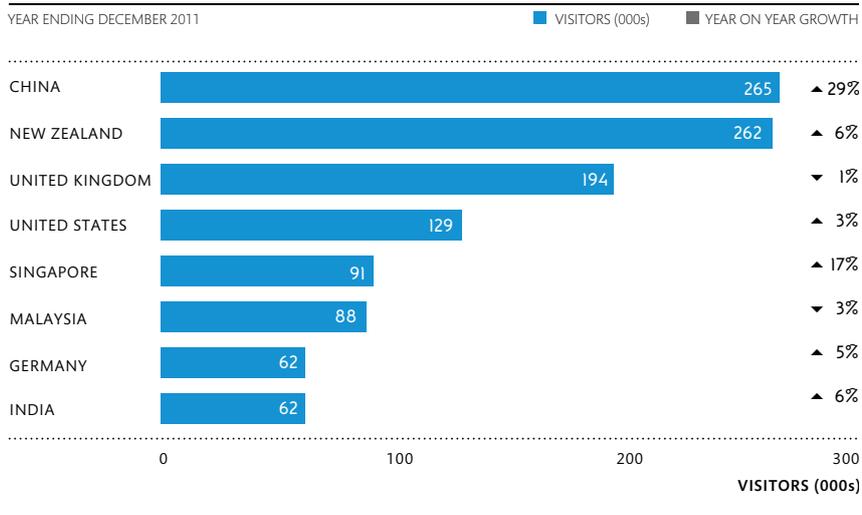
Working closely with Tourism Australia, airlines, key travel industry partners and the Victorian tourism industry, Tourism Victoria continues to pursue a balanced portfolio of international markets.

In 2011–12, Tourism Victoria’s international public relations activity generated approximately \$66 million of media exposure exceeding the target of \$40 million.⁴ Major international exposure was achieved through strategic media partnerships with the United Kingdom’s popular morning television show *Daybreak*, the *Discover Your Australia* online drama series in China, TVB Hong Kong and an Australian Open campaign in Japan.

For the year ending December 2011, 32 per cent of all international visitors to Australia stayed overnight in Victoria and spent \$4.3 billion, representing year-on-year growth of 9.4 per cent. This is a significant result that is more than double Australia’s national growth of 3.7 per cent. International visitor expenditure in regional Victoria also increased to \$337 million, representing a 7.4 per cent per annum increase over the last five years.

In January 2012, the Minister for Tourism and Major Events, Louise Asher launched the *Play Melbourne* campaign in New Zealand, the first significant campaign in this market since 2007. The multifaceted New Zealand campaign utilised a variety of media, including television, cinema, online and print. The campaign has delivered strong activation results and has achieved over 85,000 page views to the dedicated website.

INTERNATIONAL OVERNIGHT VISITORS



Source: International Visitor Survey, December 2011, Tourism Research Australia, Canberra. Released March 2012.

In February 2012, the Minister for Tourism and Major Events, Louise Asher led Australia’s largest-ever super trade missions to the Middle East and India. In India, more than 14 Victorian tourism businesses took part in a range of activities aimed at engaging with trade, corporate and media partners in Delhi and Mumbai. The Premier, Ted Baillieu also announced a new trade and consumer digital campaign will be launched in India in 2012–13. During the Middle East mission two new tourism marketing initiatives were launched for the United Arab Emirates and other Gulf countries.

Following the successful exposure of Victoria through the Korean television show *Survival I’m a Singer*, the Victorian tourism industry was well represented at the 2012 World Expo in Yeosu. Consumer

and trade campaign activities during Victoria Week at Yeosu saw the launch of the new Korean language website, which will generate further significant exposure for the state.

In June 2012, a cooperative campaign in Germany with Singapore Airlines and Tourism Australia spread rich content online in conjunction with a special Singapore Airlines airfare. Content featured on Germany’s major news portal www.t-online.de and the Singapore Airlines website, with links for consumers to book Victorian tourism experiences.

⁴ Millward Brown Precis

China overtook New Zealand to become the number one market for international overnight visitors to Victoria in 2011.

