

PHILLIP ISLAND AND SAN REMO

Visitor Economy Strategy 2035

Growing Tourism

FINAL August 2016



Acknowledgements

This Strategy has been prepared with funding from Regional Development Victoria and Bass Coast Shire Council. Bass Coast Shire Council would like to acknowledge the project Steering Committee representatives from Regional Development Victoria, Visit Victoria, Destination Phillip Island Regional Tourism Board and Phillip Island Nature Parks.

Bass Coast Shire Council acknowledges Aboriginal and Torres Strait Islanders as the first Australians and recognises that they have a unique relationship with the land and water. The team also recognises that the Strategy applies to the traditional lands of the Boon Wurrung, members of the Kulin Nation, who have lived here for thousands of years. We offer our respects to their elders past, present and emerging, and through them, all Aboriginal and Torres Strait Islander people.

All images in this document are courtesy of Bass Coast Shire Council and Destination Phillip Island Regional Tourism Board.

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A Message from the Ministers

From pristine beaches and rugged alpine mountain ranges to historic rural towns and thrilling sporting events, regional Victoria is a diverse place that offers visitors from near and far a range of unique and memorable experiences.

Phillip Island and San Remo are no different. Their distinctive mix of native wildlife, family fun, stunning beaches and hi-octane motor sports have made the area an iconic, must-see destination.

The Victorian Government recognises that the visitor economy is crucial to driving economic growth in Phillip Island and many other regional and rural areas. The visitor economy contributed \$11.5 billion to the regional Victorian economy in 2013-14 generating 114,400 jobs for Victoria.

This Government is committed to investing in the sector and working alongside Local Government and Regional Tourism Boards to plan strategically for long term growth.

Vital planning tools like *The Phillip Island and San Remo Visitor Economy Strategy 2035* help to guide the industry toward a bright future by identifying strategies that encourage private sector investment, support the sustainable management of the State's iconic natural assets, develop new visitor experiences and improve critical visitor infrastructure.

I congratulate Bass Coast Shire Council on their work to ensure that Phillip Island and San Remo remain world-class destinations capable of driving regional economic growth now, and into the future. I also wish Council and their partners all the very best as they implement this Strategy and look forward to the continued growth of the sector at Phillip Island and San Remo.



HON Jaala Pulford MP
Minister for Regional
Development



The Phillip Island and San Remo Visitor Economy Strategy 2035 will provide the region with a vital planning resource for the future growth and prosperity of the local community and the rest of the State.

Phillip Island is one of Victoria's best-known and much-loved destinations. The Island has provided generations of visitors with unforgettable experiences. Whether it's penguins, gripping motorsports action or iconic surf beaches, this region has something for everyone and the best of everything.

It's the hard work of those at the coalface who ensure the local visitor economy remains strong. It's those on the ground who give visitors the pleasant experience that sees them return.

The Victorian Government is listening to hard-working local operators, venues and tourism organisations to ensure Victoria remains a leading destination for locals and international visitors alike.

We understand the importance of encouraging private sector investment, developing new visitor experiences and improving critical infrastructure, especially in regional Victoria.

I wish all those involved in implementing this Visitor Economy Strategy, including Bass Coast Shire Council and Destination Phillip Island Regional Tourism Board all the best and encourage all Victorians to head to Phillip Island and enjoy everything the great destination offers.



HON John Eren MP
Minister for Tourism and
Events



A Message from the Mayor and Councillors

A natural oasis in a crowded world

In Bass Coast, our environment is our economy. Perhaps more than anywhere else in Victoria, this area offers total immersion in nature, from the tranquil hinterlands to magnificent swimming and surfing beaches, from glimpses of rare animals in the wild to reserves for threatened species with scenic bike rides, wild seascapes and bracing clifftop walks all within.

Whilst the whole Shire is rich in nature, Phillip Island – *Millow* in Boon Wurrung – is a gem of national significance, featuring the penguin parade, seal and koala conservation reserves, an internationally listed wetland and the Western Port Biosphere Reserve.

For 150 years, the Island has been Melbourne's summer playground, providing relief from the heat and stresses of city living. Hundreds of thousands of international visitors arrive each year to see the world-famous Little Penguins. Tens of thousands more come to experience the thrills of the MotoGP and some of the best surfing beaches in Australia.

Increasingly clear is that our current model of tourism is unsustainable. We have many visitors in summer and not enough in winter to sustain the local economy and workforce.

This Strategy works towards spreading visitation more evenly across the year, increasing visitor yield and protecting and enhancing the environment. Winning global recognition for our conservation efforts; creating a climate for investment by committing to a calendar of year-round sporting and cultural events, festivals and celebrations; linking reserves, attractions, trails and popular destinations. These are just some of the actions to be realised over the next 20 years.

We want to broaden and make memorable the visitor experience and accentuate our local story.

On behalf of Bass Coast Shire Council, I am pleased to present the Phillip Island and San Remo Visitor Economy Strategy 2035; a transformational plan that sets out a path and brings to light all the social, cultural, environmental and economic investment opportunities that will benefit the broader Shire, the Gippsland region and the State of Victoria

We are here today because of the partnership between Council and the Victorian Government with invaluable support and feedback from Phillip Island Nature Parks, Destination Phillip Island Regional Tourism Board, our local community, business and tourism industry.

Council looks forward to continuing to work with all partners and in particular with the citizens of Bass Coast to deliver this vision well.

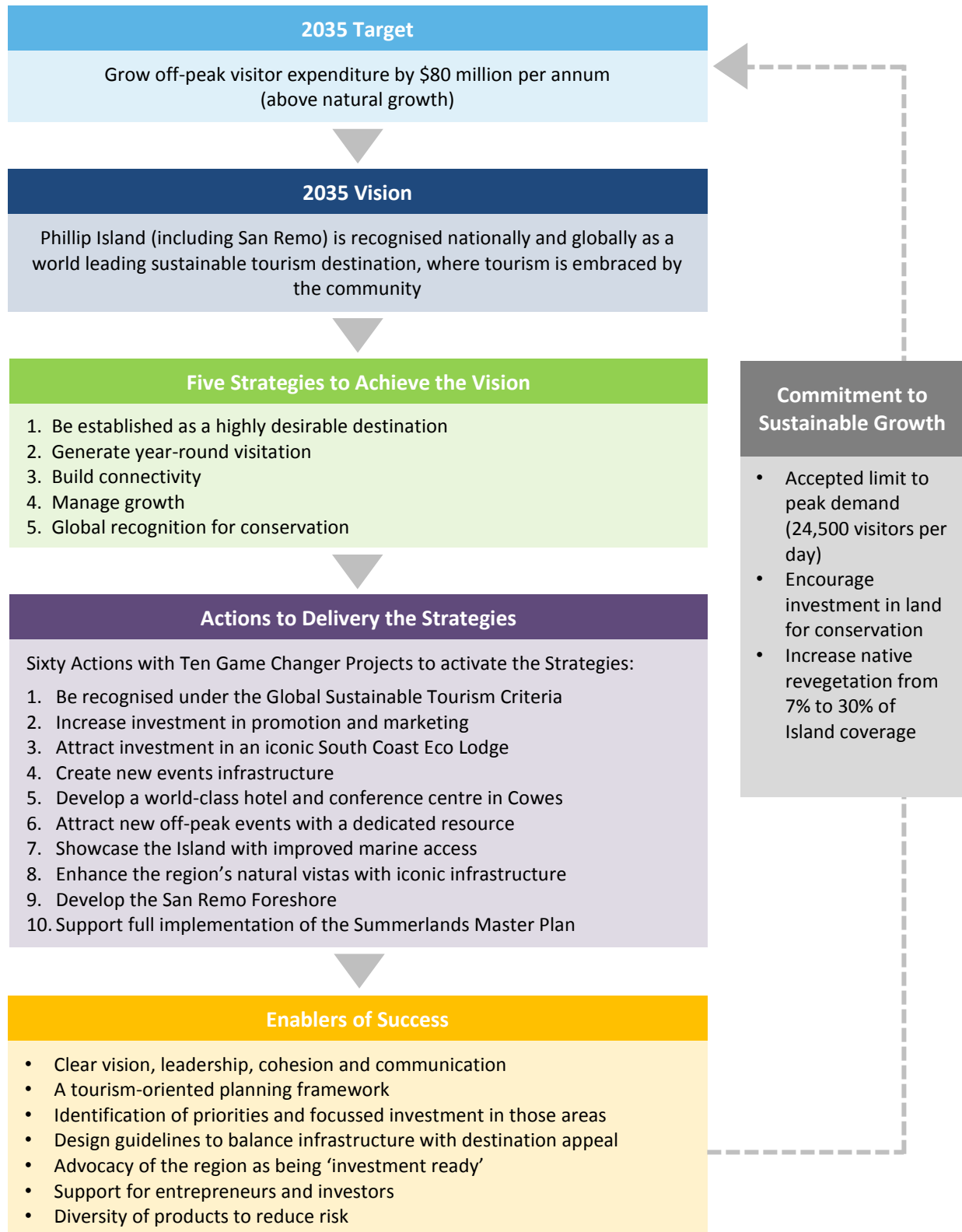


Cr. Jordan Crugnale
Mayor, Bass Coast Shire



Executive Summary

The long term vision for Phillip Island and San Remo's visitor economy (the visitor economy relates the management of all visitors, not just leisure visitors) has sustainable growth as its central pillar. This 20-year strategy has been prepared to help ensure the long-term viability and sustainability of this important sector and recognises the importance of both the community and the natural environment in achieving this outcome.



ACRONYMS

BCLN – Bass Coast Landcare Network
BCSC – Bass Coast Shire Council
BWF – Boon Wurrung Foundation
CBD – Central Business District
DEDJTR – Department of Economic Development, Jobs, Transport and Resources
DELWP – Department of Environment, Land, Water and Planning
DG – Destination Gippsland
DPI – Destination Phillip Island Regional Tourism Board
FTE – Full Time Employee
GIS – Geographical Information System
GOR – Great Ocean Road
GSTC – Global Sustainable Tourism Criteria
IVS – International Visitor Survey
LLEN – Local Learning and Employment Network
MOU – Memorandum of Understanding
Nature Parks – Phillip Island Nature Parks
NVS – National Visitor Survey
NZ – New Zealand
PA – Per Annum
PIBRA – Phillip Island Board Riders Association
PICS – Phillip Island Conservation Society
PIGPC – Phillip Island Grand Prix Circuit
PIITS – Phillip Island Integrated Transport Study
PIITS CRG – Phillip Island Integrated Transport Study Community Reference Group
PISRTBP – Phillip Island San Remo Tourism and Business Partnership
PPWCMA – Port Phillip and Westernport Catchment Management Authority
RDV – Regional Development Victoria
ROI – Return on Investment
RTOs – Regional Tourism Organisations
SA2 – Statistical Area - Level 2
SRFC – San Remo Foreshore Committee of Management Inc.
TAFE – Technical and Further Education
TEVE – Tourism, Events, Visitor Economy Department of the State Government
TFC – Tourism Forecasting Council
UK – United Kingdom
VR – VicRoads
VG – Victorian Government
VV – Visit Victoria

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1

Setting the Scene

Today, Tomorrow and Towards 2035

Since the first organised Little Penguin viewings and motor sport Grand Prix began on Phillip Island in the 1920's, tourism has played an integral role in developing this coastal getaway and wildlife haven for Melbourne residents and beyond. **Boasting world-class wildlife viewing, surf, coastal scenery and high octane sporting events, it is no surprise that Phillip Island and San Remo have now positioned themselves as a premier region for nature, family and fun.**

Although the tourism outlook towards 2035 looks promising globally, nationally and for Phillip Island and San Remo, **the region will face significant challenges as population and visitor trends grow**, including: seasonal visitor fluctuations; labour and skills shortages; traffic congestion and transport linkages; global economic uncertainty; increasing environmental pressures including climate change; and increasing competition from other destinations.

The destination has **one of the highest ratios of visitors to residents of any destination in Australia**. On average, there are 80 visitors to every resident in the region. At peak times this reaches as many as 120 visitors to every resident, and this compares with just five visitors to every resident in Victoria.¹

Recognising the future challenges that lie ahead and **the importance of the whole 'visitor economy'** (that is people on holiday, visiting friends and relatives, travelling for business and day trips for events or recreation), Bass Coast Shire Council, in partnership with Regional Development Victoria, Destination Phillip Island Regional Tourism Board and Phillip Island Nature Parks, have recognised that the **time is right to develop a 20-Year Visitor Economy Strategy for Phillip Island and San Remo**.

Development of the Phillip Island and San Remo Visitor Economy Strategy 2035 followed an extensive schedule of research, engagement, development and delivery, with over 350 community members, industry and stakeholder groups consulted and over 60 regional, state and national strategies reviewed during its preparation (see Technical Appendices 1 and 2).

The future of Phillip Island and San Remo as a sustainable tourism region will depend on a significant investment in tourism marketing and infrastructure to reposition the destination with new domestic and international markets.

Phillip Island and San Remo Visitor Economy Strategy 2035 provides a vision for the long-term viability, and social, economic and environmental sustainability of this important sector.

¹ Ratios based on latest population estimates from the Australian Bureau of Statistics and visitor data from Tourism Research Australia (year ending December 2015).

The 2035 Visitor Economy

The visitor economy is a major influence of the local economy, community and environment with recent estimates indicating that visitation to the region² generates approximately \$339 million in direct visitor expenditure, equating to 3,100 direct and full-time equivalent jobs. It is also estimated that the visitor economy contributes 39.4% of the region's Gross Regional Product³, making the region's economy the most reliant on tourism in Victoria, and second Australia-wide.

With the region expected to double its visitor numbers from 1.85 million in 2015 to 3.4 million and be worth upwards of \$1.1 billion by 2035, the time for investment in marketing and tourism infrastructure for Phillip Island and San Remo is now.

By 2035, today's 'Millennials' will be aged between 30 and 50, and 'Generation Alpha', will be entering the workplace. All the 'Baby Boomers' will be over 70, and today's Generation X will be approaching retirement. The world will be predominantly urban, with over five billion consumers living in cities.

The visitor economy is expected to continue to grow on both a national and global scale, with outlooks indicating strong growth to 2035, particularly within the Asia Pacific region.

While Phillip Island and San Remo are blessed with a unique environment without the level of development of locations closer to Melbourne or the constraints placed on future development of Wilsons Promontory to the east, growing regional population pressures, the limited funds available for marketing and infrastructure and the growing seasonal peaks must be addressed to achieve the style of tourism desired by the industry and the community by 2035.

In addition, infrastructure and mindsets will need to change as traditional attractions evolve and visitor patterns change, including addressing the growing trends already facing the region:

- High day trip visitation
- Declining overnight stays
- Declining spend per visitor
- Growing interest from Asia
- Continued participation in nature and adventure activities
- Growing importance of the journey (including touring and cruise)
- High seasonality patterns
- Increasing transport congestion
- Growing importance of environmental sustainability to the consumer

At its current trajectory, Phillip Island and San Remo will not achieve a sustainable tourism outcome.

² Includes the Phillip Island Statistical Region (SA2) including San Remo and Inverloch

³ Visit Victoria (Tourism Satellite Accounts), *Value of Tourism to Phillip Island*, 2013-14

Regional Snapshot – 2035 (The ‘Do Nothing’ Case)

COMMUNITY



37% increase in the number of residents (15,777)



10.2% of all dwellings will be **holiday houses** advertised year-round



Environmental protection will be crucial to maintain resident quality of life and attract visitors



71% increase in residents aged **70-74 years old**



Upwards of 235,000 new residents will move into areas to the north and east of the region (within one hour's drive)



Wait times on Phillip Island Road could double in peak periods

VISITORS



An extra 1.6M per annum in domestic & international visitors in 2035 (an extra 4,300 per day)



Asia, UK & Europe are the key international markets



An additional **1,042 accommodation rooms** needed to accommodate visitor demand



An additional **3,950 visitor movements** generated per day (on average)

ECONOMY



Additional **\$778 million** generated in visitor spend



Additional **5,800 tourism related jobs** created nationally from the growth



The region will **reach optimum capacity at least once a month** (except August and September)



Every weekend the region will reach or exceed capacity in peak months

See Technical Appendices 3 and 4 for the current Destination Overview and Visitor Profile.

