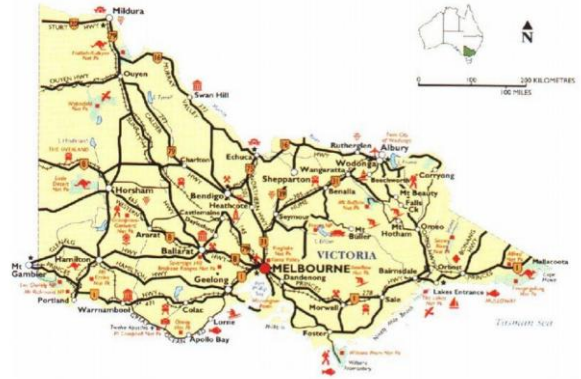


Cycle Tourism Development Case Study 2012: Victoria, Australia

Background

Victoria is a state located in the south of Australia. The natural beauty of the state enhances the attractiveness as a cycle tourism destination. The state has a diverse terrain suitable for road cycling, mountain biking and rail trails. Melbourne, the capital, is the largest city, and is well known for embracing sporting events and activities, including cycling.



Tourism Victoria is the lead organization that focuses on promoting the state of Victoria as a cycle tourism destination in Australia. To do so, the organization has developed a strategic plan, Victoria's Cycle Tourism Action Plan 2011-2015, which outlines focus areas and initiatives which directs growth in this sector.

Tourism Victoria collaborates with major event organizers to promote events to domestic and international visitors. The organization also provides strategic advice concerning cycle tourism and event development. One of the key goals is to provide more accessible and convenient bike racks on public transportation for cyclists.

Governance

Tourism Victoria is a government agency responsible for tourism in the state, and reports to the Minister of Tourism and Major Events. The agency has 10 Board of Directors, 4 executive level staff and a number of other staff supporting each department.

Tourism Victoria is the destination marketing organization and dedicated tourism agency for the State of Victoria. The organization is inspired to promote the state, to attract more visitors and create greater economic opportunities for partners. Their work encourages Australia, and the rest of the world, to experience everything Victoria has to offer.



The vision is for Melbourne and Victoria to be the premier cycling destination in Australia. Tourism Victoria will achieve this vision by:

- Attracting major cycling events to Melbourne and regional Victoria.
- Capitalizing on existing strengths of diverse experiences, captivating and unique natural landscapes, creative villages within close proximity to each other, access to different trails, and a climate and terrain that are conducive to a variety of cycling activities.

- Facilitating investment in mountain biking infrastructure and events.
- Positioning Melbourne as the cycling capital of Australia and the gateway to regional Victoria's cycling experiences.
- Positioning regional Victoria as the premier destination for cycling trails and road cycling.

Operations

Tourism Victoria partners with organizations that have an active interest in promoting cycle tourism. These organizations want to further explore the potential success of cycle tourism in Victoria. This is done by organizing and creating cycling events, attracting new events and leveraging existing events. Further work is done to find strategic ways to strengthen the supply of cycle tourism experiences, build consumer demand for cycle tourism experiences, and create marketing campaigns and activities to increase communication and word of mouth about the cycle tourism events and experiences.

For a number of years, Tourism Victoria has been collaborating with organizations such as Bicycle Victoria (Bicycle Network Victoria), which organizes successful events such as the Great Victorian Bike Ride and Around the Bay in a Day. Tourism Victoria also partners with Victorian Major Events Company (VMEC) to attract cycling events with international relevance.



Victoria hosts events such as the UCI Track Cycling World Championships and participates as a partner in events such as the Australian Open Road Cycling Championships in Buninyong, the Audax Alpine Classic and Terra Australis in Victoria's High Country and the Shipwreck Coast Cycling Classic along the spectacular Great Ocean Road.

With regards to cycling, the organization's primary activities involve implementing the strategic Cycle Tourism Action Plan and initiatives to promote Victoria as a top cycling destination. This is accomplished by supporting regional tourism campaigns which focus on cycle tourism, promoting the Victoria cycle tourism experiences in other Australian states and creating more accessible experiences for cyclists arriving with by car or using public transportation options.

Revenue and Funding

The Victorian government plays a role in helping support the initiatives of cycle tourism in Victoria. The Victorian government is also a source of revenue providing funds for trails infrastructure.

To build on Victoria's events credentials, the Victorian Government supports the development of cycle tourism and competitive cycling with major sponsorship of events that include the Jayco *Herald Sun* Classic, a leading annual road race in Victoria.