China

The Premier, Ted Baillieu launched *Victoria's China Tourism Strategy* in May 2012. The strategy has five priorities to increase tourism visitation and yield from China to 2020. It targets all visitor segments, including holiday makers, students, business travellers and those visiting friends and relatives. The strategy outlines initiatives relating to market positioning, airline connections, investment, improving the Chinese visitor experience and building on Victoria's strong education, migration and business links with China.

An integrated marketing campaign with Tennis Australia and Tourism Australia was also launched as part of the 2012 Australian Open Tennis Championships to help position Melbourne as the events capital of Australia. The campaign included an innovative online marketing promotion and was supported by six Official Licensed Australian Open tour operators.

Tourism Victoria continued its major integrated trade and online consumer marketing campaign – the *Victoria Award/ I Love Melbourne* campaign. Following its success in 2010–11, a dedicated microsite about Melbourne holiday experiences called the *Melbourne Online Specialist Store* was developed and incorporated into the campaign through Tourism Victoria's strategic partnerships with 12 travel agents.

In July 2011, Tourism Victoria appointed Ogilvy & Mather Shanghai as its marketing services agency to develop an integrated marketing campaign to promote Melbourne to the Chinese market. The Victorian Government will launch the campaign in late 2012, which will be underpinned by a new Chinese website integrating key social media platforms developed by Tourism Victoria.

India

Tourism Victoria identified the India market as a strong growth market in line with forecast yield and average annual growth of visitors to 2020, current visitor volumes and dispersal into Victoria. Overnight visitors from India spent \$305 million in Victoria, an increase of 13.8 per cent year-on-year for the year ending December 2011. During the same time period, the Visiting Friends and Relatives segment continued to account for the largest volume of Indian visitors to Victoria, up 11.5 per cent to 22,000.

In 2011–12, Tourism Victoria launched its first digital consumer campaign in India. The *Dream Vacation* campaign asked consumers to combine short video vignettes of their favourite Melbourne and Victoria experiences and create their 'dream vacation'. The Facebook-based campaign increased the number of fans from 650 to more than 7,000.

As part of the Australia – India 2011–2012 Test cricket series, a number of Indian journalists travelled to Victoria to cover the Boxing Day Test. Media outlets included CNN, the *Telegraph*, and the *Hindustan Times*. Other coverage included radio and online promotions, and a competition with Qantas.

South East Asia

In partnership with Singapore Airlines, Tourism Queensland, Tourism New South Wales, Tourism Western Australia and 15 Aussie Specialist Agents, Tourism Victoria launched the new *Australia Family Playtime* campaign in the Singapore market in September 2011. The campaign focused on family holiday activities, including adventure, wildlife and the outdoors. Tourism Victoria also ran a campaign in Singapore to promote the musical *Love Never Dies* in October. The campaign incorporated joint promotions with Qantas Holidays and zuji.com.

For the year ending December 2011, Victoria attracted Australia's largest share of Indonesian travellers expenditure with over 40 per cent growth. Indonesia is one of Victoria's emerging international markets, and Tourism Victoria has appointed a media relations company to accelerate destination awareness via targeted media channels. Victoria is the first Australian tourism entity to appoint a dedicated Indonesia based resource.

Increasing the domestic market

Play Melbourne

The latest phase of Tourism Victoria's Jigsaw campaign, *Play Melbourne* has achieved strong results since it was launched in June 2011. The campaign reinforces Melbourne's reputation as a city of endless possibilities, focusing on the idea that if you are curious enough to take a chance, you're bound to discover one of the city's many treasures.

The campaign aims to convert preference to travel to Melbourne into actual visitation, to deepen consumer appreciation of Melbourne's creative sub-culture and reinforce its reputation as Australia's most culturally diverse city.

Both campaign and visitation results show that this theme has resonated with interstate markets. Domestic overnight visitation to Melbourne increased by 5.7 per cent to reach 6.6 million in the year ending December 2011. During the same time period, domestic overnight visitor expenditure also increased by 2.4 per cent to \$4.8 billion, which is ahead of the national growth rate of 1.6 per cent.

The *Play Melbourne* video reached one million views on YouTube, 540,000 visits to its dedicated website, 19,000 Facebook fans and 15,000 iPhone app downloads.

Regional Marketing Program

In 2011–12, \$2 million was provided as part of the 2009–12 *Regional Marketing Program* to Regional Tourism Boards to support marketing initiatives and encourage industry participation. Tourism Victoria also worked with Regional Tourism Boards throughout the year to develop and implement cooperative marketing campaigns, largely focused on driving visitation from the Melbourne market.