Why Will Visitors Choose Us?

The Phillip Island and San Remo region offers an abundance of rugged coastal views, idyllic beaches, rare native wildlife encounters, and an annual programme of national and international scale sporting events – all of which are major attractors for visitors. The region also has an Aboriginal and pioneer history worthy of greater recognition with growing visitor interest in these areas. (see Technical Appendix 5 for a Competitor Analysis)

Domestically, the region provides high quality, accessible experiences for a range of visitor markets in a self-contained area close to the major population centre of Melbourne, South Gippsland and the rapidly growing population of Bass Coast.

Globally, Phillip Island and San Remo's appeal draws from its remarkable wildlife biodiversity, leading wildlife research, world class motor racing, coastal landscapes of outstanding natural beauty and exceptional and consistent surf. It also plays a role in promoting Melbourne as an international destination where visitors can experience iconic Australian landscapes and wildlife.

While the region's natural environment, its flora and fauna, and its natural visual and recreational amenities are already major attractors for visitors, the value of Phillip Island and San Remo in providing ready access to wildlife and recreation in natural settings is likely to grow as people become increasingly urbanised. The region's rich history will also play an important role in engaging visitors of the future as this globally emerging market continues to grow.

Figure 1: Map of the Phillip Island and San Remo Region⁴



⁴ Destination Phillip Island Regional Tourism Board, *Visit Phillip Island website*, 2015

Growth Forecasts

Population Growth

Population and household forecasts for Phillip Island and San Remo indicate that the region will see a **37% (4,241) increase in resident numbers between 2015 and 2035**, and will see the population of the region grow to approximately 15,777 residents by 2035. Estimates also indicate that there will be a need for an additional 2,693 dwellings by 2035 to accommodate the increasing population.⁵

Despite an increase in dwellings required over the next 20 years, **average household size is set to decline by 2%**, largely driven by the shift in persons aged 70-74years – which is estimated to **increase by 71% by 2035**.

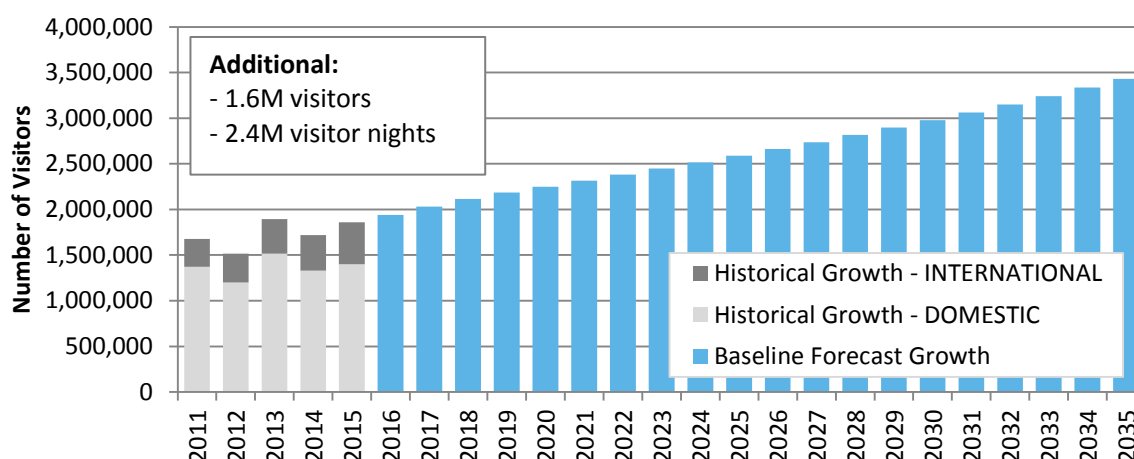
More broadly, areas located within one hour's drive (70km) of Phillip Island and San Remo are forecast to grow exponentially over the next 20 years. As **many as 236,341 new residents** (excluding Phillip Island and San Remo) are expected to move into areas to the north and east of the region. For many, San Remo and Phillip Island will be the closest surf beach to home. This widespread urbanisation will **more than double the fringing population** (growing at a rate of 6% per annum) and will have a significant impact on daytrip and overnight visitation to Phillip Island and San Remo. The region is likely to see a **dramatic increase in day visitor traffic** as a result of this additional population growth.

Visitor Growth

Growing at an estimated 4.2% per annum, visitor numbers to Phillip Island and San Remo could reach nearly 3.5 million visitors and 4 million visitor nights by 2035 (Figure 2).⁶

The 2035 visitor profile (see Technical Appendix 6) shows a higher growth rate in international visitors and above average growth in day trips. This **leads to a likely trend of a reduction in average length of stay** which this Strategy aims to reverse.

Figure 2: Visitor Market Projections



⁵ Economy ID, Bass Coast Shire population and household forecasts 2011 to 2036, Small Area Data for Cowes-Ventnor and District, Phillip Island Balance, 2015

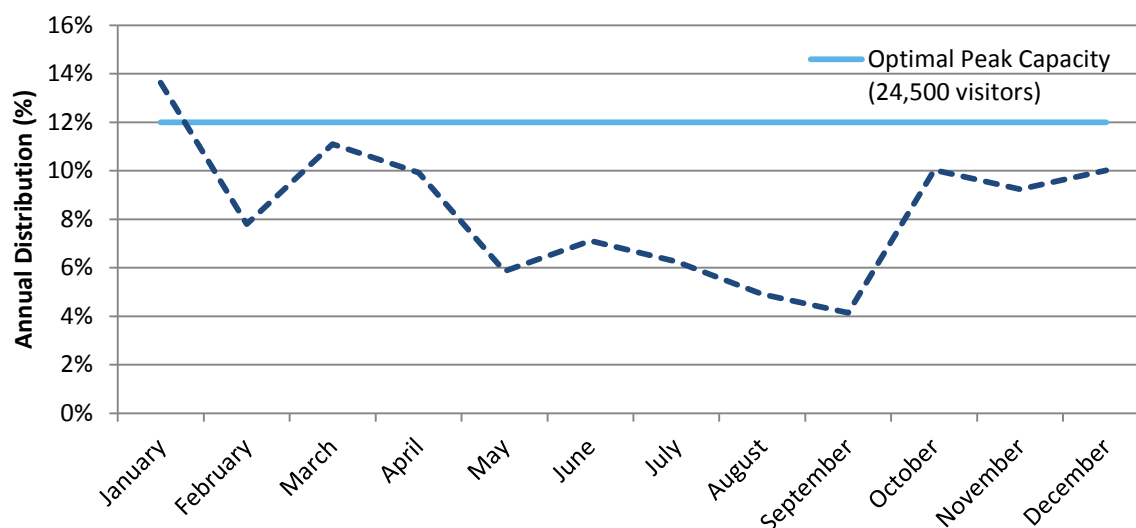
⁶ These estimates are based on the latest growth rates for domestic and international tourism by Tourism Research Australia's Tourism Forecasting Committee, drawing from a range of factors that include the health of the source market economy, access and competitive forces. They are only an estimate, however, and should be treated as conservative forecasts.

Implications of Growth

Island Capacity Limits Exceeded

The region currently receives 14% of its annual visitation in the month of January, equating to an **estimated 28,600 visitors per day on a 'peak day'**. Based on feedback from locals and visitors, it is generally viewed that while the region's infrastructure currently copes with this level of visitation, its 'optimum capacity' is slightly lower than these peaks. For the purpose of discussion, **the 'optimum capacity' has therefore been set at 24,500 visitors per day** (Figure 3).

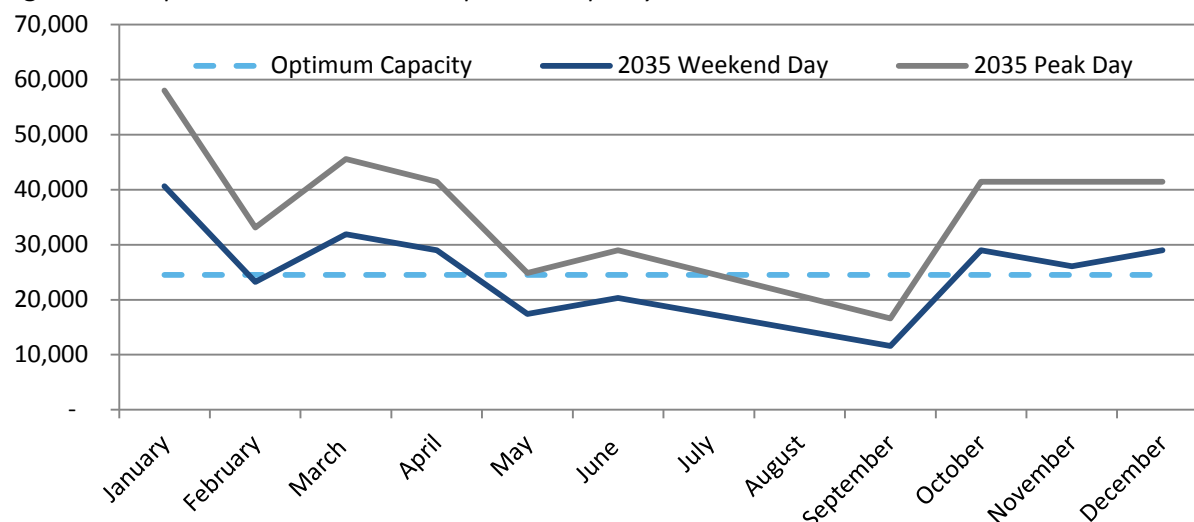
Figure 3: Phillip Island and San Remo's Optimum Peak Capacity



Based on the estimated number of visitors and their current length of stay in 2035, the region will reach optimum capacity (the same numbers as a peak day in January 2015) on at least one day in every month except August and September 2035 (Figure 4). Further, every weekend will reach or exceed the optimum capacity in all the peak months (except in February, and May – September).

It is unlikely that this level of visitation will be acceptable to locals, and will most likely impact on the satisfaction of visitors in 2035.

Figure 4: Phillip Island and San Remo's Optimum Capacity vs. 2035 Visitation Trends



Increased Pressure on Existing Infrastructure

If Phillip Island and San Remo achieve the forecast growth of 3.4 million visitors by 2035, this will generate approximately 1.6 million new visitors per annum (4,300 a day). These significant visitor volumes will have **implications for road access and infrastructure, as well as exacerbating already stretched parking infrastructure** in some locations.

Increased Pressure on the Environment

The combination of population/visitor growth and increasing environmental pressures could place a significant strain on the region's natural assets by 2035. **Protection of the natural environment will remain a critical requirement for Phillip Island and San Remo** towards 2035, not only to support the quality of life that residents currently enjoy and expect, but to also continue to drive tourists to the region. Recognising the impact of the environment on Phillip Island and San Remo's offering, it **will need to be considered in every decision made towards achieving the 2035 vision**.

Predominance of Holiday Houses

By 2036, forecasts indicate that 10.2% of all dwellings on Phillip Island will be holiday houses (marketed online) – an estimated total of 1,530 properties. Cowes has the second highest total land supply, with 1,544 lots. If current usage patterns continued, this would mean an additional 206 holiday houses (660 rooms) in Cowes alone. **If the predicted level of property development occurs, holiday houses in Cowes will provide 60% of all future rooms needed in Phillip Island and San Remo, reducing the viability of branded hotel investment** without investment in off-peak marketing (see Technical Appendix 7)

Product and Experience Gaps

While recent and planned investment products and experiences will help lift the region's profile and appeal to a broader audience, there remains a number of identified gaps that will need to be addressed to meet 2035 growth market needs.

Growth Market	Product Gaps
Melbourne / Victorian Lifestyle leaders: (Creative Opinion Leaders, Enriched Wellbeing, Inspired by Nature)	<ul style="list-style-type: none">• Spa/Wellness experiences including rural retreats• Food and Wine related activities and events• Eco/Luxury Accommodation with restaurant
Interstate Markets (NSW, QLD)	<ul style="list-style-type: none">• As above, including interpretation of the natural and cultural landscape• Beachfront / foreshore precincts (Cowes & San Remo)
Core International Market (UK, Europe, NZ, China & USA (incl. Cruise))	<ul style="list-style-type: none">• Expansion of the Penguin Parade and Summerlands Peninsula Master Plan to reduce peak time crowding• Cruise ship facilities / jetty
Emerging International Markets	<ul style="list-style-type: none">• Farm / Rural Tourism experiences• Cruise ship visitor facilities / jetty upgrades for tenders
Event Visitors	<ul style="list-style-type: none">• Year round events calendar (particular focus on cultural events)• Events infrastructure to host events (including sporting facilities)
Niche Markets:	
Soft Adventure	<ul style="list-style-type: none">• Walking and cycling trails, marine events and experiences, Motorsport precinct activities and new golf courses
Conference / Business Tourism	<ul style="list-style-type: none">• Additional conference facilities capable of hosting 400+ pax events
Education Tourism (Domestic and International)	<ul style="list-style-type: none">• Interpretation at key natural sites• Eco-Education facility / gardens
Touring	<ul style="list-style-type: none">• Touring Loops / Car Ferry

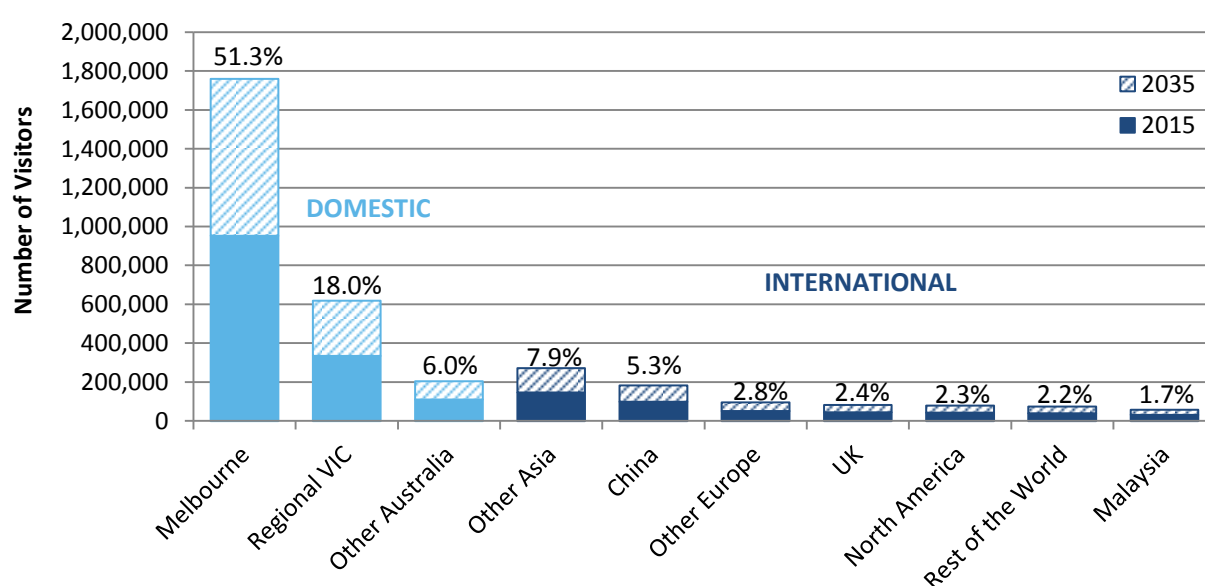
Where is the Growth Coming From?

Markets by Origin

Based on the current visitor growth trends reported by Australia's Tourism Forecasting Committee, **visitation to Phillip Island in 2035 will remain dominated by Melbourne residents (51.3%)**. The projected near-doubling of visitors from this area will likely be driven by the continued expansion of the city into its eastern suburbs.

International visitors, **particularly those from Asian countries including China and Malaysia**, are also expected to double in size by 2035, to reach **14.9% of total visitors** (international and domestic) to the region (Figure 5).

