

Competition Review Policy submission

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What should be the priorities for a competition policy reform agenda to ensure that efficient businesses, large or small, can compete effectively and drive growth in productivity and living standards?

As I'll outline further in this submission our competition issues in this submission relate to government, not other businesses.

We feel an **Ombudsman** that can scrutinise complaints made by business against government is a priority. The Ombudsman operates within a framework however if a business is not satisfied with the outcome it can appeal to an independent panel that includes both business and government representation.

There also needs to be a **framework or reference document** stating 'what is deemed as inappropriate competitive behaviour'. We've found Government boards have conflicts of interest and are stacked with people there to better their own position and not meeting the needs of their stakeholders or accountability.

The ability for businesses and individuals to state their case or complaint about the issues they have with a government department to an independent body.

The policy reforms need to state a **timeframe** that reviews should be resolved ie 2 months and a decision reached. This ensures matters don't take extended time to be resolved.

A **website** should be created where all cases are made public with the outcomes published. This ensures that any government or business that breaches the policy are on public record but also is a sharp reminder to all those sitting in responsible positions that transparency and accountability are now easily reviewed if a case is brought forward.

One of the big challenges with all government policy is transparency as public servants hide behind its walls of bureaucracy for protection. That's why we have this large problem in the public sector with poor performance and inappropriate behaviour. This minimises inappropriate behaviour by business and industry as they too need to be accountable.

Making policy, cases and rulings transparent also ensures poor performing public servants and business people are recorded. I know of plenty of situations where inappropriate people in government go from position to position and leave a messy trail behind them with no accountability.

The best way to drive growth in productivity and living standards is through the right people and systems. Many public servants and some business people are manipulators of systems, while good, productive and those with integrity are treated inappropriately by the very manipulators, therefore not able to deliver real and positive outcomes making our country uncompetitive.

Are there unwarranted regulatory impediments to competition in any sector in Australia that should be removed or altered?

I don't feel there are any unwarranted regulatory impediments to competition. I feel loopholes are created that industries such as insurance take advantage off and leave the consumer powerless and out of pocket.

As above our main issue is public sector involvement and control. Government naturally can't lead as its inherently staffed by employees. Business needs entrepreneurialism to grow. Removing the red tape of government, bureaucracy, processes and attitudes will improve productivity enormously. A majority of issues are government, not business. Most businesses are used to working around regulations, regulations are created by government therefore create barriers to opportunity.

In our situation there are no regulation issue but feel there are anti-competitive behaviours by government departments, boards and individuals that report to those boards. The ability to complain and state a case as

outlined in point one would allow any issues to be resolved but in the current environment this isn't possible so the ability to be productive and grow is severely restricted while the issue of impeding competition by government remains and restricts business and productivity.

Are government-provided goods and services delivered in a manner conducive to competition, while meeting other policy objectives?

Generally no in our circumstances. I work in the tourism sector and in particular destination marketing. Our main competitors outside of private sector are government. Government don't deliver competitive products as they focus on policies, bureaucracy, politics and they know they're not accountable to the industry or funding for delivering results; they are a 'machine to themselves'.

Government bodies in my sector put the issue of policy objectives and control of industry with politics first before competitive products. This will ALWAYS deliver the wrong outcome as they are not driven by the correct objectives. To create competition you need to understand your customer. You create products and services that meet the needs of the customer. If government create a policy then that becomes formalised and all government employees follow the policy. This gives no room for creativity, flexibility or improvement of the objectives and the customer (industry) is not the customer; the policy is.

Generally all policies are written by senior bureaucrats who are disconnected from the 'real world'. They write policy that is perceived publicly as beneficial but in government circles it is about them controlling situations and protecting their jobs that may benefit ministers.

Government bureaucrats aren't interested in building better products but protecting policy and politics. The best way to influence government is influence grass roots and making changes through society and industry causes government to change. This is disappointing as it reflects the wrong approach by government to its customers/clients, the very people they are paid by to serve.

We recently attended a roundtable by Austrade about improving tourism. The main issue that came from this was how poor government is at being involved in commercial operations. (I've attached my comments on this round table at the end of this document). My complaints and observations to Austrade regarding competitive neutrality and anti-competitive government behaviour as expected were not addressed or responded to. This is the root of our problem. Government hides behind pretence of doing something and then always comes up with a reason why it won't be done. Business tackles them with the goal of improving its product and service.