Daylesford, Lead a Double Life

Following its 2009 launch, the *Daylesford Lead a Double Life* campaign has helped maintain Victoria's leadership position in the spa and wellbeing tourism segment. As part of the campaign, Tourism Victoria worked in partnership with the Daylesford and Macedon Ranges Regional Tourism Board to engage key target markets.

In 2011–12, an integrated placement of magazine editorial and advertising content was featured in *MarieClaire*, *InStyle*, *Belle*, *Wish* and *Good Weekend Sydney Magazine*. The integrated campaign also included an online promotion with *Gourmet Traveller*, public relations activity, competitions and targeted database activity through the professional networking organisation, *Business Chicks* in Sydney.

Daylesford was also featured on popular television shows with a dedicated *MasterChef* episode and coverage on *The Block* in May 2012, which provided highly visible exposure and generated positive discussion about the region through social media channels.

In 2011, Tourism Victoria's Brand Health survey found Victoria continues to lead as a State with a reputation for offering spa and wellbeing experiences. In addition, the Daylesford and Macedon Ranges region experienced 3.6 per cent year-on-year growth with 404,000 overnight domestic visitors for the year ending December 2011.

As part of Tourism Victoria's continued focus on the spa and wellbeing market, the Minister for Tourism and Major Events, Louise Asher launched the *Spa and Wellbeing Action Plan 2011–2015* and *Victoria's Geothermal and Natural Mineral Water Tourism Investment Opportunities* in November 2011.

Villages of Victoria Program

In November 2011, the Minister for Tourism and Major Events, Louise Asher announced the second year of the *Villages of Victoria* cooperative marketing program, which was expanded to allow all towns and destinations to participate.

The cooperative program consisted of two key elements: an integrated tactical campaign with radio, print and an online partnership across Yahoo7/Total Travel; and a RACV partnership with activity across racv.com/travel, the *Royal Auto* website and *Royal Auto* magazine.

During the year, Tourism Victoria continued working in partnership with Regional Tourism Boards to implement the campaign in partner publications, including features on the attractions and destinations of campaign regions, Gippsland, Victoria's High Country, Daylesford and Macedon Ranges, Phillip Island and The Murray in 2011–12.

The *Play Melbourne* campaign achieved one million video views on YouTube, 540,000 website visits, 19,000 Facebook fans and 15,000 iPhone app downloads.

Tourism Victoria also worked with television programs to secure dedicated content highlighting Victoria's villages. This included a refreshed sponsorship of the *Postcards* series and Channel Seven's *No Leave, No Life*.

In addition, campaign videos have been completed for all 10 Victorian tourism regions. Campaign videos are promoted online via visitvictoria.com, Tourism Victoria's YouTube Channel and as part of an intrastate marketing campaign.

Agency Appointments

In October 2011, Tourism Victoria appointed Clemenger BBDO as Lead Agency and OBM Advertising as Boutique Communications Agency following an extensive tender process.

As Lead Agency, Clemenger BBDO will work with Tourism Victoria to continue its Jigsaw campaign in the domestic market. OBM Advertising will support Tourism Victoria, the Regional Tourism Boards, and campaign committees with marketing and communications services as required.

Recovery Management

Tourism Victoria was allocated \$1.5 million to support the long term flood recovery of affected regions as part of the 2011-12 Victorian State Budget.

Funding supported the recovery of the Gippsland, Grampians and the Murray regions, and included marketing and public relations, events promotion and industry development initiatives.

Tourism Victoria also continued to work with Yarra Ranges Regional Marketing Limited and the Marysville Advisory Group to deliver the \$1.7 million bushfire recovery package for Marysville and its surrounds.

As part of the program, Tourism Victoria worked with Yarra Ranges Regional Marketing Limited to coordinate photo shoots (Lake Mountain and Marysville), a video (cycling, Lake Mountain) and marketing collateral, including PR activity focused on generating 'Open for Business' messages.