Every region in Victoria offers cycle tourism experiences, and hence plays a part in the development, marketing and funding of their own cycle tourism product. Cycle tourism is viewed as offering potential tourism growth for regional Victoria to stimulate regional and rural economies, as cycle tourists stay longer and do more when travelling.

Major infrastructure initiatives for consideration focus on the priorities identified in the RTAP and *Nature-based Tourism Strategy*, including:

- Demountable bike barn accommodation along the tracks in the Great Otway National Park, Grampians National Park and other priority locations.
- Mountain biking attractions of an international standard, including facilitating investment in suitable tracks in Victoria's Alpine Resorts.
- Completion of key rail trail and cycle tourism projects such as the Murray to Mountains Rail Trail.

Strategic Plans

There are a number of strategic and action plans that are guiding the development of cycle tourism in Victoria. They include:

Victoria's Cycle Tourism Action Plan 2011-2015

The primary plan outlines a range of initiatives aimed at growing cycle tourism in Victoria.

The key objectives of the plan are:

- Strengthening the supply of cycle tourism experiences.
- Building consumer demand for cycle tourism experiences.
- Attracting and leveraging events.

Victoria's Nature-Based Tourism Strategy 2008 - 2012

Developed by Tourism Victoria, Parks Victoria and the Department of Sustainability and Environment. The strategy recommends a long-term approach to destination planning and development. Major infrastructure initiatives include positioning Victoria as Australia's premier mountain biking destination by establishing tracks linked to appropriate accommodation in the Otways, the Grampians, and Victoria's High Country.

Environmentally Sustainable Tourism Strategic Plan 2009 - 2012

This Strategic Plan guides Tourism Victoria to continue work with tourism planners and businesses to promote a shift towards the use of more environmentally friendly forms of transport for tourism (train, buses, bicycles, foot) both to and within tourist destinations.

The City of Melbourne's Bicycle Plan 2007 - 2011

The Bicycle Plan aims to make Melbourne a first class cycling city by creating a road environment that is well signed, is safe, has accessible secure storage and parking facilities, and provides separation from motor vehicles wherever possible. The plan also supports the City in the further development of on-road and off-road paths and bicycle lanes that connect to a municipal bicycle network and the broader metropolitan area.

The Regional Tourism Action Plan 2009-2012 (RTAP)

The RTAP has identified a number of strategies and actions required to overcome key challenges impacting the industry over the medium term and to help accelerate the development of tourism in regional areas. The table below outlines the priority investments identified in the RTAP that are relevant to enhancing the state's cycle tourism product.

Region	Action identified in RTAP
Goldfields	Tourism infrastructure and product to support the Goldfields Track, including accommodation.
Grampians	Nature-based and adventure tourism infrastructure and product including walking and bicycle trails to capitalise on the region's natural assets.
Great Ocean Road	Nature-based tourism infrastructure and product including the development of iconic trails to support the region's natural assets such as the Great Otway National Park.
Victoria's High Country	Completion of key rail trail and cycle tourism projects including the Murray to Mountains Rail Trail. Nature-based infrastructure and investment product linked to adventure tourism product.
Yarra Valley and the Dandenong Ranges	Nature-based and adventure tourism infrastructure and product including walking and bicycle trails to capitalise on the region's natural assets.

Research

Tourism Victoria has already completed a substantial amount of market research that has helped identify cycle tourism as an underdeveloped sector with good growth potential. As a result, the Action Plan was developed and also includes research on demographic and regional strengths.

Victoria has a competitive edge over other states and territories as it offers an array of cycling experiences including mountain biking, tracks and trails, road cycling and events. The chart below was developed by Tourism Victoria and shows the potential for each type of cycle tourism experience in each region.

Figure 1. Victoria's regions and cycle product strengths

Priority cycle tourism experiences in Victoria	Road cycling	Mountain biking	Trails	Major cycling events	Identified strength in RTAP
Daylesford and the Macedon Ranges	•	▲	•		
Gippsland	•	•	▲		
Goldfields	•	•	▲	▲	•
Grampians	•	▲		•	•
Great Ocean Road	•	▲	•	▲	
Melbourne	•	•	▲	▲	
Mornington Peninsula			•		
The Murray			•	•	
Phillip Island	•		•		
Victoria's High Country	▲	▲	▲	▲	•
Yarra Valley and the Dandenong Ranges	▲	▲	▲		•

Primary strength ▲ Secondary strength •

There are numerous rail trails in Victoria which link the state's villages and tourism experiences including local food and wine. Regions with a comprehensive trail network include Victoria's High Country, Gippsland, Goldfields, Yarra Valley, the Dandenong Ranges, and Melbourne.