Is there a need for further competition-related reform in infrastructure sectors with a history of heavy government involvement (such as the water, energy and transport sectors)?

Unfortunately I can't comment on this question as I have little knowledge of these industries defined. I can tell you that my area of expertise is in tourism. In South Australia alone, tourism generates \$5,100,000,000 annually and employs 31,000 South Australians and directly supports 23,000 other jobs. It employs 3 times more people than mining and several more thousand than agriculture, forestry and fishing combined.

These numbers are significantly magnified across Australia. Competition reform is very necessary in the tourism industry regarding government participation, management, funding, regulation and involvement.

Would there be a public benefit in encouraging greater competition and choice in sectors with substantial government participation (including education, health and disability care and support)?

I feel that there's always a public benefit for greater competition. The areas outlined above require major government support and responsibility. Governments receive taxes to provide social services. Cost of delivering these services is heavily burdened by the cost and bureaucracy of government systems and red tape. We need an efficient government system. There are competition sectors for education, health etc. The government needs to continue to supply affordable social services to all our society. I've found that much of

the costs increase and inflation are caused by government putting up cost of services to pay for the excessive overheads of its bureaucracy rather than running a lean, "business" like model.

Tourism has a substantial government participation and offers appalling value for money. I've often believed give business a \$1 and they can make \$5. Give government a \$1 and they make 20c. I've outlined below our main issues and benefits we bring to the public yet face major competition from government.

Are the current competition laws working effectively to promote competitive markets, given increasing globalisation, changing market and social structures, and technological change?

Competition laws are working well in some sectors however the main concern is with corporatisation and monopolisation of marketplaces by large corporates. The loss of many small businesses includes the loss of social identity, local employment, community pride and empathy. Corporates such as Coles and Woolworths are gouging Australia's communities, farmers and consumers.

Similar to Apple and Google making millions in Australia, charging more for their products because they can in Australia and not paying comparative taxes to Australian companies. Governments create loopholes for these corporates to run their business however its not delivering benefits for Australia long term, nor the government. I'm not sure on the answers but Australia will pay the price long term as these issues engulf our country and competition.

On the flipside technology has allowed many new businesses opportunity to grow and compete. This has allowed savvy individuals and businesses the opportunity to compete on a level playing field. Our tourism and travel business, Discover Murray River has capitalised on technology and distribution opportunities. We have strengths in technology, marketing, sales and developed IP value. We have been able to compete well with technology and smart strategies which means taking on all and any competition.

Technology improvements have highlighted weaknesses in competition. Government have proven very uncompetitive as it still works with some very out-dated cultural values to maintain its control over marketplaces in the tourism sector. We have been very challenged dealing with government in the tourism sector as their methods of business working on models from 20-30 years ago and deliver very little value for the industry they claim to be representing. I'll highlight this in our situation below.

In 2006 we wrote a national tourism strategy to unify the Murray River across New South Wales, Victoria and South Australia through tourism. The principle of the strategy was utilising the internet. At that time the region was fragmented due to state borders and politics in the tourism sector and the internet was starting to grow more. At the time we presented the strategy to the tourism board of NSW/Victoria, then called the Murray Campaign Committee. The Board chose to pass on the strategy and went on to spend over a \$1m with no tangible return mainly on big ad agencies. Consultants received much of the money that were also on the committee highlighting a severe conflict of interest.

The South Australian Tourism Commission at the same time also chose to not support our strategy and have gone onto spend millions of dollars over the years with no return or asset investment either. We'd approached the tourism bodies about proactive products we've developed and all three state governments have not entered any conversations about best improving and collaborating with the private sector for the benefit of tourism industry along the Murray River. We've even had ideas taken from these presentations and used by government because they lack the capacity to develop their own!

We've found ourselves competing against government departments in tourism awards and when questions in the award state 'what collaboration have you had with local and state tourism bodies' we've stated our situation of being blocked, ideas scrapped and the competitive nature of government, judges have denied that's possible and gone on to award governments with prizes and questioned our response. This means private sector, with private funding and its limitations are competing against the resources, funds and networks of government. When we protested to the Industry Council meant to represent industry it was ignored.