Branded Assets

In conjunction with Destination Gippsland, Tourism Victoria released a new branded video to support the region's *Inspired by Gippsland* campaign. The video was shown during the Moonlight Cinema season in Melbourne, on visitvictoria.com and YouTube. A second promotional video was produced for Gippsland featuring three ambassadors who demonstrated how they have been inspired by their visit to Gippsland. The videos are featured on visitvictoria.com, YouTube and through social media.

Tourism Victoria produced a series of three vignettes for the Great Ocean Road to promote the region's nature based and wildlife experiences. The videos have been promoted on Australia Geographic's website, visitvictoria.com, YouTube and have also been showcased during the major industry conference, Australian Tourism Exchange, and used by Tourism Australia for its marketing activity.

Attracting and leveraging events

Major Events

In 2011–12, Tourism Victoria continued to work closely with Government departments, event promoters and organisers, and the Victorian Major Events Company to promote, attract and leverage the tourism and business benefits of major events.

Victoria has an enviable events calendar, including established sporting events, arts exhibitions and theatre shows. Sporting events such as the Australian Open Tennis Championships, 2011 Presidents Cup, RipCurl Pro Bells Beach 2012, the Melbourne Cup, the 2012 Formula 1 Australian Grand Prix and the Boxing Day Test continue to be major attractions for interstate and international visitors.

The 2011 Presidents Cup was held from 15–20 November 2011 at the Royal Melbourne Golf Club, which is the only destination outside the US to successfully host the event more than once. All net proceeds from the event are directed by the PGA TOUR to the charities nominated by the players, captains and team members. The 2011 Presidents Cup raised more than US\$4.5 million for over 75 charities worldwide, which represents a record charitable contribution since the event's inception in 1994.

Tourism Victoria partnered with the PGA TOUR to implement a marketing campaign to drive visitation from key international and interstate markets. Through this marketing and the event broadcast, branding opportunities were maximised to position Melbourne in key international markets. The broadcast of the 2011 Presidents Cup reached 700 million homes and the Brand Victoria television commercial aired over 130 times during the New Zealand, India, Singapore, Malaysia, South Korea, Japan and the Asia-Pacific region broadcasts. Over six days, the event also attracted more than 105,000 in attendance.

In regional Victoria, the Davis Cup between Australia and China P.R. and Australia's first-ever world ranking snooker event, the Australian Goldfields Open were key highlights of 2011–12. Hosted by the Geelong Lawn Tennis Club, the Davis Cup attracted sell-out attendance over three days, including media representation from Xinhua News Agency and the International Tennis Federation. The Australian Goldfields Open held in Bendigo attracted global media exposure from key tourism markets in the UK and China.

Our arts and cultural events calendar also achieved record attendances, particularly two major exhibitions in Melbourne and regional Victoria.

As part of the successful *Melbourne Winter Masterpieces* series, *Tutankhamun and the Golden Age of the Pharaohs* held at Melbourne Museum became the most successful touring exhibition in Australian history with almost 800,000 visitors. Tourism Victoria, in partnership with the exhibition producers IMG, implemented a marketing campaign to drive visitation from key interstate and international markets. The campaign resulted in more than 41 per cent of attendees coming from outside Victoria.

Following on from the success of last year's *Bendigo International Collections – The White Wedding Dress: 200 Years of Wedding Fashion*, Bendigo Art Gallery's latest exhibition, *Grace Kelly: Style Icon*, broke previous attendance records to attract more than 152,000 people, including 17,000 interstate and 560 overseas visitors during its three-month run. Tourism Victoria undertook a cooperative marketing campaign with the City of Bendigo to encourage interstate visitation to the exhibition and region.

Key regional events supported by Tourism Victoria's Events Program included Warrnambool's Fun4Kids Festival, Mildura Arts Festival and the inaugural High Country Harvest Festival, and the Reap and Relish food and wine event in the Yarra Valley.

Tutankhamun and the Golden Age of the Pharaohs became the most successful touring exhibition in Australian history with almost 800,000 visitors.

Business Events

The Melbourne Convention and Exhibition Centre (MCEC) continues to attract business events that bring new visitors to Victoria. Victoria achieved 27.8 per cent growth in international business events visitors for the year ending December 2011. This is also a significant result when compared to the national average of 5.6 per cent growth. Tourism Victoria manages an events attraction program which is delivered through MCEC and the Melbourne Convention and Visitors Centre (MCVB).