Figure 5: Current and Projected Visitors to Phillip Island by Origin (At Current Growth Rates)⁷



Markets by Attitudes

International Experience Seekers

Tourism Australia has defined its international target market as the 'Experience Seeker' who are globe trotters looking for authentic interactions, brag-able locations off the beaten track and to immerse themselves in local culture. **Experience Seekers are Australia's highest yielding market and are more likely to increase their length of stay and average spend in comparison to others.**

To promote the vast array of unique Australian adventures to this target market, seven key Australian Experience Themes have been identified by Tourism Australia.

⁷ 'Other Asia' includes the major regions of: Singapore, Hong Kong, India, Taiwan, Indonesia, Korea, Japan, Thailand. 'Other Europe' includes the major regions of: Germany, France, Italy, Scandinavia, Switzerland, Netherlands.

For Phillip Island and San Remo, the theme segments with the best fit and market potential are:

Nature in Australia – Individuals who can easily experience, access and learn about Australia’s distinctive and unique flora and fauna. *For Phillip Island and San Remo this is a core market.*

Australian Coastal Lifestyle – Individuals who are looking for more than just the beach. They want to experience the coastal way of living, searching for uncrowded and unspoilt coastal experiences unlike anywhere in the world. *For Phillip Island and San Remo this is a core market.*

Australian Journey – Individuals who are looking for more than just a way to get from one place to another. They want to discover the diversity, the wonders, the vibrant towns, the people and their unique way of life. *For Phillip Island and San Remo this is a growth market.*

Domestic Lifestyle Leaders

Visit Victoria have undertaken a significant amount of work on the attitudes of travellers (and potential travellers) to Victoria to identify the **Lifestyle Leader segment as the ideal domestic target market for the State**, and within that group have identified four target segments. For Phillip Island and San Remo, the segments with the best fit and market potential are:

Inspired by Nature – Individuals who are educated, professional and progressive, and seek active breaks where they can enjoy opportunities to re-connect with one another and nature. *For Phillip Island and San Remo this is a core market.*

Creative Opinion Leaders – Individuals who are trend-setters and like to be the first to discover new places and experiences. *For Phillip Island and San Remo this is a growth market.*

Enriched Wellbeing – Individuals who are progressive, educated and professional individuals who seek luxurious breaks to indulge personal passions within a culturally rich, natural or rejuvenating setting. *For Phillip Island and San Remo this is a growth market.*

Table 1: 2035 Target Market Summary

	Market by Origin	Market by Attitude
Core Market(s)	Domestic	
	<ul style="list-style-type: none"> Melbourne Regional Victoria 	<ul style="list-style-type: none"> Inspired by Nature
	International	
	<ul style="list-style-type: none"> China Other Asia 	<ul style="list-style-type: none"> Nature in Australia Australian Coastal Lifestyle
Emerging/Growth Market(s)	Domestic	
	<ul style="list-style-type: none"> New South Wales Queensland 	<ul style="list-style-type: none"> Creative Opinion Leaders Enriched Wellbeing
	International	
	<ul style="list-style-type: none"> Western Hemisphere 	<ul style="list-style-type: none"> Australian Journey

Refer to Technical Appendix 8 for information on Markets for Growth.

Balancing the Triple Bottom Line

A fundamental principle for the Phillip Island and San Remo Visitor Economy Strategy towards 2035 is recognising the interdependence of the community, the natural environment and the economy. The rural landscape and the towns and villages play an important role in the lives of all those who inhabit and visit the Island.

The Community Relies on Economy

Phillip Island and San Remo is the second most reliant community on tourism in Australia, behind Central Australia, with tourism generating 5.2% of the Bass Coast economy and supporting 5,200 direct and indirect jobs. The key to delivering what is now marketed as Victoria's Natural Playground is acknowledging that the environment is the economy of Phillip Island and San Remo.

The Economy Relies on Environment

The natural environment plays a significant role in driving visitation to the region, with Phillip Island Nature Parks currently making up over 18% of the Island's land area. The Little Penguins are the region's most sought after and recognised experience, particularly in the rapidly growing day trip market, and attracts over 650,000 paying visitors annually⁸ – or 35% of total visitors to the region.

The Environment Relies on Community

The waters surrounding Phillip Island and San Remo are part of the UNESCO Western Port Biosphere, which is recognised for its exceptional ecological values on the fringe of an expanding city. In addition, many parts of the Island and San Remo are recognised for their local, state, national and international environmental significance, which include a National Surfing Reserve, marine protected areas, National Trust sites and Ramsar wetlands.

In order to remain protected, these environmentally significant areas will need to continue to be nurtured, relying heavily on volunteer support. Although Bass Coast Shire already has a strong volunteer community⁹, this will need to be further supported towards 2035 to help combat the increasing population pressures from its surrounds.

Figure 6: Tourism's Contribution to the Community, Environment and Economy



⁸ Phillip Island Nature Parks, Summerland Peninsula Infrastructure & Procurement Master Plan, 2012

⁹ 22% of the population aged 15 or over volunteer compared to just 14% in Frankston (Western Port Biosphere, 2013/14)

Guiding Principles

The following Guiding Principles have been established to help set the vision and direction for Phillip Island and San Remo over the next 20 years. They have been agreed to by the community, industry and stakeholders through Strategy consultation.

1. The Visitor Economy will not only preserve but **enhance Phillip Island and San Remo's natural environment** through sustainable development and management practices.
2. The Visitor Economy will seek to **enhance the lifestyle of the local community** of Phillip Island and San Remo through creating certainty of employment, supporting community facilities, enhancing conservation, and supporting local events.
3. Visitor Economy growth will **foster continued job creation and workforce retention** through an increased demand for skilled, quality people.
4. The Visitor Economy will **improve the economic value of the region** by focussing investment and marketing activity on extending visitor length of stay – shifting day trips to overnight visits.
5. Visitor Economy investment will focus on helping to **diversify the region's market mix to promote year-round visitation** opportunities, alleviate non-peak visitation troughs and promote dispersal.

Achieving the guiding principles identified above will require firm action and commitment – maintaining the status quo and continuing business as normal will not suffice. In pursuing delivery of objectives which are consistent with the aspirations outlined in the guiding principles, a number of significant challenges are apparent:

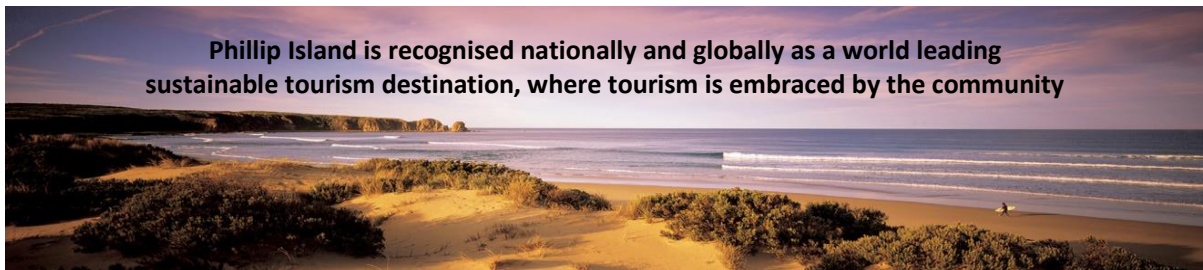
- The **decline in average per visitor expenditure must be reversed** if economic potential is to be maximised.
- **Seasonality** in visitation if left unaddressed will generate negative social, economic and environmental consequences.
- Proximity to **Melbourne's rapidly growing population** will generate the potential for increased visitor demand but will also lead to the Island's carrying capacity being exceeded more frequently.



2

The Way Forward

Vision



Aspirations

The future of tourism in Phillip Island and San Remo relies on retaining and enhancing its environmental assets, increasing visitor awareness and further developing the quality, depth and range of its experiences to encourage overnight stays. While the Strategy accepts a limit to growth and sets the peak infrastructure demand point at 24,500 new visitors a day, there will remain peak pressure on road infrastructure. The primary aim is to create off-peak visitor expenditure by \$80 million per annum.

Objectives

Community

- Create fulfilling, full-time and flexible employment for locals
- Support events that boost community pride and shift visitation to off-peak times
- Build community infrastructure that improves quality of life (trails, beach infrastructure)

Environment

- Restore coastal and inland vegetation corridors in partnership with land owners, land managers and land care groups
- Increase the Island coverage of native vegetation from 7% to 30% by 2035
- Most businesses have a recognised commitment to the environment by 2035

Economy

- Increase Phillip Island's overall average length of stay by 0.5 day
- Increase spend per visitor from \$157 to above the Regional Victorian average (\$184.90)
- Lift brand awareness from 6.1% to 8%

The Summerlands Peninsula is something most visitors have been waiting their lives to see. Nestled into the landscape, the visitor centre and gateway to the experience looks as good as it did when it was opened. The penguins are thriving, in fact, the Island is famous for its wildlife conservation and now has five hall of fame ecotourism attractions in the national awards.

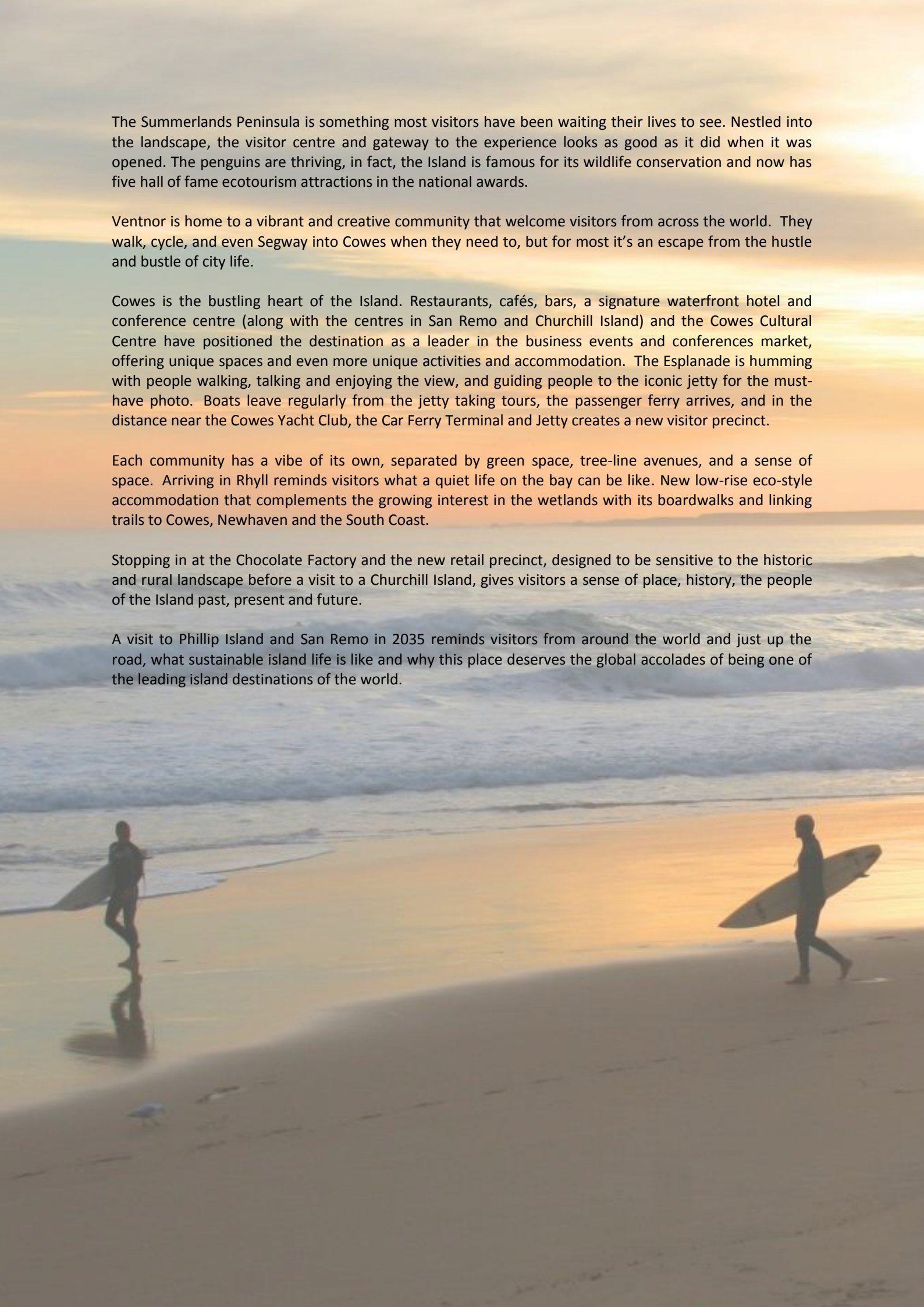
Ventnor is home to a vibrant and creative community that welcome visitors from across the world. They walk, cycle, and even Segway into Cowes when they need to, but for most it's an escape from the hustle and bustle of city life.

Cowes is the bustling heart of the Island. Restaurants, cafés, bars, a signature waterfront hotel and conference centre (along with the centres in San Remo and Churchill Island) and the Cowes Cultural Centre have positioned the destination as a leader in the business events and conferences market, offering unique spaces and even more unique activities and accommodation. The Esplanade is humming with people walking, talking and enjoying the view, and guiding people to the iconic jetty for the must-have photo. Boats leave regularly from the jetty taking tours, the passenger ferry arrives, and in the distance near the Cowes Yacht Club, the Car Ferry Terminal and Jetty creates a new visitor precinct.

Each community has a vibe of its own, separated by green space, tree-line avenues, and a sense of space. Arriving in Rhyll reminds visitors what a quiet life on the bay can be like. New low-rise eco-style accommodation that complements the growing interest in the wetlands with its boardwalks and linking trails to Cowes, Newhaven and the South Coast.

Stopping in at the Chocolate Factory and the new retail precinct, designed to be sensitive to the historic and rural landscape before a visit to a Churchill Island, gives visitors a sense of place, history, the people of the Island past, present and future.

A visit to Phillip Island and San Remo in 2035 reminds visitors from around the world and just up the road, what sustainable island life is like and why this place deserves the global accolades of being one of the leading island destinations of the world.



Market Positioning

To achieve the 2035 vision, the destination must leverage its natural advantage. Industry and community partners must recognise that the environment of Phillip Island and San Remo is the driver of the economy and become the story-tellers of the region.

Recognising this importance, three hero experiences have been identified for Phillip Island and San Remo (refer to Technical Appendix 9 to understand the Destination Positioning).

A tourism 'experience' is the emotional feeling or personal achievement a visitor derives from the purchase, participation or consumption of a tourism product – accommodation, attractions or tours. The 'tourism product' is what the customer buys; the 'tourism experience' is what they remember.



Personal wildlife encounters

Have an up-close and personal encounter with some of the world's best (and cutest) coastal wildlife in one of their few remaining natural habitats.



Quiet moments in nature

Take a moment and breathe in the clear coastal air as you peacefully connect with nature on one of Phillip Island and San Remo's many walking trails and lookouts.



Feel a part of an island community

Everything that you want from a destination with a spectacular coastal backdrop.

Drawing on the region's strengths and weaknesses (refer to Technical Appendix 10 for the Destination Analysis) and the markets for growth (see over page), the following Target Markets are central to the Strategy.

Target Markets

Maintain

- Daytrips
- Nature-based
- Visiting Friends/Relatives
- Holiday house visitors

Grow

- Domestic Short-breaks
- Events
- Conferences
- Cultural visitors
- Interstate visitors

Develop

- International and domestic touring
- Niche markets (soft adventure, rural, cruise)

The future appeal of Phillip Island and San Remo will heavily focus on its ability to provide visitors with a strong connection with nature.