We are also aware of 'hero' businesses in tourism being encouraged to submit their tourism award application ahead of time to be assessed by government tourism bodies then suggestions returned to them

to make improvements for the best chance of winning. The state tourism bodies are competing with each other governments for status, so they are stacking the odds and not serving to create a better industry.

In 2008 we met with consultants developing strategic tourism plans. The consultancy cost was \$110,000 for the plan and identified that Discover Murray River are the leaders and best solution providers for opportunities for the region in future. On the draft report Discover Murray River was directly mentioned for the state government to collaborate with, directives from senior bureaucrats of South Australian Tourism Commission have instructed the consultants remove Discover Murray River from the final report. Once the report was completed not one objective was met. \$110,000 could have gone towards training, development or infrastructure. We've seen a lot of public money in tourism syphoned off to consultants and alike with no tangible results. It was also a government directive to remove Discover Murray has restricted our trade.

Since that time we've seen many boards, committees, restructures, government staff come and go in state and regional tourism across 3 states. In fact we find government the least stable stakeholder to work with. Many of our private sector clients are still in business and we have strong relationships with them.

Despite the repetitive anti-competitive behaviour of 3 state governments, Discover Murray River since 2006 has now gone onto grow the originally presented strategy and plan with 100% private investment. We approached Tourism Australia and they said they had agreements with the state tourism organisations and could also be of no assistance highlighting collaboration of government and exclusion of industry.

We endeavoured to work with the Australian Tourism Data Warehouse (ATDW) who are a repository of tourism businesses in Australia. It was set up by all the state government tourism bodies who run it as a company and are shareholders (Australian Tourism Data Warehouse Pty Ltd - ACN 096 876 783). The ATDW wouldn't originally work with us as they stated we had a database they said was competitive to theirs. This is a company set up by the States and Tourism Australia (government bodies) and excluded participation by private sector yet proprietary limited company to indemnify themselves.

When the Murray Campaign Committee spent all its money with no return for the region, industry, visitors and community the government based NSW and Victorian tourism bodies undertook a systematic and methodic approach to build a new board and ensure Councils would participate. This was lead by a senior bureaucrat then working for Tourism Victoria. This included politically forcing Councils to close very good not-for-profit regional tourism groups by withdrawing funding and support. They effectively took out all competition to their objectives for this new board.

A new Murray River Tourism Board (MRTB) was set up in 2012. The General Manager of this Board uses extensive politics to compete with private sector as they find Discover Murray River is a threat. We feel this is either due to the competitive nature of the MRTB towards Discover Murray River or politically driven at some level by the state tourism bodies.

The MRTB which is funded 100% by government are competing directly with private sector again. They have recently received \$500,000 in funding to build a new digital platform when Discover Murray River have been successfully and sustainably delivering services and products since 1998. This is a complete waste of public money and taxpayers funds and continues fragmenting the tourism industry and community. The MRTB could use that money towards industry training which is desperately needed, however they will be putting the funds into Google Adwords and their own platforms that will compete with our 1.25 million annual visitors. Extreme waste of good public money!

The MRTB has also set itself up as a limited company (Murray River Region Tourism Limited - ACN 150 739 647). They're MRTB Digital Platform document has potentially fraudulent strategies including directing its stakeholders (Councils/Shires) that any and all invoices by contractors have the name of the MRTB on it. *Refer to page 25 footnote of this document – <http://www.murrayriver.com.au/pdf/MRTB-Digital-strategy-2014-15-low-res.pdf>*

The MRTB are behaving highly competitive to private sector using public money. The Board is we feel 'bullying' Councils and shires to contribute annual financial input. I personally am disgusted at this behaviour as Discover Murray River has worked hard, ethically to build a good business yet we are constantly hamstrung and dealing with a boards and governments that continue to be anti-competitive with no competitive neutrality policy nor anyone we can turn to. We have been avoiding going to the media regarding these issues to remain professional.