As at 30 June 2012, this partnership has resulted in 131 business events which are set to attract an estimated 216,000 delegates to MCEC. In 2011-12, international conferences held at MCEC included:

- International Botanical Congress, (July 2011) which hosted 2300 delegates
- World Congress of Paediatric Infectious Diseases, (November 2011), which hosted 1,790 delegates
- International Society for Magnetic Resonance in Medicine Annual Meeting (May 2012), which hosted an estimated 3500 delegates

Tourism Victoria engaged Business Events Victoria to implement the Regional Business Events Program to deliver more business events and more delegates to regional Victoria. Business Events Victoria do this by referring new sales leads to regional operators, participating in trade shows, developing an enhanced on-line presence and updating the planners guide.

In 2011-12, two regional highlights included hosting the 2012 Exhibition and Event Association of Australasia Leaders Forum in the Yarra Valley and securing the National Association of Prospective Student Advisors Conference on the Great Ocean Road in November 2012. The leaders forum attracted \$19,000 in revenue from 40 delegates over two days at the Balgownie Estate Resort and Spa in April 2012.

Air services attraction

Victoria's air services play a key role in growing the State's economic development, particularly in the tourism industry.

The Victorian Government continues to work actively with its major airport, Melbourne Airport, to improve air connections with Victoria's tourism, education, business and trade markets.

As Australia's second biggest airport, Melbourne Airport's competitive strengths include 24 hour, curfew-free facilities, single international and domestic terminal layout and passenger charges that are lower than other major airports.

In 2011-12 Melbourne Airport's total passenger numbers reached more than 28.2 million including 21.46 million domestic passengers. Significantly, over 6.78 million passengers were international, which is an eight per cent increase on the previous year, compared to growth of 3.67 per cent in Sydney and 4.6 per cent in Brisbane.

Avalon Airport's total passenger numbers for 2011-12 reached 568,960.

In 2011-12, weekly international air services totalled 334, which is up on last year's figure of 320 weekly international air services.

Twenty-five international airlines now service Melbourne Airport, a reduction of two international airlines: Air Australia and Air Mauritius.

Victoria attracted new international air services from Royal Brunei Airlines, Garuda Indonesia and Jetstar.

Victoria succeeded in attracting the following new international air services during 2011-12:

- Royal Brunei Airlines increased its Melbourne services from four times weekly to daily (while ceasing all other Australian and New Zealand services) in March 2012
- Garuda Indonesia increased the frequency of its Melbourne-Denpasar and Melbourne-Jakarta services from four to five and three to four weekly services respectively in December 2011
- Jetstar commenced a new daily Melbourne - Beijing service via its existing Melbourne - Singapore service Qantas' new A380 aircrafts provided additional capacity between Melbourne - London up from six weekly services to daily and Melbourne - Los Angeles up from four weekly services to daily.

As part of the Victorian Government's commitment to regional aviation infrastructure, the \$20 million Regional Aviation Fund will support capital works projects at regional airports. Launched by the Minister responsible for the Aviation Industry, Gordon Rich-Phillips, funding was announced for Bendigo Airport (\$5 million), Warrnambool Airport (\$2 million) and Latrobe Regional Airport (\$1.24 million) in 2011-12.

Investment attraction

Attracting new investment is vital in strengthening Victoria's position as a leading tourism destination. In the past year, we have helped facilitate \$204.4 million in investment which will support the development of Victoria's tourism infrastructure.

In May 2012, a strategic partnership was formed with Tourism Australia and Austrade to promote Australian investment-ready tourism opportunities to local and international investors. Tourism Victoria has been supporting this initiative by providing Victorian tourism investment projects that require investment partners.

Tourism Victoria continued its work with the Emerald Tourist Railway Board to facilitate new funding for maintenance and minor infrastructure upgrades for Puffing Billy Railway. The railway attracts significant visitation to the Dandenong Ranges and Yarra Valley region and was recently ranked Victoria's third most visited regional destination in the International Visitor Survey.

Tourism Victoria assisted the Corangamite Council in advancing amendments to the planning scheme to support tourism development in key locations along the Great Ocean Road to better meet the needs of a growing international market.

New projects facilitated in 2011–2012 included a Quest serviced apartment project in Wodonga, Tune Hotel's first Australian hotel in Carlton, RACV's Torquay Resort & Golf Club, and Foster's T'Gallant extension on the Mornington Peninsula and a new development by QIC at 80 Collins Street.