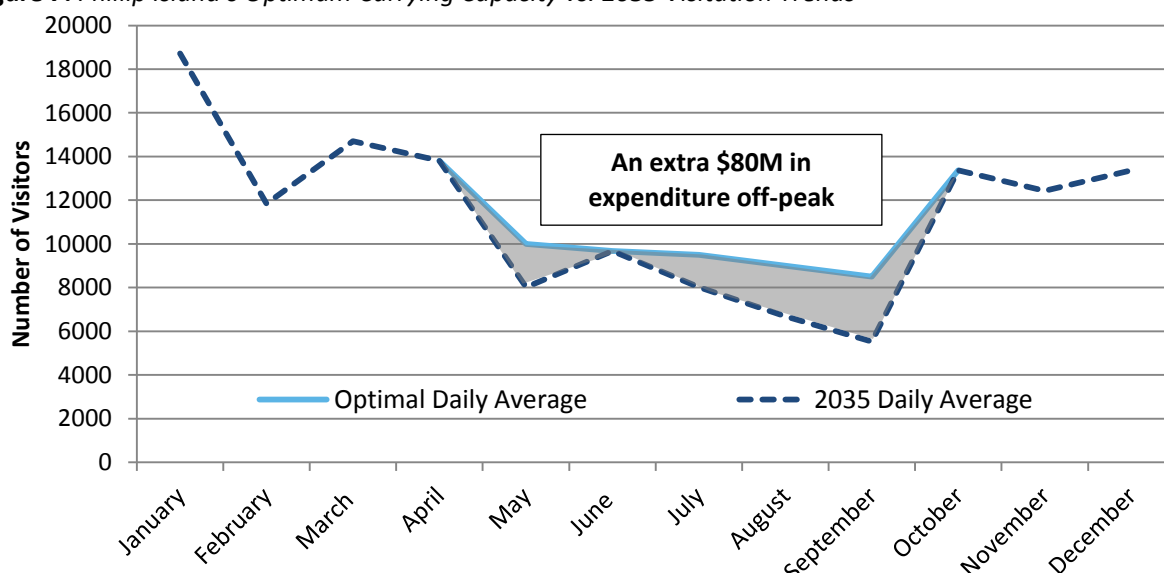
Markets for Growth

A priority identified throughout The Strategy consultation has been to drive the value of tourism to Phillip Island and San Remo, while managing the volume.

In identifying appropriate markets for growth, it is important to note that the destination is **likely to reach its optimum carrying capacity by 2035** regardless of a shift in markets. The aim, however, is to create a more sustainable tourism destination which will require a focus on **shifting visitor numbers, nights and expenditure to the off-peak season wherever possible**. Based on the established 'optimum carrying capacity' (of 24,500 visitors per day) the ideal market mix in 2035 would see the seasonality curve flattened, with a lift in visitation in February and through the cooler months of May to September.

Figure 7 below demonstrates the required economic value in 2035 dollars to achieve this 'flattening' based on the growth of new markets that could **boost 'off-peak' expenditure by \$80M per annum**, the equivalent of up to 2,500 additional visitors per day in the quiet months. Each of the potential domestic and international market segments for the destination has been examined in terms of potential growth in market share, seasonality fit and the potential economic impact of a shift in visitation to the off-peak season (see Technical Appendix 8).

Figure 7: Phillip Island's Optimum Carrying Capacity vs. 2035 Visitation Trends



THE FUTURE ROLE OF THE DAY TRIP MARKET

While day trips will remain a key component of Phillip Island and San Remo's market mix, the region's carrying capacity will not be able to sustainably accommodate this market into the future. With natural growth suggesting a near doubling in visitation in the day trip market (which already accounts for 68% of all visitors) by 2035, exceeding capacity limits will become a real threat for the region in future if not managed properly, especially during peak periods. Combined with the fact that day trip visitors are considered to be 'low value' to the destination – spending the majority of their spend in Melbourne, not in the region – it will be critical for Phillip Island and San Remo to focus its attention on growing the higher value markets that can be converted into overnight stays.

Table 2 on the over page provides a brief summary of the growth market opportunities that have been identified for Phillip Island and San Remo. These markets have been identified through a detailed analysis of the peak time of travel, identifying markets that travel outside of the peak summer periods and markets of higher spend per trip and a longer average stay.

Table 2: Market Off-Peak and Growth Potential in 2035

Market Segment	Phillip Island & San Remo Today	Goal 2035	What would drive the growth?	Increase in Spend 2035	Off-peak Spend
Events	135,000 visitors 21,000 nights \$29.3 million	Reach same share of event visitors as the Great Ocean Road (4.9%) up from 2.4%	A dedicated events acquisition resource, new infrastructure at the Jetty and at the Cowes Cultural Centre	\$58.8M	60% Off-peak (\$35.3M)
Education	17,000 visitors 24,000 nights \$1.9 million	Increase the share of Regional Victoria's market by 5%	Active partnerships, expansion of the programs, the learning garden/botanic garden (Eden Project)	\$11M	70% Off-peak (\$7.7M)
Conference	4,000 visitors 12,000 nights \$500,000	Increase share of conference visitors by 2% of those going to Regional Victoria	Two new conference venues (Cowes and Churchill Island)	\$9.1M	75% Off-peak (\$5.8M)
Touring	No data	Increase share by 4% to match the Gippsland region share of Regional Victoria	Development of a Car Ferry Jetty Active promotion domestically and internationally	\$11.7M	40% Off-peak (\$4.7M)
Emerging Intl. Markets (India & Other Asia)	7,404 visitors 35,600 nights \$4 million	Increase the share of India and Other Asia visitors to Regional Victoria by 9% and 15% respectively	Continued efforts by Nature Parks, DPI and Visit Victoria as well as active encouragement and mentoring of businesses to become international market ready	\$8.4M	40% Off-peak (\$3.1M)
Core Intl. Markets (UK, Europe, NZ & China)	15,600 visitors 49,800 nights \$4.8 million	Increase the share of visitors to Regional Victoria from the UK, and China by 4% and Europe and NZ by 2%	Continued efforts by Nature Parks, DPI and Visit Victoria as well as active encouragement and mentoring of businesses to become international market ready	\$3.8M	30% Off-peak (\$1M)
Cruise	No data	Attract 5 vessels in 2035	Proactive engagement of the cruise sector	\$2M	25% Shoulder (\$0.28)
Niche Markets					
Nature-based Activities	151,500 visitors 77,500 nights \$17.8 million	Retain the region's share, but encourage off-peak visitation	New walks, active promotion, strict planning controls	\$37.7M From current	15% Off-peak (\$9.4M)
Soft Adventure Activities	141,000 visitors 161,000 nights \$25 million	Capture 8% of Regional Victoria's adventure niche market (currently at 5.7%)	New adventure products moving to the Island with the support of Council staff and the marketing program	\$34.9M	25% Off-peak (\$8.7M)
Spa Activities	No data	Attract 5% of Regional Victoria's spa niche market	New spa facility, further development of existing and new providers across the wellness spectrum and marketing support program	\$8.2M	50% Off-peak (\$4.1M)
Rural Activities	6,000 visitors 2,800 nights \$765,000	Grow the market from a low base	Creating an Rural Tourism Policy for the region and mentoring land owners in tourism	\$1.9M From current	50% Off-peak (\$1M)
TOTAL ADDITIONAL EXPENDITURE ABOVE NATURALGROWTH (TFC FORECASTS)				\$187.5M	\$81.1M

Strategies to Achieve the Vision

Five strategic directions will deliver the vision for Phillip Island and San Remo in 2035. Each direction is designed around the region's tourism aspirations and contains at least one 'Game Changer Project' (in no order of importance) and Supporting Strategies to activate the delivery of each strategic direction. Actions relating to the Game Changer Projects and Supporting Strategies are referenced throughout this section, with each action numbered relative to its position in Section 3 'Taking Action'.

1 Be established as a highly desirable destination, attracting visitors that are willing to spend more per day on high-quality accommodation and quality experiences and encourage repeat visitation.

1. Create a recognisable global brand

Game Changer Project 1: Recognise that the environment is the economy of Phillip Island and San Remo by becoming a leading destination that is benchmarked to the Global Sustainable Tourism Criteria (GSTC).

2. Target visitors that will spend and stay

Game Changer Project 2: Increase the investment in promotion and marketing of the Phillip Island destination to targeted domestic and international markets to encourage year-round visitation through enforcement of the Holiday House Management Arrangements.

3. Develop high quality product

Game Changer Project 3: Attract investment in an iconic South Coast Eco Lodge.

2 Generate year-round visitation including mid-week visitation, from a range of both domestic and international markets.

1. Adopt an optimum capacity for infrastructure

Game Changer Project 4: Create new event infrastructure at Cowes Cultural Centre, the Jetty Triangle, San Remo Foreshore and temporary infrastructure for surfing events.

2. Grow mid-week and off-peak visitation

Game Changer Project 5: Re-establish the region's position in the conference market by facilitating the redevelopment of the Isle of Wight and Continental sites into a world-class accommodation and conference centre.

3. Create a reason to visit through events

Game Changer Project 6: Grow and attract new off-peak events with a dedicated events acquisition resource, funded through a Special Charge.

3 Build connectivity between accommodation and attractions so visitors can leave the car in the car park and enjoy the region on foot or on bicycle (or even Segway).

1. Improve the in-destination experience

2. Improve the visitor journey to and from Phillip Island and San Remo

Game Changer Project 7: Showcase the Island with improved marine access.

3. Create a network of walking trails

Game Changer Project 8: Showcase the region's natural vistas with investment in coastal walkways, viewing platforms and recreational infrastructure, and encouragement for start-up small businesses.

4

Manage growth of day visitors and low-value experiences to ensure sustainable long-term growth.

1. Include an expanded Tourism Policy in the Bass Coast Shire Planning Scheme
2. Encourage rural tourism through a Rural Tourism Policy
3. Implement precinct priority actions

Game Changer Project 9: Develop the San Remo Foreshore.

5

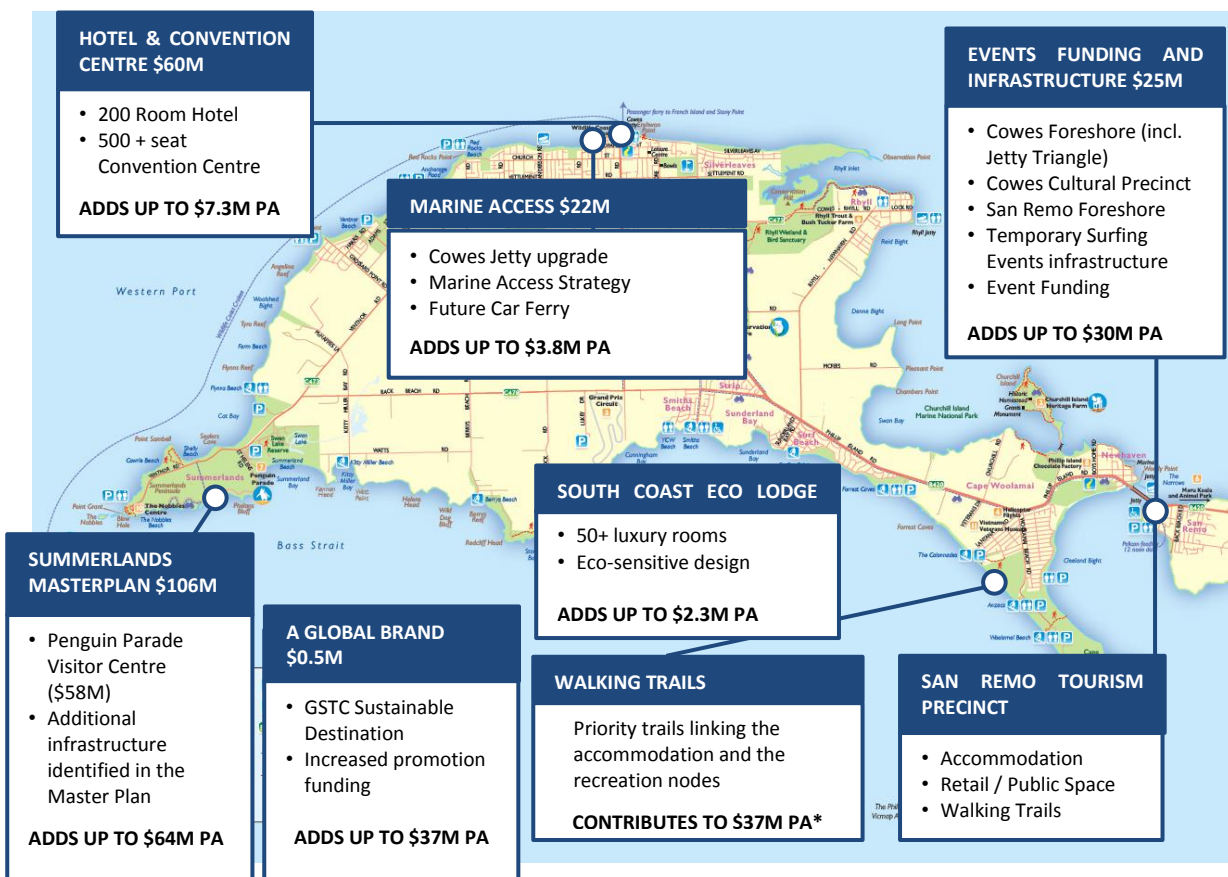
Be recognised globally for our efforts in conservation and sustainable tourism through improvement in the quality of the landscape, ecosystems and quality of life measured through benchmarking to the Global Sustainable Tourism Criteria (GSTC).

1. Collaboration in conservation

Game Changer Project 10: Support full implementation of the Summerlands Master Plan.

2. Quality of the landscape
3. Quality of life – Workplace and planning development

Figure 8: Map of the Phillip Island and San Remo Game Changer Projects**



***Note:** Walking trails alone will not generate this amount, it will require a broader campaign around active participation in nature-based activities. Each of these projects are dissected further in the body of the report, including their economic contribution.

****Any proposed developments in the Strategy will have to abide by the appropriate planning regulations and legislation and will require detailed site and environmental assessments and feasibility studies to ensure these align with the 20-year direction for Phillip Island and San Remo.**

1. Be Established as a Highly Desirable Destination

The aim is to generate an additional \$80M per annum in 2035 dollars in the off-peak months of May to September, while managing growth in the peak season. In order to achieve this goal, Phillip Island and San Remo precinct needs to establish itself as a destination of choice, targeting markets who favour activities suited to these cooler months (including cultural events, conferences and winter retreats).

1. Create a Recognisable Global Brand

The Phillip Island brand (including San Remo) has become synonymous with the Little Penguin colony and motor sport racing; however, these seemingly disparate attributes create some level of confusion in the marketplace. In some international markets, the brand Phillip Island is synonymous with motorbike racing (e.g. Europe), for others it is the wildlife interactions through the penguins that are most famous.

For Phillip Island and San Remo to create 'cut-through' in an increasingly crowded marketplace, it needs a clear strong brand.

The core selling point of both attributes is the awe-inspiring natural environment. For this reason, the destination needs to position itself as 'an island of awe-inspiring nature', and this central theme needs to be further developed into a brand promise and then into a marketing tagline.

The marketing of key attractions could embrace a broader vision of awe-inspiring nature, with an inspiring story of conservation. Accommodation properties can leverage the awe-inspiring views, and the PIGPC can embrace the awe-inspiring backdrop for their events (motor sports and other events). This central theme needs to be supported with an aspirational brand promise like – 'every visitor leaves Phillip Island inspired by nature'. Under this central promise each operator needs to be inspired on how their experience leaves a lasting impression on visitors. This promise is guided by the development of three core messages, which could include: personal wildlife encounters, quiet moments in nature and feeling part of an island community.

GAME CHANGER PROJECT 1

Recognise that the environment is the economy of Phillip Island and San Remo by becoming a leading destination that is **benchmarked to the Global Sustainable Tourism Criteria (GSTC)**. (Action 7)

Phillip Island and San Remo would become a leading destination of the world, benchmarking performance against other leading destinations. This will allow for more active promotion of the stories of conservation, heritage and volunteer contributions.

The GSTC establishes and manages global sustainable standards with the aim of increasing sustainable tourism knowledge and practices among public and private stakeholders. The GSTC is independent and neutral, serving the important role of managing its global baseline standards for sustainability in travel and tourism. Its [Destination Criteria](#) sets the standard for leading destinations.