The Board of Alpine Resorts Tourism (BART), Parks Victoria, the Department of Sustainability and Environment, Invest Victoria and Tourism Victoria have provided funding to undertake a feasibility study to explore the establishment of the Mt Buller Razorback Spur Mountain Bike Ride as Australia's first epic mountain bike ride.

Moving forward, Tourism Victoria will implement a monitoring and evaluation program to assess changing environmental conditions and performance. It will include delivery of an annual report card documenting progress. This will be available to all stakeholders on an annual basis to help with creating standards for annual budgets and revenue sources.



Market Research

- Tourism is a major driver of economic growth in Victoria. The industry employs about 193,200 people and injects approximately \$15.2 billion to the state's economy.
- The *Brand Health Survey 2010* conducted by Roy Morgan Research found that Victoria was identified by 22 per cent of respondents as an ideal place for cycling and mountain biking.
- Annual bikes sales in Australia have increased from \$131 million in 2002-2003 to \$240 million in 2008-09, outselling motor vehicles for the ninth consecutive year in numbers. General cycling was rated as the fourth most popular activity in Australia in 2010, with an estimated 2.1 million participants. This is an increase of 45 per cent over the period 2001-2010.
- In 2010, Australia recorded approximately 258,000 international overnight visitors who participated in cycling. Of these overnight visitors to Australia, approximately 100,000 travelled to Victoria.
- In 2010, approximately 1 million domestic overnight visitors in Australia participated in cycling during their trip and spent over 5.7 million nights in Australia.
- Domestic visitors spend more money and time in Victoria than international visitors.

- In the year ending December 2010, domestic overnight visitors to Victoria that participated in cycling were mainly from intrastate, comprising 84 percent of the market. Melbourne visitors accounted for 45 percent of the market, with the remaining 38 percent from regional Victoria.
- The average length of stay for domestic overnight cycle visitors to Victoria was 5.3 nights, which is higher than the average overnight visitor to Victoria at 3.1 nights. Domestic overnight cycle tourists to Victoria engaged in an average of 5.3 activities during a trip, compared with an average of 3.3 activities for total domestic overnight visitors.
- In analyzing the potential for cycle tourism in Victoria, the total estimated expenditure for the year ending December 2010 by domestic overnight daytrip and international overnight visitors who participated in cycling in Victoria is \$362 million. The estimated total expenditure of cycle tourists in Australia is approximately \$2.4 billion (including domestic overnight, daytrip and international overnight visitors that participated in cycling as an activity).
- In 2010, 280,000 domestic overnight visitors participated in cycling in Victoria and spent about 1.5 million nights in the state. Victoria received about 27 percent share of domestic overnight cycle visitors in Australia behind New South Wales (35 percent) followed by Queensland (17 percent).
- Approximately 141,000 daytrips were undertaken by domestic visitors participating in cycling in Victoria during the year ending December 2010.
- The target market for participants in cycling events is mainly comprised of males 40-54 years of age, working professionals, well educated, and a high disposable income. Cycling events attract a high percentage of interstate visitors both participants and spectators from NSW and the ACT.
- The Sustainable Tourism Cooperative Research Centre (2006) conducted two online surveys focusing on regular cyclists in Victoria and South Australia, which revealed that the main destination attributes found important were scenery, safe drinking water, bike friendly accommodation, and safety and quality of roads.

Marketing

Tourism Victoria has recognized the importance of differentiating Victoria as its own cycle tourism destination. Differentiating factors include: Victoria's comprehensive cycle tourism product offerings with a climate and terrain conducive to a variety of cycling activities; villages within close proximity to each other and their complementary tourism products; and easy accessibility to network of trails.

In Victoria's Cycle Tourism Action Plan, 2011-2015, the following are identified as the key drivers that have led to an increase in the demand for cycle tourism and hence are being used to create marketing campaigns:

- Consumer interest in holistic health and wellbeing.
- More Australians than ever are making purchasing and lifestyle choices that reflect their concerns about health and wellbeing, the environment and sustainability.

- Consumer driven response to sustainable tourism.
- Government promotion of sustainable tourism.

Current marketing efforts are concentrated on couples aged fifty plus and families with children, who are interested in complementary experiences such as food, wine, and exploring Victoria's villages. Since the main visitors are intrastate travellers, there is an opportunity to focus on what intrastate visitors prefer and value.

A focus for promotion will be online marketing through www.visitvictoria.com. This will be an integrated and comprehensive online portal for cycle tourism, which consists of access info, maps for tracks and trails, and information regarding cycle friendly businesses. This will be undertaken in collaboration with industry partners such as Bicycle Network Victoria.