Ongoing projects include the Flinders Street Station redevelopment and Geelong Cruise Ship project which has proceeded to the business case stage. In Point Nepean, the masterplan has been completed, including a boutique hotel to further benefit the local tourism industry.

Working with Regional Development Victoria, Tourism Victoria has progressed the establishment of the Marysville Conference Centre and hotel development and a steering group for a market demand study on a cable car attraction in north-east Victoria.

Tourism Victoria continues working with Regional Tourism Boards to identify opportunities for infrastructure investment as part of a gap analysis process. This is designed to identify tourism investment that best supports the ongoing growth and development of local tourism operators and businesses.

Infrastructure Development

Tourism Victoria has played an active role in supporting the Victorian Competition and Efficiency Commission (VCEC) inquiry into the tourism industry, *Unlocking Victorian Tourism*. The draft report identified a number of issues important to future investment in Victorian tourism, including planning and environmental controls, and approval processes.

Tourism Victoria provided a submission to the inquiry and met with VCEC representatives to discuss issues and relevant research, and supported discussion between VCEC, industry and key stakeholders. Tourism Victoria has also contributed to the development of the Victorian Government response with key stakeholders such as the Victorian Department of Planning and Community Development and the Department of Sustainability and Environment.

Tourism Victoria also worked with the taxi industry inquiry following the release of its draft report *Customers First: Service, Safety, Choice*. The draft report includes 145 recommendations directed at improving customer experience and industry sustainability. Tourism Victoria met with inquiry officials during the development of the draft report to provide advice on tourism industry issues and perspectives, and visitor experiences.

Investing in our workforce

Tourism Victoria continues to collaborate with industry partners to develop and deliver new strategies that will assist tourism businesses respond to changing tourism trends, crises, emerging market needs and enhancing skills development.

Regional Tourism Boards

The establishment of Regional Tourism Boards in eight out of Victoria's ten regions is an important milestone achieved in 2011-12. Each led by a full-time Chief Executive Officer, the new Regional Tourism Boards are skills based organisations responsible for the strategic vision and direction for the region. In conjunction with Tourism Victoria and local government partners, the Regional Tourism Board structure is designed to enable better coordination of activities and more effective use of resources, which will ultimately provide a stronger platform for future growth.

Tourism Excellence Program

Building on the success of previous years, both Regional Tourism Boards and regional committees have continued to embrace and expand on Tourism Excellence activities. A total of 1,319 tourism businesses attended workshops across the state, a 40 per cent increase when compared to last year. In addition, there were improved ratings among the 386 tourism businesses that were audited for customer service delivery. There are now 56 graduates from the International Mentoring Program, after nine new tourism businesses completed the program in 2011-12.

Tourism Workforce Plan

As part of the Commonwealth Government's national tourism strategy *Tourism 2020*, the Victorian Government through Tourism Victoria will support a pilot program to address tourism labour and skills shortages in the Mornington Peninsula and Phillip Island regions.

The pilot program, the *Tourism Employment Plan*, has completed its initial consultancy phase. Tourism Victoria will work with local tourism operators and small businesses, including hotels, cafés and restaurants, and travel and retail businesses, to develop a targeted strategy to identify local employment and training needs. The pilot will officially launch in late 2012.

RACV Victorian Tourism Awards

In partnership with the RACV, the Victoria Tourism Industry Council (VTIC) and industry representatives, Tourism Victoria works to recognise and reward Victoria's best tourism operators, businesses and individuals. An integrated radio, newspaper and e-marketing campaign helped secure widespread publicity for the best tourism experiences in 2011-12. The industry and consumer marketing activities resulted in strong industry interest in both mentoring and business development workshops with 140 submissions, including 48 first time entrants, a 27 per cent increase on the previous year.

Victoria celebrated the achievements of 16 place-getters at the Qantas Australian Tourism Awards held in March 2012, including three Gold winners, three Silver and ten Bronze award recipients.

The RACV Victorian Tourism Awards received 140 submissions, including 48 first time entrants, which represents a 27 per cent increase on the previous year.