ESTIMATED PROJECT COSTS

\$30,000 initial assessment plus \$10,000 every two years, resourcing (0.1 FTEs)

2035 BENEFITS

- Attract a growing 'nature-based tourism market which will contribute an **additional \$37.7M** to the economy (*Continued on over page*)

GAME CHANGER PROJECT 1 (CONT)

- Increase our appeal in key international markets (particularly UK and Europe) contributing a **further \$3.8M in 2035**
- **Global recognition** of the community's efforts over decades to conserve and restore the environment
- Provide a **stronger link between tourism and community**
- Establish targets for **reduction of Greenhouse Gas Emissions**
- Encourage **restoration of native vegetation**, increasing cover from 7% to 30%

See Appendix 11 for further information and actions related to Game Changer Project 1.

Supporting Strategies

- **Undertake a brand refresh** to determine the brand positioning of Phillip Island and San Remo as a destination. (Action 9)
- Undertake **qualitative research** to understand 'Inspired by Nature' and 'Creative Opinion Leaders' consumer triggers for travel to Phillip Island and San Remo prior to engaging in a brand refresh. (Action 10)
- Support local partners to embrace the new positioning with **experience development mentoring**. (Action 11)
- Create an **Ambassadors Training Program** to get every business on the Island and every volunteer engaged in the Phillip Island story (e.g. [Townsville](#) or [Kangaroo Island](#)). (Action 12)

2. Target Visitors that will Spend and Stay

Examination of the trends over the past five years highlight the importance of reversing the patterns of declining average stay and average spend per person in Phillip Island and San Remo compared to other parts of Regional Victoria. The aspiration is to increase average stay and spend to align with trends in Regional Victoria (or above) by 2035. The market segments identified with the greatest potential to achieve this goal are:

Domestic Market Segment– Lifestyle Leaders

Core Market: Inspired by Nature (nature and adventure)

Growth Markets: Creative Opinion Leaders (arts and culture)
Enriched Wellbeing (luxury, health and wellbeing)

International Market Segment – Experience Seekers

Core Markets: Nature in Australia (nature and adventure)
Australian Coastal Lifestyle (culture and events)

Growth Market: Australian Journey (touring)

Key Countries: Asia and Western Hemisphere

To attract these markets, Phillip Island and San Remo need more nature-based and culturally focussed events, a wider range of quality accommodation including farm stays and B&Bs and wellness experiences that can be 'premium-ised', that is, offer extra services and complimentary activities/suggestions (tours, spa treatments, etc.). The ability to create 'pop up' art and food spaces by allowing local artists and chefs to use local materials and local produce would also create a reason for this group to travel outside of peak season.

GAME CHANGER PROJECT 2

Increase the investment in promotion and marketing of the Phillip Island destination to targeted domestic and international markets to encourage year-round visitation through enforcement of the holiday house management arrangements. (Action 13)

To grow the markets that travel off-peak, spend more and stay longer requires a sustained increase in marketing funds.

New off-peak marketing funds would be generated through enforcement of the existing holiday house registration regulations under the Public Health and Wellbeing Act 2008. At present, not all properties contribute and most are offered a reduction in the fee for management arrangements. As a first step in ensuring that holiday houses are brought fully within the destination management framework and contribute to its resourcing, it is recommended that the process of registering 'prescribed accommodation' is revised as per the points below:

- The Public Health and Wellbeing Act 2008 places a statutory obligation on Councils to ensure that basic health and hygiene requirements are being met in prescribed accommodation and this will be maintained;
- Council charges a fee to undertake these assessments, which is currently discounted by 50% for property owners that have an approved management plan;
- Council is keen to have Phillip Island and San Remo holiday home owners who let their properties out for commercial rental, contribute to the marketing and promotion of the Phillip Island and San Remo region;
- Council will make an annual payment to Destination Phillip Island Regional Tourism Board to undertake targeted marketing to bolster off peak visitation; and
- The amount of the payment will be determined through normal budget processes with the intent of matching the total funds gathered for prescribed accommodation registrations for Phillip Island and San Remo properties less the net cost to Council of undertaking the assessments.

Implementation of the registration program would be managed by BCSC in consultation with the Destination Phillip Island Regional Tourism Board.

ESTIMATED PROJECT COSTS

Resourcing for compliance staff, rate collection (0.3 FTEs)

2035 BENEFITS

- A significant **investment** per annum in additional off-peak marketing
- Contribute to attracting off-peak visitation worth up to \$80M per annum
- A focus on off-peak travel will support **year-round employment**

See Technical Appendix 11 for further information and actions related to Game Changer Project 2.

Supporting Strategies

- **International Mentoring Program** for businesses to become export / international ready, including assistance to access the Export Market Development Grant (EMDG). (Action 17)
- Prepare **tactical marketing plans** and action-oriented strategies prepared on three year cycles to respond to market trends and inform investment decisions (Action 54), including:
 - Increasing the **focus on interstate visitors** who spend more and travel outside of peak periods;
 - Retaining the **young parent and mid-life households** and grow younger and older couples;
 - Targeting overnight international **Experience Seekers from key markets**; and
 - **Growing Inspired by Nature domestic segment as the core market** and increasing our share of the Creative Opinion Leaders and Enriched Wellbeing market segments.

3. Develop High-quality Product

An increased depth and range of high quality visitor experiences is essential if preference for the destination is to be increased and compelling reasons to visit are presented to target audiences. Reinvestment in existing product as well as the development of new product will be needed to drive value in the Phillip Island brand.

Iconic accommodation that is designed to embrace the cold weather and the southern coastline could create a demand to visit the Island during winter. Linking this to a calendar of cultural and natural events would create the reasons needed to justify the choice of the destination over more established winter destinations such as the ski fields and the wine regions.

GAME CHANGER PROJECT 3

Attract investment in an iconic South Coast Eco Lodge. (Action 14)

The natural attraction of the South Coast could be harnessed with a unique eco-friendly accommodation development to capture the luxury traveller market.

The growing international day visitation to the Island and the growing corporate market creates an ideal opportunity for a branded South Coast Eco Lodge development. In addition to the likely redevelopment of a hotel and conference facility in Cowes (Isle of Wight/Continental sites) there is an opportunity to create an immersive overnight eco lodge experience on the South Coast. The establishment of a high end eco lodge facility will provide accommodation for environmentally conscious visitors seeking a high quality experience within a natural environment and that in turn will boost regional income and enhance quality of life for the local community.

The final location and scale of the development will be subject to a commercial feasibility study and environmental impacts assessment, but based upon similar locations, it is expected this facility would have at least 50 rooms, be built to exceed the requirements of the building code in terms of sustainable design, and would cater to a range of market segments, including those wanting to extend their experience at the Penguin Parade, the PIGPC, the planned spa, the potential walking market, and those seeking an escape from city life. Ideally this development would include a restaurant which could attract a high quality (potentially celebrity) chef to lift the profile of food experiences in the region and day spa.

ESTIMATED PROJECT COSTS

\$20-\$25 million in capital costs

(Continued on over page)

GAME CHANGER PROJECT 3 (CONT)

2035 BENEFITS

- **176.2 new jobs created**
- **17,794 visitors generated** annually
- **\$1.8M guest expenditure** outside the South Coast Eco Lodge per year
- **Boost regional income by \$2.36M** annually
- **Enhance lifestyle** through employment opportunities
- **To be recognised globally** for our efforts in conservation
- **Creating awareness** for nature conservation
- **Minimisation of environmental impacts**

See Appendix 11 for further information and actions related to Game Changer Project 3.

Supporting Strategies

- Preparation of an **Aboriginal Cultural Heritage Study** for the Shire to collect and manage information about the heritage, traditions and stories of the Boon Wurrung people in relation to sites on Phillip Island (and San Remo), which could be used in interpretive material for visitors. This will include information about the Boon Wurrung names of towns in the Bass Coast Shire, and their meanings. (Action 15)
- Create a sense of place by developing **branding and entry statements** for each village, the Island and the broader region. (Action 16)
- Ensure Phillip Island **retains the Australian MotoGP and World Superbike Championships beyond 2026**. (Action 55)
- Prepare a **Tourism Priority Roads Master Plan** for Phillip Island and San Remo to identify the optimum future traffic flow across the Island (inclusive of residents and commercial traffic). (Action 18)

Create an Island Entry Statement which Highlights the Island's Rich Aboriginal Culture

The entrance to Phillip Island should convey a sense of arrival to those who approach it. The entrance will need to have a strong design to denote a change of environment and to reflect the Island's identity. Through a contemporary design solution, the gateway should signal the end of travel and the beginning of a new and different experience defined by Boon Wurrung culture and heritage. A revitalised entrance will strengthen the identity and brand and present local stories through modern design principals. It will reflect the history and contemporary culture of the Boon Wurrung people.

Working with the Aboriginal community to create unique, culturally-inspired design elements at the entrance to the region, the entry statement will act as a reference point for visitors and be duplicated at the entrance to the main visitor precincts on the Island. Each precinct will have its own unique design representing the values and story of the precinct and will present the visitor with the unique sense of place when entering each precinct.

Add ref to working with the aboriginal community to achieve this.

2. Generate Year-Round Visitation

A high level of seasonality in visitation is a characteristic common to many visitor destinations, particularly where holidays form a large proportion of overall markets. Visitor economies which benefit from a more balanced mix of business, holiday and visiting friends and relatives (VFR) trade are often typified by lower levels of variation in trading across the year. In small communities, such as Phillip Island and San Remo, where peak visitor flows significantly outnumber residents, the perception and reality of peak and off seasons is even greater. Furthermore, these peaks and troughs can have significant impacts on the economy, community and environment, highlighting the need for generating optimum levels of year-round trading to triple bottom line performance.

1. Adopt an Optimum Capacity for Infrastructure

Adopting the precautionary principle, and in the absence of a monitoring system for environmental and social impacts (to be undertaken through the certification process with GSTC), it is recommended that the region adopt an optimum capacity of 24,500 visitors per day for planning future infrastructure demand threshold (including road infrastructure). While capacity values are likely to occur regardless of intervention, it is the aim of this strategy to shift demand to off-peak periods.

GAME CHANGER PROJECT 4

Create new event infrastructure at Cowes Cultural Centre, the Jetty Triangle, San Remo Foreshore and temporary infrastructure for surfing events. (Action 19 & 20)

The region currently has few dedicated event locations that are suited to significant (1,000+ persons) or major events (5,000+ persons).

As such, the four primary recommendations for development of major events infrastructure are:

- **Develop the Cowes Cultural Precinct Centre** to create an active fronted site linking the two active ends of the main street, creating a true focus for events and activity. This will include a new iconic library and art gallery to activate the town square and attract visitors and residents, new civic facilities, an all-day car park and transit centre. This vision is articulated in the *Cowes Activity Centre Plan* (2015).
- **Construct the Jetty Triangle** as outlined in the *Cowes Activity Centre Plan* (2015) the centrepiece of the foreshore precinct will be the new 'village green' – a versatile grassed common area flowing down from a terraced stage surrounding the historic Cenotaph. Replacing the Jetty Triangle car park, the village green will be the primary event space in Cowes, and will better suit the needs for burgeoning markets and community gatherings.
- Include a **major events space in the San Remo Tourism Precinct Master Plan**. As San Remo becomes a destination in its own right, the infrastructure supporting its growth needs to be planned and funded. The Wharf precinct and its connection to Back Beach and the CBD will need a development master plan, including identification of the most appropriate events infrastructure to host significant and major events.
- Identify locations suitable for **temporary surfing event infrastructure** to successfully attract national and potentially international surfing events. From juniors through to masters, Phillip Island will need to provide staged seating infrastructure if it wishes to compete in this space. Identification of locations for this will be critical to understanding what is required.

(Continued on over page)

GAME CHANGER PROJECT 4 (CONT)

ESTIMATED PROJECT COSTS

Cowes Cultural Precinct Centre - \$10 million
Jetty Triangle/ Cowes Foreshore - \$2.2 million

2035 BENEFITS

- New events infrastructure could bring up to **\$30M in additional revenue** to the region per annum
- Events infrastructure is primarily **community infrastructure**
- Through site design and management environmental **impacts** from events can be **minimised**

See Appendix 11 for further information and actions related to Game Changer Project 4.

Supporting Strategies

- **Adopt an optimal peak demand threshold of 24,500 visitors per day** in the future planning for infrastructure to meet demand. This is not a visitor cap, rather additional visitors beyond this point will experience a shortage of facilities. (Action 4)
- Through the adoption of Destination Certification under the GSTC, **monitor and report on carrying capacity** through indicator wildlife species and a dedicated visitor and community survey similar to the Tourism Optimisation Management Model (TOMM) used on [Kangaroo Island](#). (Action 21)
- Prepare a **Master Plan for the Grand Prix Circuit Event Venue**. (Action 22)
- Support appropriate **development of the key venues of Phillip Island Grand Prix Circuit and Churchill Island as event spaces** for the region. (Action 42)

2. Grow Mid-week and Off-peak Visitation

Phillip Island and San Remo's range of products and experiences lend themselves to offering a strong proposition to holiday visitor markets. If the status quo is to be changed over the 20 year horizon of the Strategy, there needs to be a focus placed on a broader range of visitor markets. Achieving growth in mid-week visitation is an area that can contribute to growing stronger year-round visitation volumes.

A number of markets and segments that offer potential for developing mid-week and off-peak demand have been identified for Phillip Island and San Remo:

- Events and conference market
- Education
- Nature and soft adventure
- Cruise
- Touring
- International – Asia
- Niche markets – including cultural tourism and golf

GAME CHANGER PROJECT 5

Re-establish the region's position in the conference market by facilitating the redevelopment of the Isle of Wight and Continental sites into a world-class accommodation and conference centre. (Action 14)

An opportunity exists to leverage investments to grow the conference market within Phillip Island and San Remo.

Encouraging private investment in a second major conference centre will allow the region to better capture the share of this growing market. Facilitation of high quality accommodation and conference facilities at the Isle of Wight and



The Continental Hotel, Phillip Island

Continental Hotel sites in Cowes should be encouraged through achieving Austrade Tourism Major Project Facilitation status and creating a Development Plan Overlay. The extension to the existing facilities will enable Phillip Island to attract mid-size and large conferences, weddings and events, with the associated demand for rooms in the hotel and other accommodation providers. Paired with the Silverwater Resort conference venue, it will allow the region to position itself as a regional conference destination with the accompanying benefits of significant and sustainable increased job opportunities. Ideally this development would include 200 rooms in addition to conference and function facilities, as well as a bar/café and restaurant.

ESTIMATED PROJECT COSTS

\$60 million in capital costs

2035 BENEFITS

- **365 new jobs created**
- **Increase in visitors to region** by estimated 11,500 persons
- **\$1.2M guest expenditure** outside the hotel per year
- **Boost regional income by \$7.34M** annually
- **Enhance lifestyle** through employment opportunities
- Access to **new high quality facilities**
- Redevelopment of an **existing site**

See Appendix 11 for further information and actions related to Game Changer Project 5.

Supporting Strategies

Education

- Grow **share of regional Victorian education market** by:
 - Developing a **vocational education program** with the tourism and hospitality sector in partnership with local businesses and education providers;
 - **Working with Study Melbourne to promote the Island's educational opportunities** and market the region as a desirable location in which to live while studying; and
 - Developing and implementing a **marketing plan targeted at educators** that positions Phillip Island as a leading education tourism destination and promote the aligned education tourism product on offer.