Marketing and developmental activities for the cycle tourism product will focus on the achievement of the following objectives. A more detailed marketing plan based on these objectives is being implemented.

1. Strengthening the supply of cycle tourism experiences

- Parks Victoria has led the development of the Public Land Tourism Investment Case (Natural Icons), which focuses on the need for government investment to improve, develop and promote natural attractions to assist in stimulating private investment in complementary services and facilities.
- The capability of carrying bikes on public transport in Victoria is limited. There is an opportunity for Tourism Victoria to increase the accessibility of bike rack convenience.
- Aiming to facilitate the research and development needed to attract public and private investment into new and existing cycle tourism infrastructure, including the relevant projects identified by Parks Victoria within the Public Land Tourism Investment Case.



2. Building consumer demand for cycle tourism experiences

- A clear, consistent proposal about the state's cycle experiences needs to be communicated.
- The evolution of Tourism Victoria's nature-based tourism campaign has created a platform for promoting nature-based tourism experiences to key interstate markets, including the promotion of mountain biking and iconic cycling trails.



3. Attracting and leveraging events

- The ICO Road World Championships raised Victoria's profile as a leading event and cycling destination through broadcasting that showcased the cycle tourism offerings to key international markets.
- Major regional events such as the Bendigo International Madison, the Jayco Herald Sun Tour and the Australian Open Road Cycling Championships offer invaluable opportunities to



showcase Victoria's villages, local food, wine and nature-based experiences.

- Tourism Victoria continues to liaise with Bicycle Network Victoria regarding their events which have the capacity to attract interstate and international visitors.
- Support for regional cycling events that focus on events held in the High Country.
- Tourism Victoria will support the development of priority mountain biking events, with the potential to attract interstate and intrastate visitation, including:
 - Otway Odyssey, Forrest
 - Dirt Works 100km Classic VIC, Woodend
 - Terra Australis MTB Epic, North East Victorian Alpine and High Country region
 - The Forrest 6 hour Mountain Bike Event - Forrest
 - Bike Buller MTB Festival - Mt Buller
 - Jeep 24hr - Forrest

Current Status

Tourism Victoria currently has a large number of webpages online about cycling in the state, various trails and routes, plus mountain biking information. As the sector is further developed, cycle tourism will continue to be promoted as a subset of Victoria's latest interstate nature-based campaign, Victoria's High Country's *Adventures Happen* and *Summer in the High Country* campaigns.

A continued emphasis and support of cycling events has seen a number of partnerships evolve with input and information sought from organizations to incorporate into new strategy to support growth of cycle tourism in Victoria.

As this sector is further developed, Tourism Victoria will implement a monitoring and evaluation program to review the implementation of Victoria's Cycle Tourism Action Plan 2011-2015. With 3.5 years left in the Action Plan, there are still a number of activities underway to develop and promote cycle tourism.

Summary

The development of Victoria's cycle tourism product is led by government funded and state wide Tourism Victoria. While there is currently easy access to funds for cycle tourism development and partnerships are plentiful, political times can change which could affect funding for events and marketing.

Strengthening the case for and driving the development of the cycle tourism sector in Victoria is a strong strategic plan. Victoria's Cycle Tourism Action Plan 2011-2015 is proving to be useful to differentiate Victoria's cycle tourism product and assist every region to identify which type of cycling to focus on as a primary or secondary market. Cycle tourism is proving to be a growth sector around Australia and in neighbouring state's including South Australia, which was the first state in Australia to develop a state-wide cycle tourism plan, with the release of the *South Australian Tourism Commission Cycle Tourism Strategy 2005-2009*.

There is a lack of economic analysis and research about cycling in Victoria. While economic impact studies exist for specific events and rail trails, there is currently no research at a state level. Further research would assist with evaluation and help direct

future development of cycle tourism in Victoria. According to the Cooperative Research Centre Association of Australia (2006), research in Australia regarding cycle tourism is scarce which may delay the development and marketing of domestic and international cycle tourism. Compared to European countries, government and industry in Australia have been slow to realize the potential of cycle tourism despite increased cycle participation and the growth of bicycle sales.

While there may be substantial trail, route and infrastructure development required, there is opportunity to improve the marketing and information portal that is offered by Tourism Victoria. With cycling identified as such an important growth sector, consideration of a separate and stand-alone web portal with detailed trail and route maps linked to local businesses may be under development and due to be launched as part of the Action Plan prior to 2015. Improved visual and experiential imagery on-line, better depicting the various trails and regions would greatly enhance and stimulate interest in the cycle tourism offering.

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