Recovery Management

Tourism Victoria provided advice and support to regional tourism stakeholders and emergency services in response to a number of crisis events, including the Gippsland Lakes blue-green algae bloom and the flood events in North East Victoria and Gippsland during 2011-12.

In addition, Tourism Victoria contributed to the development of the *Don't Risk It!* kits, prepared by the National Resilience Working Group to enable both small and medium sized tourism businesses and Regional Tourism Organisations to be better prepared for risk and crises.

Following the 2009 bushfires, Tourism Victoria worked with the Department of Justice and the fire agencies to build the tourism industry's capacity to effectively deliver bushfire messages to visitors. In 2011-12, bushfire information displays were installed in accredited visitor information centres located in high-risk areas, briefings were conducted at the Regional Visitor Information Centre Network meetings and each centre received a bushfire communications manual.

Tourism Victoria also developed a kit of informative fire safety resources for businesses to display in their holiday accommodation. The kit included a supply of brochures, fridge magnets, key tags, Township Protection Plans and a Fire Danger Rating display. Bushfire safety information was also provided to concierge and car rental companies to display in their reception on high-risk days.

Accessible Tourism Workshops

In March 2012, Tourism Victoria hosted an Accessible Tourism Workshop that was attended by more than 70 people from the tourism industry and the disability sector. The aim was to improve industry knowledge, while gaining insights in order to develop a tourism operator toolkit that would help tourism destinations, products and services become more accessible to all people. The toolkit will be launched to industry in late 2012.

Tourism Victoria

Tourism Victoria is committed to investing in developing employees' skills and behaviours by learning from on-the-job experiences, workplace relationships and feedback, and formal training opportunities. By investing in employee training, we help to share knowledge and resources that benefit the industry.

In 2011-12, more than 80 training programs were undertaken by Tourism Victoria employees, including digital marketing workshops, high impact communications, and leadership coaching.

LEGISLATIVE REQUIREMENTS

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 Risk 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 2011–12 were made on the basis of merit.

Employees' Health and Safety

This year's Annual Report for the Department of Business and Innovation covers occupational health and safety matters and performance indicators concerning staff employed in the Tourism Victoria offices. See the Department's Annual Report 2011–12.

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 2011–12 in relation to legislation relating to Tourism Victoria.

Application of the Competition Test to New Legislative Proposals

No new legislation was introduced during 2011–12 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 2011–12.

Details of consultancies over \$10,000

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2011-12 (excluding GST)	Future expenditure (excluding GST)
Rosemary Grieve & Associates (RG&A)	Undertake review of the Tourism Victoria Board in accordance with the Financial Management Act 1994	Nov-11	Mar-12	\$12,785	\$12,785	Nil
Ernst & Young	Undertake study of the Economic Impact of the 2011 Formula 1 Australian Grand Prix	Mar-11	Aug-11	\$163,050	\$68,229	Nil
Bramark Consulting	Provide secretariat services and advice to the annual National Tourism Signage Reference Group Symposium.	Jun-12	Jun-12	\$13,636	\$13,636	Nil
Carine Bourcier B.B Yonder Consulting	Undertake market research as part of the ongoing Regional Business Events Program.	Mar-12	Jun-12	\$38,000	\$38,000	Nil
Aspiron Consulting Pty Ltd	Undertake research into air service opportunities for Victoria over the next ten years.	May-11	Dec-11	\$75,357	\$34,660	Nil
Pacific Aviation Consulting Pty Ltd	Specialised analysis and forecast work of air service opportunities for Victoria.	May-11	Jul-11	\$26,141	\$26,141	Nil
Ernst & Young	Undertake analysis into the long-haul tourism market in China.	Apr-11	Jun-11	\$188,680	\$38,301	Nil
Bernard Stewart	Develop and implement new Regional Tourism Board corporate governance framework.	Jul-11	Jun-12	\$20,000	\$20,000	Nil

Details of consultancies under \$10,000

In 2011–12, Tourism Victoria engaged 10 consultancies, with a total expenditure of \$35,443.

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.

Victorian Industry Participation Policy

The *Victorian Industry Participation Policy Act 2003* requires departments and public bodies to report on the implementation of the Victorian Industry Participation Policy (VIPP). Tourism Victoria commenced two contracts to which VIPP applied. The outcomes reported from the implementation of the VIPP where

information was provided, were as follows:

- an average of 98 per cent local content outcome were recorded;
- a total of three new full-time equivalent positions were created; and
- a total of nine existing jobs retained.