(Action 23)

- Conduct a feasibility study for the development of an **Environmental Education Centre / Botanic Garden** as a key attraction in Newhaven (similar to the Eden Project). (Action 43)

Nature and Soft Adventure
<ul style="list-style-type: none"> • Securing an annual professional surfing event and two to three state, regional or local surfing events and attracting more surf camps for students. (Action 24) • Deliver the recommendations of the Phillip Island Pathways Strategy following community and stakeholder consultation, with a focus on delivering the trails that link the primary visitor accommodation nodes with the key attractions. (Action 25)
Cruise
<ul style="list-style-type: none"> • Develop onshore infrastructure to support year-round access to the Cowes Jetty for the passenger ferry, tour operators and cruise ship tenders including visitor information and signage, transport provision, shade, water, seating, welcome activities and services, and work with DPI to develop new on-shore excursion options. (Action 27) • Strengthen relationships within the cruise industry and initiate marketing activities to increase cruise ship visitation, length of stay and expenditure. (Action 28)
Touring
<ul style="list-style-type: none"> • Support the promotion and development of partnership touring routes to encourage dispersal and overnight stays, especially for the international markets (e.g. Penguins to the Prom mini-touring route), and promote the region as part of the Go Beyond Melbourne Touring Route as a wildlife and nature destination. (Action 41) • Create two iconic drives supported improved road infrastructure, lookouts and signage at Potters Hill Road (San Remo) and The Esplanade (Surf Beach) and install tourism precinct signage for Back Beach (San Remo) and Cape Woolamai. (Action 51)
International
<ul style="list-style-type: none"> • Develop branded accommodation suited to the group market (to drive growth from high-end targets in China, India, and Other Asia) in Cowes. (Action 53)

3. Create a Reason to Visit through Events

For a number of markets, their memories of Phillip Island are having travelled there as a child and they have not heard or seen something that suggests the destination has changed – with the exception of the motor sports fraternity. The region needs to retain its existing major events and grow new events through a mix of marketing, investment and infrastructure to give people a new reason to visit, particularly during off-peak periods.

GAME CHANGER PROJECT 6

Grow and attract new off-peak events with a dedicated events acquisition resource, funded through a Special Charge. (Action 29)

The events market has the potential to contribute an additional \$58.8M per annum (60% of that off-peak) with an investment in resources and facilities.

The establishment of an Events Program starts with a dedicated events marketing and development expert (e.g. appointed by Bass Coast Shire Council). This person needs to have access to funds to support events, be able to facilitate events through permit and approvals processes and work with event organisers to maximise the value of the events to the community and the environment.

Supported by an annual publication on event facilities available in Phillip Island and San Remo, new events that best align the tourism vision and target markets would be sought.

(Continued on over page)

GAME CHANGER PROJECT 6 (CONT)

To fund this resource and support event growth and attraction, it is recommended that Council apply a Benefitted Area Special Charge to tourism-related businesses (excluding holiday house owners), and invest the revenue raised directly into an Events Program. If Council applied \$0.025 per dollar of Commercial Improved Value on the 1,200 commercial properties (minimum \$82.5) in Phillip Island and San Remo, generating an estimated \$150,000 per annum for event marketing and acquisition. Similar programs have been established in destinations such as the Sunshine Coast, Gold Coast and the Surf Coast.

The Events Program would be overseen by Council and DPI, managing an external events specialist (under contract). Investment would be guided by a Regional Events Plan which would establish a set of KPIs for the program and criteria for investment of funds. It is recommended that marketing funding for events would be for tourism related events that drive off-peak visitation and overnight stays. Events Program resources would leverage available national and state events funds, such as the Victorian Government Regional Fund Events Program and Significant Sporting Events Program. In keeping with the Region's commitment to environmental sustainability, events funded under the program could be required to meet the International Standard for Sustainable Events, ISO20121 established for the London Olympics and now applied to small, large and major events across the world.

ESTIMATED PROJECT COSTS

Resourcing for events acquisition position, rate collection (1 FTE)

2035 BENEFITS

- New events could bring up to **\$30M in additional revenue** to the region per annum
- An events fund would also support **community events**
- Events can also be **accredited** for their environmental standards

See Appendix 11 for further information and actions related to Game Changer Project 6.

Supporting Strategies

- Support **appropriate development of the key venues of Phillip Island Grand Prix Circuit and Churchill Island as event spaces** for the region. (Action 42)
- Create an **Event Acquisition and Development Fund** and appoint a **dedicated Events Development resource funded through a Benefitted Area Special Charge** to (Phillip Island and San Remo only):
 - **Secure major events** that are suited to the region (surfing, cultural, etc.);
 - Create a **fund from rates to support new events** that have at least 30% visitors to start-up and grow; and
 - Develop and distribute a **tourism events and facilities guide** that can be used to promote the destination as an event location. (Action 29)

3. Build Connectivity

Improved connectivity between the visitor nodes through alternative mediums (e.g. walking, cycling, public transportation, car ferry) is key to achieving the goals of being recognised globally as a sustainable destination. Efficient, reliable and affordable transport provides opportunities for visitors, as well as locals, to fully experience the region's attractions and events, resulting in increased expenditure and job creation and better managing congestion with alternative access.

Through the development of the Strategy it is clear that more work is needed to plan for and manage the integration of transport infrastructure from trails to public transport and roads. The Phillip Island Integrated Transport Study (PIITS) and its implementation group provide the best way to manage this future change. New information on traffic volumes, the Pathways Strategy and the recently released Regional Public Transport Strategy mean that the PIITS implementation group must establish a new set of integrated transport priorities following additional work on the Phillip Island Road Master Plan, the Pathways Strategy and detailed consultation on bike paths, walking paths and public transport infrastructure and services.

1. Improve the In-Destination Experience

Manage Congestion During Peak Travel Periods

A small island destination coupled with a strong and growing demand from visitors who predominantly travel by car, means that managing traffic congestion is a key destination management issue now and into the future. Congestion when arriving/departing the region and on the region's roads leads to frustration for visitors and reduced levels of satisfaction.

The bridge has a carrying capacity of 1,500 vehicles per hour and is a natural bottleneck for traffic – a natural limitation to lower cost road widening solutions along Phillip Island Road. Extending the width of the bridge to increase capacity is not seen as a practical or cost-effective solution.

A medium to longer term action for consideration is instigating a user pays system such as a bridge toll, with the option for pricing incentives for travel outside peak travel periods. Another recommended option is the instigation of car parking charges at identified visitor hubs. In both cases, pricing levels and their applications will need to consider the costs of collection against the anticipated revenue to be collected as well as the visitor management outcomes, and proper investigation and feasibility testing will be required to inform decision-making. Any funds secured through these user pay initiatives would need to ensure that collected revenue is quarantined for tourism-related infrastructure and promotion of the pilot loop bus services.

While pricing incentives and encouraging alternative modes of in-destination transport will have a positive effect, a long term solution to managing car travel on the region's roads also needs to be identified as car travel will only continue to grow over the 20 year term of the Strategy.

Wayfinding and Targeted Traffic Management Measures

This Strategy has been developed on the basis that over the life of the Phillip Island and San Remo Visitor Economy Strategy 2035, Phillip Island Road (from Anderson to the Summerland Peninsula) will not be widened into a dual carriageway; rather a number of strategic investments in road infrastructure to aid traffic management will be made. From a strategic tourism perspective, a visitor dispersal strategy based on Council and VicRoads' visioning exercise for Phillip Island roads' hierarchy of intersections, and supported by an integrated wayfinding and visitor navigation strategy which encourages a shift away from vehicle reliance, is the Strategy's key connectivity recommendation.

Wayfinding and Visitor Navigation

The Phillip Island Visitor Navigation Plan (2013-15) identified that while there were no systemic visitor navigation issues due to a relatively simple road network matched with ample supporting collateral – signage on the Island tended to be old, obstructed by vegetation or cluttered. This clutter stemmed primarily from commercial signage (especially retail shops) on or near the property boundaries. The Plan recommends the removal of signage clutter and improvements of signage to key attractions (including the natural features).

At the time of preparing this Strategy, a wayfinding project funded by Bass Coast Shire Council and the Victorian Government has commenced for walking and cycling travellers to encourage and enhance the experience for those using public transport, walking and cycling. This project should be the first stage of a comprehensive roll-out of new wayfinding and signage guidelines for the region to encourage dispersal, and encourage more walking and riding between the visitor nodes.

Targeted Traffic Management Measures

The majority of visitors to the region arrive by car (97% of domestic visitors and 83% of international visitors); during peak periods, traffic congestion can delay traffic for as long as two hours in getting from Bass to the Island. Better managing congestion through the use of technology such as the Vic Roads Traffic App will help to better direct visitor traffic.

To encourage visitor dispersal on arrival (rather than travelling straight to Cowes) and reduce visitor frustration with congestion, establishing roundabouts (proposed by VicRoads) accompanied by appropriate wayfinding at the following intersections is recommended:

- Back Beach Road, Sunderland Bay;
- Cape Woolamai intersection; and
- Boys Home Road, Newhaven.

These areas have appropriate infrastructure in place or planned to manage increased visitor loads.

New signposting and wayfinding infrastructure should also encourage travel to:

- Summerlands via Back Beach Road; and
- Silverleaves and the Esplanade via Coghlan Road (**Note:** Coghlan Road would need bike lanes added to make this a safe alternative).

Supporting Strategies

- Continue to support the concept of ‘Island Explorer’ **summer season bus loop**, with a shift to smaller more frequent buses to create a sustainable bus service in partnership with existing transport providers. (Action 39)
- **Review the speed limits on the Island** to encourage more cycle tourism and encourage safe access to future roadside stops. (Action 45)
- Undertake a **feasibility study into user pays models** including paid car parking and a bridge toll to create a quarantined fund for future visitor infrastructure and strategic environmental land acquisition. (Action 57)
- Secure funding to **implement the Visitor Navigation Study for Phillip Island and San Remo Plan** and extend its reach into effective road signage. (Action 31)

2. Improve Visitor Journey to and from Phillip Island and San Remo

Road and sea links are the options available to visitors now and over the term of the Strategy.

Road Linkages with Key Source Visitor Markets

Being located approximately 90 minutes from Melbourne CBD provides Phillip Island and San Remo with opportunities to tap in to large domestic and international visitor markets. When the proximity of the large-scale population growth in Melbourne's South East is considered, the Bass Highway provides the key link between the destination and its key source visitor markets.

Recent investment by the Victorian State Government has significantly improved a number of important linkages including the Koo Wee Rup Bypass. Working closely with the State Government and partner agencies to ensure that investment on the strategic road and public transport recognises and responds to strategic tourism priorities is an ongoing priority.

Sea Linkages

Phillip Island currently has a passenger service providing a link with French Island and the Mornington Peninsula (and broader rail network). Further opportunities are available to develop the Island's sea linkages, with the opportunity to integrate the journey into the region's overall visitor experience.

One of the dominant elements in holding back even further growth in Phillip Island's visitor market is that it is perceived as a 'one way' destination. The only road out is the road in, and this for tourists, means a lot of ground is covered twice whilst driving. The vision is to **make Phillip Island part of an ongoing journey experience**, and a car and passenger ferry linking Phillip Island to the Mornington Peninsula would open up a significant new market for tourism. The implementation of a car and passenger ferry would allow for multi-day touring round trips to be planned (e.g. Melbourne /Phillip Island/ car ferry to Mornington Peninsula/ Sorrento car ferry to Bellarine Peninsula/ Melbourne), and offers a significant amount of potential.

In addition to primary visitor usage, a well-run, regular car and passenger ferry service would also attract usage from Mornington Peninsula residents accessing holiday houses on the Island as indeed it may with Phillip Island residents wishing to access the Mornington Peninsula without the drive around – especially at peak season with traffic congestion to and from the Island. Predominantly, however, the service would be defined by the visitor market to Phillip Island.

The review of the passenger ferry contract provides the opportunity to establish an improved tourism-oriented passenger ferry service and establishing a car ferry service (linking with the Mornington and Bellarine Peninsulas) with a terminal near the Cowes Yacht Club as the preferred option.

The need for and funding of a car ferry facility is not expected in the short to medium term, however the planning for the facility should commence in 2017. Estimated costs are significant (\$20M – infrastructure and \$35M – vessel), with significant subsidies being required in the short term. In the longer term, however, road capacity constraints are likely to enable a stronger commercial business case to be made. Subject to full economic analysis, by 2035, a car ferry service could potentially deliver significant benefits to the region (see Game Changer Project 7).

GAME CHANGER PROJECT 7

Showcase the Island with **improved marine access. (Action 30)**

As an island, one of the best ways to experience the real island feel is to arrive or explore the island by boat.

To facilitate this over the 20-year life of the Strategy three projects are recommended:

- 1) Cowes Jetty Supporting Infrastructure
- 2) Marine access study
- 3) Car Ferry (36 vehicles / 300 passengers) near Cowes Yacht Club



Cruise tender vessels, the passenger ferry and the marine eco-tours operating from the Cowes Jetty experience difficulties during low tide with the current Jetty design. New infrastructure is needed, following an engineering review, to provide **all tide access to the Cowes Jetty** that supports wheelchair access.

The growing popularity of yachting and fishing in Western Port will increase pressure on the marine facilities. **A dedicated study** will be required to estimate the future marina berths, boat ramps and marine access points required to meet the forecast demand, including new marine activities and events. Based on the investigations undertaken through the development of the Phillip Island and San Remo Visitor Economy Strategy 2035, berths at the Cowes Jetty and Erewhon Point are considered unsuitable, **a location in the vicinity of the Cowes Yacht Club to the Cowes boat ramp could be suitable or other locations may be identified.** This would operate as car ferry jetty, providing both transport infrastructure and an expanded marine tourism and recreation precinct for the Island. Expansion of the Cowes Yacht Club is limited by its access to land, as they are already at capacity for boat storage. This is inhibiting the growth of the club to offer additional services for new members (from the growing regional population) and for local people, including young families wishing to try sailing. Getting on the water is one of the best ways to experience an island.

The development of a Car Ferry Jetty would need to be done to the highest environmental standards and should be an example for other coastal locations in ecologically sustainable design. Planning should commence with a study on leading practice in environmental design of jetties, followed by a thorough environmental impact assessment of the preferred design. **The need for and funding of a facility such as this is not expected in the short to medium term, however the planning for the facility should commence in 2017.** Examples of modern jetty and breakwater designs, such as Blairgowrie Jetty in Sorrento should be considered over the traditional 'rock wall' jetty designs. Learnings from the development of these jetties should inform the development in allowing active coastal processes. Such as facility could provide the only all weather, all tide jetty in Western Port. Capacity 36 vehicles / 300 passengers.

ESTIMATED PROJECT COSTS

- Cowes Jetty (TBC)
- Marine Demand Study (\$100,000)
- Car Ferry Infrastructure (est. \$20M)

2035 BENEFITS

- **Improved marine access with up to 46,500 new users**
- **\$3.8M in new income to the region** each year supporting **61.8 new jobs created**
- **Better servicing** of the growing regional population and provide an **alternative form of access**
- Best practice **sustainable design to minimise environmental impact**

Refer to Technical Appendix 11 for further actions and information on Game Changer Project 7.

Integration within the State and Broader Region

The strategic directions for transport services and infrastructure are fully aligned with the framework set out in the Phillip Island Integrated Transport Study and SmartRoads principles, and focus on:

- Dispersal of visitors supported by integrated wayfinding, and improvement works at key road intersections. Increased in-destination road capacity is not prioritised as an action.
- A long term vision for in-destination travel following SmartRoads principles which results in a lower reliance on vehicles, with priority for walking, cycling and public transport where appropriate.
- Introduction of visitor pricing incentives where cost-benefit analysis shows tangible positive outcomes, commencing with the introduction of charging for car parking at identified visitor hubs.
- Working closely with the State Government and partner agencies to ensure investment on strategic road and public transport infrastructure and services recognises and responds to strategic tourism priorities is an ongoing priority.
- Supporting an improved tourism-oriented passenger ferry service and investigating the feasibility of establishing a car ferry service (linking with the Mornington and indirectly the Bellarine Peninsulas); with a terminal near the Cowes Yacht Club the preferred option.

Regional Linkages

As peak demand to access the Island grows, and to secure a greater share of the international and domestic tourism market, a shared approach between the broader Gippsland region will be needed.

As such, it is recommended that regional agencies work with Destination Gippsland and Gippsland Local Government Network to:

- Create an agreed tourism priority statement through the Regional Partnerships Network to reinforce the regional approach.
- Co-operatively promote walks through appropriate opportunities including the 'Best Walks of Gippsland' campaign.
- Prepare a joint drive market action plan.
- Work with the Gippsland region to develop and promote new touring routes as a core international product that link the Yarra Valley & Dandenong Ranges, Mornington Peninsula, Phillip Island, Geelong Bellarine/Great Ocean Road, and Great Southern Touring Route via the Sorrento/Queenscliff car ferry.