Summary of additional information available on request

- A statement that declarations of private interests have been duly completed by all relevant officers.
- Details of publications produced during 2011–12.

- Details on any major external review carried out during 2011–12.
- Details of any major research and development activities.
- Details of overseas visits undertaken.
- Details of major promotional, public relations and marketing activities undertaken during 2011–12.

The above 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 2012

	Ongoing Employees			Fixed Term & Casual Employees	Total Employees
	Full time (headcount)	Part time (headcount)	Total (headcount)	Total (FTE)	Total (FTE)
June 2011	86	11	97	92	103
June 2012	80	9	89	85	92

	June 2011			June 2012			June 2012 totals (FTE)
	Ongoing Employees		Fixed Term & Casual Employees	Ongoing Employees		Fixed Term & Casual Employees	
	Headcount	FTE	FTE	Headcount	FTE	FTE	
Gender							
Male	34	34	3	34	34	2	36
Female	63	58	8	55	51	5	56
Age							
Under 25	2	2	-	-	-	-	0
25-34	33	31	7	25	24	4	28
35-44	32	30	4	32	30	3	33
45-54	20	19	-	20	19	-	19
55-64	8	8	-	9	9	-	9
Over 64	2	2	-	3	3	-	3
Classification							
VPS1	-	-	-	-	-	-	0
VPS2	1	1	-	1	1	-	1
VPS3	15	14	1	14	14	-	14
VPS4	26	24	5	17	15	3	18
VPS5	29	27	4	30	28	4	32
VPS6	20	20	1	20	20	-	20
STS	1	1	-	1	1	-	1
Executives	5	5	-	6	6	-	6

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 2011–12.

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, Tourism Victoria received four 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.

The application fee per request is \$25.10.

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.

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 Leigh Harry
Chief Executive
Tourism Victoria
Level 32, 121 Exhibition Street
Melbourne VIC 3000
leigh.harry@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

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
Website: 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

FIVE YEAR COMPARISON

	2007-08 \$'000	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Total assets	20,406	31,535	28,436	30,473	24,143
Total liabilities	7,163	15,120	13,196	11,149	7,896
Net worth/Accumulated surplus	13,243	16,415	15,239	19,324	16,246
Surplus/(Deficit)	2,897	3,172	(1,176)	4,084	(3,078)
Property, plant and equipment (WDV)	499	246	193	143	176
State Government contributions	59,869	66,066	73,829	132,342	86,331
Total expenditure	60,548	68,458	81,822	133,738	94,508

Significant changes in financial position 2011-12

State government contributions decreased by \$46.0 million (34.8%) in 2011-12 to \$86.3 million. This was mainly due to the decision during the year to transfer the financial management of the Grand Prix Corporation funding from Tourism Victoria to the Department of Business and Innovation. This funding is paid directly to the Grand Prix Corporation as a grant.

Tourism Victoria had a deficit in 2011-12 of \$3.1 million which decreased net worth to \$16.2 million. The major factors for this deficit are:

- State government contributions to fund this year's grant expenditure to the Melbourne Convention Centre, for the acquisition of international business conventions, was received in a prior year.
- A decision to delay the scheduled launch of the phase 10 Melbourne marketing advertising campaign from 2010-11 increased expenditure in 2011-12.

Special projects grant funding is provided annually to Tourism Victoria to deliver specific Government initiatives, usually over two to four years. The accumulated net worth at 30 June 2012 of \$16.2 million, mainly represents income received for these special initiatives that is committed to be delivered and spent in 2012/13. Contractual commitments at 30 June 2012, due and payable in 2012/13, total \$19.5 million. The majority of these commitments relate to:

- Tourism Victoria undertaking the role of contract manager for various major and business events. This results in funds being held until contractual payments are due.
- The delivery of a new marketing campaign specifically to market Melbourne in China.

Operational and budgetary objectives of the entity for the financial year and performance against those objectives including significant activities and achievements during the year.

These are outlined in narrative and graphical form elsewhere in this report.

Summary of major changes or factors which have affected the achievement of the operational objectives for the year.

There were no major factors affecting the achievement of the operational objectives for the year.