Supporting Strategies

- **Actively encourage the passenger ferry** to run at an optimal level prior to building a case for the car ferry. (Action 5)
- Partner with VicRoads to **encourage use and further development of the traffic app** so visitors can plan to travel outside peak congestion times. (Action 32)
- Identify up to three suitable sites to undertake an **environmental effects statement** (including monitoring) on the likely impacts of suitable locations for a car ferry, including the area between the Cowes Yacht Club and the Cowes boat ramp and any other locations identified (Action 46).

3. Create a Network of Walking Trails

There is a growing trend towards active holidays and Australia is increasingly being positioned as a 'walking' destination. The success of overnight walks such as the Great Ocean Walk, Overland Track and Bay of Fires have inspired the development of new day and overnight walking experiences targeting the premium end of the holiday market.

Based on analysis of the National and International Visitor Surveys (NVS & IVS) it is apparent that Phillip Island and San Remo are attracting a lower share of the market that actively participate in walking while on holidays. The Year Ending December 2015 data from the NVS and IVS show that 5% of visitors to Regional Victoria took a 'bushwalk' during their trip, which has grown 11% since 2011 (2.3% per annum). Conversely, only 2.6% of Phillip Island and San Remo visitors undertook a 'bushwalk' while on holidays during this same period.

This represents both an opportunity to grow the market for walking, as well as an identified need for more appealing walking experiences. There has been much discussion about a South Coast trail linking Cape Woolamai and the Summerland Peninsula. While finding an alignment and a market for such a walk may be a long-term prospect, it is the recommendation of the Phillip Island and San Remo Visitor Economy Strategy 2035 that the short-term priority is to create walking experiences that link the key accommodation and activity nodes.

The Bass Coast Shire and Phillip Island Nature Parks have developed a Draft Pathways Strategy that identifies a range of short, medium and long term trails. The Phillip Island and San Remo Visitor Economy Strategy 2035 recommends that priority be given to those that link the primary visitor accommodation nodes with the key attractions.

GAME CHANGER PROJECT 8

Showcase the region's natural vistas with investment in coastal walkways, viewing platforms and recreational infrastructure. (Action 56)

The region's coastline is one of its greatest features, yet the region lacks an 'iconic' walk.

This doesn't need to be an overnight walk, but a substantial walk (an hour or more) that could become a reason to visit. Bass Coast Shire Council has prepared a Draft Trails Strategy, and is aligning its priorities with the Phillip Island Nature Parks. This process is strongly encouraged.

It is recommended that funding be secured to deliver the recommendations in the Draft Trails Strategy. In achieving the goal of growing the nature-based tourism segment by \$37.7M in 2035, it is estimated that 10% of that value (\$3.8M) could be generated through the creation of walks.

In addition to the infrastructure, Bass Coast Shire Council will continue to support and encourage start-up small businesses that showcase the region's natural features and unique selling points.

ESTIMATED PROJECT COSTS

Contingent on alignment and design

2035 BENEFITS

- **Attracting** a larger share of the Regional Victoria walking market, trails could contribute up to **\$3.7M per annum** in additional expenditure (when marketed along with other features)
- Priority is given to trails that link **primary recreation nodes** used by **both residents and visitors** alike
- Through site design and management environmental **impacts** can be **minimised**.

Refer to Appendix 11 for further actions and information on Game Changer Project 8.

The longer term vision is to create a connected South Coast trail using a mix of coastal, shared trail and dedicated new walking trail infrastructure as outlined in the *Nature Parks South and North Coast Key Activity Plan* (2014). Based on the average spend by dedicated walkers on premium trails (\$2,600 per walker per trip), if the walk was to attract 500 guided walkers per annum it could contribute an additional \$1.3M per annum to the visitor economy.

It should also be noted that cycling is a growing leisure activity and has potential for growth in Phillip Island and San Remo. Improved connectivity between the visitor nodes by bicycle is key to both achieving the goals of the Phillip Island Integrated Transport Study and to achieving the goals of being recognised globally as a sustainable destination.

Supporting Strategies

- **Prepare a Master Plan for the upgrade beach access facilities and carparks** along the Bass Coast in San Remo (Punchbowl Road, Potters Hill Road, Back Beach). (Action 44)
- **Co-operatively** promote walks **in the region through a** 'Best Walks of Gippsland' campaign. (Action 26)

4. Manage Growth

By 2035, forecasts indicate that Phillip Island and San Remo will attract an additional 1.6M visitors, 2.4M visitor nights and will have an additional 4,241 residents. With the region likely to exceed its optimum capacity of 24,500 visitors per day in nearly every month of the year in 2035, management of this level of visitation will require more than a marketing response.

1. Include an Expanded Tourism Policy in the Bass Coast Shire Planning Scheme

The Bass Coast Planning Scheme recognises the importance of tourism throughout the Strategic Statement, with particular reference in Section 21 on Land Use (Part 06 – 4. Tourism). In light of the development of the Phillip Island and San Remo Visitor Economy Strategy 2035, this section needs to be revised to incorporate the new vision, targets and accepted limits to infrastructure development as well as giving reference to a new Policy Section on Rural Tourism.

It is recommended that Section 21.03-4 be amended to reflect the guiding principles (p11) and strategic directions (p19) set out in this Visitor Economy Strategy. In addition, a Tourism Policy should be added to Section 22 of the Municipal Strategic Statement to that includes:

The key principles that guide the future development of Tourism (including Rural Tourism), being:

- Support for tourism that protects and **enhances the regions natural environment** through sustainable development and management principles;
- Encourage tourism events, marketing and developments that **enhance the lifestyle of the local community** through the creation of employment, supporting community facilities, enhancing conservation and supporting community events;
- Seek to foster tourism activities that **grow visitor markets that will support local jobs** and workforce retention and demand for skilled employment and quality people;
- Actively encourage tourism activities that **shift the peak demand periods** and that attract visitors more likely to stay and spend time (and money) in the region; and
- Attract investment in **supporting year-round visitation and dispersal of visitors**.

Through encouraging tourism investment that adopts sustainable tourism principles, the region will lift its perceptions nationally and internationally, as well as gaining more local support for the visitor economy. An additional benefit will be attracting visitors who value the environment and the community they are visiting and are more likely to stay longer, spend more and contribute more to the community through their visit.

The recommended Tourism Policy should also include references to the Tourism Precinct vision statements for each area (see Appendix 12) and reference the Strategies to Achieve the Vision (p19).

Supporting Strategies

- Update the **Tourism Section (21.03-4) of the Bass Coast Planning Scheme** to reflect the recommendations and vision of the Phillip Island and San Remo Visitor Economy Strategy 2035 including a new Tourism Policy (Section 22). (Action 6)

2. Encourage Rural Tourism through a Rural Tourism Policy

Rural Land makes up 59% of the total land area of Phillip Island and San Remo and plays a vital role in the visual amenity and community feel of the Island and San Remo. It is recommended that a Local Planning Policy for Tourism, including Rural Tourism be added to the MSS (Section 22) covering all areas currently zoned 'Farming' in Phillip Island and San Remo to **encourage rural and ecotourism tourism opportunities for farmers.**

This section would recognise the following objectives:

- **Encourage a viable, ongoing, farming and rural industry** for the Bass Coast, including on Phillip Island, that protects the visual qualities of the landform;
- **Support rural tourism uses** including small-scale accommodation, roadside food stalls, value-adding to primary production for tourism consumption and events, that not only meets the planning controls used to preserve the appeal of rural areas, but improves environmental conditions and allows for more sustainable farming operations through alternative revenue streams and promotion of rural industries; and
- Provide a **Farming Zone that allows for diversification into Rural Tourism**, supported by a wide-range of business support programs.

Supporting Strategies

- **Include Rural Tourism in the proposed Tourism Policy (Section 22 of the MSS)** to encourage diversification of economic activities in the rural zone and to help the rural tourism industry thrive. (Action 33)
- Implement a **pilot program to educate producers about tourism**/undertake educational workshops or develop a 'how to' guide for farmers interested in diversifying into tourism. (Action 34)
- Develop and adopt a **caravan and camping options strategy** across the Bass Coast Shire to encourage the RV market, without impacting on commercial caravan parks. (Action 52)

3. Implement Precinct Priority Actions

A key aim of the Phillip Island and San Remo Visitor Economy Strategy 2035 is to ensure each precinct, township and hamlet retains and builds on their individual character. This should be reinforced through the development of entry statements for each township; however this will principally be identifiable in how each precinct develops.

Figure 9: Map of Phillip Island Precincts



GAME CHANGER PROJECT 9

Develop the San Remo Foreshore. (Action 35)

As visitor numbers grow, particularly day visitors, San Remo will increasingly become a destination in its own right.

The current alignment of Marine Parade to Phillip Island Road makes this challenging in peak times. It is essential that a Site Master Plan be developed for the Wharf Precinct and its connection to the Western Port Precinct, Eastern Passage Precinct and the CBD, incorporating public infrastructure and private sector investment opportunities.

This Master Plan should make direct reference to the State Government endorsed San Remo Foreshore Plan of Management, the San Remo Design Framework and could draw inspiration from a San Remo visioning process facilitated by the San Remo Foreshore Committee with the support of the university in 2013.

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GAME CHANGER PROJECT 9 (CONT)

As part of the San Remo Tourism Precinct Master Plan, the following elements should be incorporated:

- a) Development of the Jetty Precinct as a commercial and tourism precinct and the main visitor node in San Remo. This could include: A visitor centre associated with the redevelopment of the Fish Co-op; visitor accommodation; public park with facilities; foreshore boardwalk; links to other precincts;
- a) Redevelopment of the caravan park to create a foreshore connection and links to the Jetty Precinct. This would form part of the walking trail network; and
- b) Back Beach Precinct.

ESTIMATED PROJECT COSTS

Subject to further investigation.

2035 BENEFITS

- **Increased visitation, expenditure** and support for employment
- Investment in **amenities and infrastructure** which add to **quality of life for residents** as well as visitors
- **Planned approach to managing visitor growth** which supports environmental objectives.

Refer to Appendix 11 for further actions and information on Game Changer Project 9.

Supporting Strategies

- **Retain the town boundaries** wherever practical (subject to the effects of environmental conditions) to sustain, and ideally improve, the inter-urban breaks between the Island villages and on the entry to San Remo in accordance with the adopted structure plans. (Action 36)
- Continue to **monitor the number of returning residents and the impact on available accommodation** and peak demand pressures on the Island. (Action 38)
- Support the **development of attractions and accommodation that encourage off-peak travel** including spa, luxury accommodation, walking trails, etc. through a proactive investment attraction program. (Action 40)
- **Conduct an Expression of Interest process** to understand future major tourism development sites. (Action 47)
- **Enhance the wetland facilities at Rhyll** with education infrastructure (bird hides, boardwalks). (Action 59)

5. Global Recognition for Conservation

Tourism is everyone's business. Recognising that the environment is the economy of Phillip Island and San Remo, the tourism industry alone cannot achieve Phillip Island and San Remo's 2035 vision.

1. Collaboration in Conservation

Conservation of Phillip Island and San Remo's protected areas needs to remain a key focus for the region towards 2035 and will require support from the entire community to achieve. As such, it will be imperative that Bass Coast Shire Council and Phillip Island Nature Parks recognise and support the efforts of its volunteers and community groups to maximise conservation efforts across the region.

With collaboration and partnerships playing a key role for the region towards 2035, effective governance and management will be critical to ensuring that desired community, environmental and economic outcomes are met.

The current operating model with land managed by both Bass Coast Shire Council and Phillip Island Nature Parks have delivered some outstanding results, but more is needed to deliver the level of infrastructure required to meet (or exceed) the expectations of community and visitors in terms of beach access, roads, and conservation of ecosystems.

GAME CHANGER PROJECT 10

Support full implementation of the Summerland Peninsula Master Plan. (Action 8)

The Summerland Peninsula is home to one of the most popular natural wildlife attractions in Australia – the Penguin Parade – however the infrastructure no longer meets international expectations and is inadequate to cater for projected visitor growth.

As documented in the Summerland Peninsula Master Plan, new tourism products including a new purpose-built Visitor Centre, world class eye-level underground viewing facility, modern site interpretations systems, new Indigenous cultural heritage tours and expanded wildlife viewing opportunities are planned for Summerland Peninsula and will represent best practice contemporary design standards.

The \$106M Master Plan also provides a precinct wide vision, integrating environmental management, education and research within the visitor experience, and portraying Summerland Peninsula as a 'destination' with a range of ecological, tourism and recreation values, rather than interest solely being focused only on the Penguin Parade.

Earlier this year (April 2016) the Victorian Government pledged \$48.2 million of its 2016/17 budget to help deliver Stage 1 of the Master Plan (Nature Parks will contribute an additional \$10 million), which includes redevelopment of the Visitor Centre and the restoration of over eight hectares of penguin habitat. Support for implementation of Stage 1 and funding support for Stages 2 and 3 will be essential to complete this world class design.

ESTIMATED PROJECT COSTS

Stage 1 - \$71.3 million (\$58.2 million currently secured)

Stages 2 and 3 - \$35 million

(Continued on over page)

GAME CHANGER PROJECT 10 (CONT)

2035 BENEFITS

- Infrastructure to cater for an estimated **150,000 additional visitors** per annum by 2020
- **Growth in tourism yield** based on new and increased length of stay
- Estimated **ROI of 9.9%** meeting required return for public tourism investment
- **Increase the Nature Parks economic contribution** to the region and the State by \$1.4B from 2018-2040
- Validates the Summerland housing buy-back and provides a new basis for **engagement with the local community**
- **New access facilities and services** that support the use of Summerland Peninsula's beaches
- **Overall net habitat gain of 8.2Ha**, comprising 6.7Ha of Penguin habitat and 1.5Ha of new wetland habitat

Refer to Appendix 11 for further actions and information on Game Changer Project 10.

2. Quality of the Landscape

Phillip Island and San Remo is already known for its coastal scenery; with many landscapes across the region already recognised as iconic and regionally significant. In order to prevent deterioration of the landscape over time, regular monitoring of environmental indicators is needed. This will help to not only preserve, but enhance the quality of the landscape, which both visitors and residents can enjoy.

The long-term aim is to identify, rehabilitate and better manage ecosystem health based on input from the community, environmental baseline studies and management agency input, however, this will require additional funding to achieve.

Supporting Strategies

- Establishment of a model for **voluntary contributions** from consumers via local businesses. (Action 48)
- Identification of suitable sites for future land acquisition to **extend existing protected areas**. (Action 49)
- Exploration of the feasibility of an **environmental management charge** on visitors to natural areas, collected either through paid parking or as an additional item on the ticket price. (Action 58)

3. Quality of Life - Workforce Planning and Development

The forecast growth in visitor numbers will drive a need for more skilled staff and aims to support year-round employment for locals. With the visitor economy being a major employer in the region, it is of benefit to the industry for young people to see a pathway for a career in tourism. The process of engaging young people in learning and career pathways in tourism began through the *Tourism Employment Plan* (2014) and is now continued by support providers such as the Local Learning and Employment Network (LLEN), the schools and vocational training providers (including TAFE).

Through the Phillip Island and San Remo Visitor Economy Strategy 2035, it is recommended that Phillip Island and San Remo **aspire to become a destination of choice**. A significant body of research exists on the cultural and economic benefits of a business becoming an 'employer of choice'. That is, **building a strong brand and reputation for employee benefits (not just financial) to the point that people are queuing to get a job in these businesses**. Phillip Island and San Remo have the potential to become an employment destination of choice, made up of a number of recognised employers of choice.

Supporting Strategies

- Encourage the tourism sector to embrace the concept of **becoming employers of choice** and providing secure employment options (year-round and seasonal) through offering permanent part-time (over casual) employment options where available, through the formation of **clusters of business that can offer career paths** for young people and keen locals. (Action 37)
- Better **connections between industry and the schools and education providers** through the established Partnership Brokers role. This can be better facilitated through DPI and PISRTBA, meeting at least annually with the Partnership Brokers to understand the role and running at least one networking event per annum where industry meets the Partnership Broker to identify opportunities to work together. (Action 50)

Enablers of Success

The success of the Phillip Island and San Remo Visitor Economy Strategy 2035 is underpinned by the following enablers:

- Clear **vision, leadership, cohesion** and clear **communication** between State Government, Council, the tourism industry and the community (see breakout box below);
- **A tourism-oriented planning framework** with training and a **rural tourism policy**;
- **Identification of priorities** and focussed investment in those areas;
- **Design guidelines** to balance infrastructure with destination appeal;
- Advocacy of Phillip Island and San Remo as being '**investment ready**';
- **Support for entrepreneurs and investors** (reduce hurdles); and
- **Diversity of products** to reduce risk from market shifts and unplanned events.

KEY ENABLER – EFFECTIVE GOVERNANCE

The delivery of a world leading destination experience and management of a critically important ecosystem and tourism destination such as Phillip Island and San Remo requires a network of partners working towards a common goal.

Phillip Island and San Remo benefits from a committed group of local and regional stakeholders who are passionate about the visitor economy and the contributions it can make to economic health and social wellbeing. Through formalising partnership agreements and improving co-ordination and communications, collective resources can be used more effectively to achieve strategic tourism objectives.

Supported by good governance and collective action, the strategic ambition is to achieve Certification of Phillip Island as a leading destination of the world under the Global Sustainable Tourism Criteria (GSTC) for destinations.

Supporting Strategies

- **Gain State endorsement** for the Phillip Island and San Remo Visitor Economy Strategy 2035 and provide copies of the Strategy to all partner agencies (Action 1).
- **Create a 'Sustainable Tourism Accord'** to be signed by BCSC, Nature Parks, and DPI. The Accord will be supported by a Steering Committee made up of BCSC, Nature Parks, DPI, representative of the Community Reference Group, and DELWP to implement the Strategy and ensure alignment to the GSTC criteria in the annual work plans of each organisation (Action 2).
- **Create a Community Tourism Reference Group** (Action 3) that will assist Bass Coast Shire Council in relation to:
 - Co-ordination of the GSTC process for Phillip Island and San Remo;
 - Preservation of beaches and natural beauty;
 - Prevention of deterioration of its foreshore;
 - Maintenance of wildlife reserves; and
 - Improvement of facilities that would lead to the better enjoyment of the Island by the people.
- Conduct a **year five and year ten progress review** and **Phillip Island and San Remo Visitor Economy Strategy 2035 update**. (Action 60)



3

Taking Action

High Priority Actions

The following table contains the actions considered as High Priority for delivery, that is, the key actions that are required to implement the Strategies and Game Changer Projects. Additional actions to help activate the Game Changer Projects can be found in Section 11 of the Technical Appendices.

Immediate Actions (1 Year)	Responsibility (bold to lead)
1. Gain State endorsement for the Phillip Island and San Remo Visitor Economy Strategy 2035 and provide copies of the Strategy to all partner agencies.	BCSC
2. Create a 'Sustainable Tourism Accord' to be signed by BCSC, Nature Parks, and DPI. The Accord will be supported by a Steering Committee made up of BCSC, Nature Parks, DPI, representative of the Community Reference Group, and DELWP to implement the Strategy and ensure alignment to the GSTC criteria in the annual work plans of each organisation.	BCSC , Nature Parks, DPI
3. Create a Community Tourism Reference Group that will assist Bass Coast Shire Council in relation to: <ul style="list-style-type: none"> Co-ordination of the GSTC process for Phillip Island and San Remo; Preservation of beaches and natural beauty; Prevention of deterioration of its foreshore; Maintenance of wildlife reserves; and Improvement of facilities that would lead to the better enjoyment of the Island by the people. 	BCSC , Community, Volunteers, Industry Associations
4. Adopt an optimal peak demand threshold of 24,500 visitors per day in the future planning for infrastructure to meet demand. This is not a visitor cap, rather additional visitors beyond this point will experience a shortage of facilities.	BCSC
5. Actively encourage the Passenger Ferry to run at an optimal level prior to building a case for the Car Ferry.	DPI , PIITS CRG
6. Update the Tourism Section (21.03-4) of the Bass Coast Planning Scheme to reflect the recommendations and vision of the Phillip Island and San Remo Visitor Economy Strategy 2035 including a new Tourism Policy (Section 22).	BCSC
7. GAME CHANGER 1: Recognise that the environment is the economy of Phillip Island and San Remo and work towards gaining international certification as a sustainable tourism destination under the GSTC.	BCSC
8. GAME CHANGER 10: Support the implementation of the Summerland Peninsula Master Plan .	DPI , BCSC
Short Term Actions (2-5 Years)	Responsibility (bold to lead)
9. Undertake a brand refresh to determine the brand positioning of Phillip Island and San Remo as a destination.	DPI , VV, BCSC
10. Undertake qualitative research to understand 'Inspired by Nature' and 'Creative Opinion Leaders' consumer triggers for travel to Phillip Island and San Remo prior to engaging in a brand refresh.	VV , DPI
11. Support local partners to embrace the new positioning with experience	DPI , BCSC

development mentoring.	
12. Create an Ambassadors Training Program to get every business on the Island and every volunteer engaged in the Phillip Island story (e.g. Townsville or Kangaroo Island).	BCSC, RDV, DPI
13. GAME CHANGER 2: Increase the investment in promotion and marketing of the region to target domestic and international markets to encourage year-round visitation funded through the enforcement of holiday house management arrangements.	BCSC, PISRTBP, DPI
14. GAME CHANGER 3 & 5: Develop an EOI document encouraging commercial interest in new accommodation development on the Island including: <ul style="list-style-type: none"> • Development Plan Overlay (DPO) and Austrade Tourism Major Project Facilitation (TMPF) in Cowes; • Ecotourism development along the South Coast; • Boutique accommodation near Rhyll; • Newhaven accommodation; and • A South Coast caravan park near the beach. 	BCSC, DPI, RDV, Nature Parks
15. Preparation of an Aboriginal Cultural Heritage Study for the Shire to collect and manage information about the heritage, traditions and stories of the Boon Wurrung people.	BCSC, BWF
16. Create a sense of place by developing branding and entry statements for each village, the Island and the broader region.	BCSC, VR
17. International Mentoring Program for businesses to become export / international ready, including assistance to access the Export Market Development Grant (EMDG).	VV, DPI, RDV
18. Prepare a Tourism Priority Roads Master Plan for Phillip Island and San Remo to identify the optimum future traffic flow across the Island (inclusive of residents and commercial traffic).	VR, BCSC, PIITS CRG
19. GAME CHANGER 4: Identification of locations suitable for temporary surfing event infrastructure to support surfing events.	BCSC, PIBRA, PICS
20. GAME CHANGER 4: Renovate the Cowes Foreshore including the Jetty Triangle and Cowes Cultural Precinct as articulated in the <i>Cowes Activity Centre Plan</i> (2015) and agree on a staged delivery process.	BCSC, RDV
21. Through the adaptation of destination certification under the GSTC, monitor and report on carrying capacity through indicator wildlife species and a dedicated visitor and community survey similar to the Tourism Optimisation Management Model (TOMM) used on Kangaroo Island.	Nature Parks, BCSC, BCLN
22. Prepare a Master Plan for the PIGPC for staged development, including: <ul style="list-style-type: none"> • Low rise quality accommodation; • Boutique brewery or distillery; • Conference facilities; • Café and retail supporting the accommodation development; • Adventure activities precinct; and • Revegetation/noise buffer between the precinct and the community. 	PIGPC
23. Grow share of regional Victorian education market by: <ul style="list-style-type: none"> • Developing a vocational education program with the tourism and hospitality sector in partnership with local businesses and education providers; • Working with Study Melbourne to promote the Island's educational opportunities and market the region as a desirable location in which to live while studying; and • Developing and implementing a marketing plan targeted at educators that positions Phillip Island as a leading education tourism destination and promote the aligned education tourism product on offer. 	BCSC, Study Melbourne, RTOs
24. Secure an annual professional surfing event and two to three state, regional or local surfing events and attract more surf camps for students.	BCSC, PIBRA
25. Deliver the recommendations of the Phillip Island Pathways Strategy following community and stakeholder consultation, with a focus on delivering the trails that	Nature Parks, BCSC, PICS

link the primary visitor accommodation nodes with the key attractions.	
26. Co-operatively promote walks in the region through a 'Best Walks of Gippsland' campaign.	DG, DPI, VV
27. Develop onshore infrastructure to support year-round access to the Cowes Jetty for the passenger ferry, tour operators and cruise ship tenders including visitor information and signage, transport provision, shade, water, seating, welcome activities and services, and work with DPI to develop new on-shore excursion options.	DELWP, BCSC
28. Strengthen relationships within the cruise industry and initiate marketing activities to increase cruise ship visitation, length of stay and expenditure through higher satisfaction with cruise visits.	DPI
29. GAME CHANGER 6: Create an Event Acquisition and Development Fund and appoint a dedicated Events Development resource funded through a Benefitted Area Special Charge to (Phillip Island and San Remo only): <ul style="list-style-type: none"> Secure major events that are suited to the region (surfing, cultural, etc.); Create a fund from rates to support new events that have at least 30% visitors to start-up and grow; and Develop and distribute a tourism events and facilities guide that can be used to promote the destination as an event location 	BCSC, DPI
30. GAME CHANGER 7: Prepare a Marine Study to identify the cost and benefit of upgrading facilities in Rhyll, Newhaven, and San Remo.	DELWP, PPWCMA, BCSC, Nature Parks
31. Implement the findings of the Visitor Navigation Study for Phillip Island and San Remo including: <ul style="list-style-type: none"> For travellers on the M1 (heading east) signage directing traffic via the Koo Wee Rup bypass as an alternative to the exit via Cranbourne; Develop and implement a signage plan for the regions attractions and natural features and removal of non-compliant signage; Create a new welcome or entry to the Island and each township as part of a Tourism Signing Style Manual; and Continuation of the Regional Tourism Signing Committee. 	VR, BCSC, DPI, TEVE
32. Partner with VicRoads to encourage use and further development of the traffic app so visitors can plan to travel outside peak congestion times.	BCSC, VR
33. Include Rural Tourism in the proposed Tourism Policy (Section 22 of the MSS) to encourage diversification of economic activities in the rural zone and to help the rural tourism industry thrive.	BCSC
34. Implement a pilot program to educate producers about tourism/undertake educational workshops or develop a 'how to' guide for farmers interested in diversifying into tourism.	DEDJTR, BCSC, DPI
35. GAME CHANGER 9: Develop a Master Plan for the San Remo foreshore redevelopment , including a community and tourism events space and potential marina.	SRFC, BCSC, DELWP
36. Retain the town boundaries wherever practical (subject to the effects of environmental conditions) to sustain, and ideally improve, the inter-urban breaks between the Island villages and on the entry to San Remo in accordance with the adopted structure plans.	BCSC
37. Encourage the tourism sector to embrace the concept of becoming employers of choice and providing secure employment options (year-round and seasonal) through offering permanent part-time (over casual) employment options where available, through the formation of clusters of business that can offer career paths for young people and keen locals.	Industry
38. Continue to monitor the number of returning residents and the impact on available accommodation and peak demand pressures on the Island.	BCSC
39. Continue to support the concept of 'Island Explorer' summer season bus loop , with a shift to smaller more frequent buses (as well as exploring the potential of alternative transport options depending on the season) to create a sustainable Island transport service in partnership with existing transport providers.	DPI, Industry

40. Support the development of attractions and accommodation that encourage off-peak travel including spa, luxury accommodation, walking trails, etc. through a proactive investment attraction program.	BCSC, Invest VIC
Medium Term (6-10 Years)	Responsibility
41. Support the promotion and development of partnership touring routes to encourage dispersal and overnight stays , especially for the international markets (e.g. Penguins to the Prom mini-touring route), and promote the region as part of the Go Beyond Melbourne Touring Route as a wildlife and nature destination.	DPI, DG, VV
42. Support appropriate development of the key venues of Phillip Island Grand Prix Circuit and Churchill Island as event spaces for the region.	BCSC, PIGPC
43. Conduct a feasibility study into the development of an Environmental Education Centre / Botanic Garden as a key attraction in Newhaven (similar to the Eden Project).	Private Operator
44. Undertake a Master Plan to upgrade beach access facilities and carparks along the Bass Coast in San Remo (Punchbowl Road, Potters Hill Road, Back Beach).	BCSC, SRFC
45. Review the speed limits on the Island to encourage more cycle tourism and encourage safe access to future roadside stops.	VR, PIITS CRG
46. Identify up to three suitable sites to undertake an environmental effects statement (including monitoring) on the likely impacts of suitable locations for a car ferry, including the area between the Cowes Yacht Club and the Cowes boat ramp and any other locations identified.	BCSC
47. Conduct an Expression of Interest process to understand future major tourism development sites.	BCSC, RDV
48. Establish a model for voluntary contributions from consumers via local businesses.	BCSC
49. Identify suitable sites for future land acquisition to extend existing protected areas .	BCSC, Nature Parks
50. Create better connections between industry and the schools and education providers through the established Partnership Brokers role. This can be better facilitated through DPI and PISRTBP, meeting at least annually with the Partnership Brokers to understand the role and running at least one networking event per annum where industry meets the Partnership Brokers to identify opportunities to work together.	Partnership Broker, DPI, PISRTBP
51. Create two iconic drives supported improved road infrastructure, lookouts and signage at Potters Hill Road (San Remo) and The Esplanade (Surf Beach) and install tourism precinct signage for Back Beach (San Remo) and Cape Woolamai.	BCSC, VR
52. Develop and adopt a caravan and camping options strategy across the Bass Coast Shire to encourage the RV market, without impacting on commercial caravan parks.	BCSC
53. Develop branded accommodation suited to the group market (to drive growth from high-end targets in China, India, and Other Asia) in Cowes.	Invest Victoria, DPI, BCSC
Long Term (11-20 Years)	Responsibility
54. Prepare tactical marketing plans and action-oriented strategies prepared on three year cycles to respond to market trends and inform investment decisions.	DPI
55. Ensure Phillip Island retains the Australian MotoGP and World Superbike Championships beyond 2026 .	PIGPC, VV, DPI
56. GAME CHANGER 8: Showcase the region's natural vistas with investment in coastal walkways, viewing platforms and recreational infrastructure.	BCSC
57. Undertake a feasibility study into user pays models including paid car parking and a bridge toll to create a quarantined fund for future visitor infrastructure and strategic environmental land acquisition.	BCSC
58. Explore the feasibility of an environmental management charge on visitors to natural areas.	Nature Parks, BCSC
59. Enhance the wetland facilities at Rhyll Wetlands to include enhanced education infrastructure (boardwalks, interpretation signage).	Nature Parks, PICS
60. Conduct a year five and year ten progress review and Visitor Economy Strategy update .	Tourism Reference Group

Measures of Success

The principle aim of the Phillip Island and San Remo Visitor Economy Strategy 2035 is to achieve sustainable tourism growth over the next 20 years. The following measures are established as key performance indicators to be reported on annually as part of the Global Sustainable Tourism Criteria reporting and Bass Coast Shire Council reporting on the Strategy:

Key Performance Indicators			
	2015 Baseline	2025 Target	2035 Target
Desirable Destination			
Brand awareness	6.1%	7%	8%
Visitor Satisfaction (highly satisfied)	No benchmark	70%	75%
Year-Round Visitation			
Off-peak visitation (Apr-Sept)	37%	40%	45%
Spend per visitor	\$157	\$172	\$195
Build Connectivity			
Percentage using public transport to / on the Island	7%	12%	20%
Average length of stay (Domestic / International)	2.5 / 2.4	2.8/2.7	3.0/3.0
Manage Growth			
Peak demand months under 24,500 per day	10	11	12
Community Satisfaction	63%	65%	70%
Global Recognition			
Vegetation cover	7%	18%	30%

Phillip Island and San Remo Visitor Economy Strategy 2035 *Growing Tourism*

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