When we approached the general manager, Mark Francis on this matter stating that the MRTB Digital Strategy replicates what Discover Murray River is already delivering and achieving in the marketplace and

they are competing with us, he stated that he 'didn't have time to investigate all the options in the marketplace'. This clearly indicates either poor due diligence with public money or using competitive strategies to exclude Discover Murray River with no industry consultation or involvement. No tender process was made available during this time and we weren't given any opportunity to tender, communicate or discuss collaboration. This is 8 years after we'd dealt with the Murray Campaign Committee and they're wasted money. We haven't been given the opportunity to present to the Board either, which excludes Discover Murray River from showing our strengths and opportunities. This is another tactic by the general manager to exclude us from educating others about our competitive strengths and the benefits we bring.

Discover Murray River is clearly the leader for destination marketing in our field and was established in 1998 and over 1.25 million visitors annually. We've had to be determined despite 3 state governments collaborating to exclude our private sector participation. Discover Murray River is unique in Australia as we prove and validate that private sector and industry can provide successful services in destination marketing of which government have traditionally controlled for over 30 years. They feel threatened by our success and are determined to block our business at any cost. As governments struggle to fund their model, we as private sector have a sustainable, successful and fully planned method of business that delivering for the industry, community and visitors so why else would government be restricting our trade and anti-competitive?

Governments outsource building infrastructure, buildings, bridges, roads and other services. However the mentality of tourism is a junket by hundreds of government tourism employees around Australia delivering very little value to the tourism sector, constantly changing, restructuring and manipulating. The tourism industry aren't happy with any state tourism body in Australia and this situation is rife.

I have made contact with Federal departments including the Austrade who have not responded despite their recent 'round table' or 'game changes' for tourism. We have approached other departments on issues relating to Competitive Neutrality by government tourism bodies such as the MRTB but are sent in circles.

Government doesn't need to be wasting millions of dollars into services and products that have no long term plan as we've proven in the past and also compete directly with private sector that's successfully servicing those markets. Tourism needs a big overhaul and the MRTB needs a thorough investigation to its practices as we believe they are displaying potentially fraudulent behaviour. Our business has been working hard to maintain its commitment to the industry and community. We're supported by the industry and we can certainly flourish if government got out the way.

These issues above are only the tip of the iceberg in relation to our challenges with government. We have documents that reach way back and a list of strategic documents that never deliver any outcomes. A massive waste of taxpayer money and there are so many issues of competitive neutrality being broken while governments and these boards run rampant with no accountability or control.

The opportunity for businesses such as Discover Murray River to communicate with an independent Ombudsman will assist in exposing these terrible practices and behaviours. Governments protect governments and they aren't accountable to anyone. We can't even trust that anything will get done with this submission as it's still government. However, the private sector is accountable to Government. Senior bureaucrats are controlling and manipulating and we have enough evidence now of anti-competitive behaviours as outlined above. We will continue with our mission to fight for the truth and get government out of the space where private sector is far more efficient as we hold integrity and deliver better value for money.

Are competition-related institutions functioning effectively and promoting efficient outcomes for consumers and the maximum scope for industry participation?

Our issues and challenge as outlined in our submission are not related to competition with private sector; it's related to competition with government. We have no entity or independent board to make a complaint regarding our issues. In the end many tourism boards in Australia are not promoting efficient outcomes for consumers and not providing maximum scope for industry participation. Government tourism bodies are elitist in their approach. Both from not supporting directly many businesses unless they are deemed 'hero' products or excluding businesses if they do not join their individual programs which are high cost.

We wanted to participate in ATDW training however we were excluded because we were not listed with the ATDW. We service the tourism sector and provide services no government offer. The ATDW is government funded but remain anti-competitive. Public funded bodies should be for all industry and Australian however tourism have somehow managed to 'exclude' their sorted practices from any watchdog's eyes.

Governments are not efficient in a commercial industry. Tourism is commercial and government cannot show leadership as they are driven by policies and politics. It is impossible for government to lead or show entrepreneurial values yet they receive hundreds of millions of dollars in taxpayers money and no accountability for its effective use. Industry and business do offer value for money to both consumers and we generate the income to pay taxes however we have to deal with blocks, politics, anti-competitive and behaviour devoid of competitive neutrality.

What institutional arrangements would best support a self-sustaining process for continual competition policy reform and review?

As per question 1. An **Ombudsman** that can scrutinise complaints made by business against government is a priority. The Ombudsman operates within a framework however if a business is not satisfied with the outcome it can appeal to an independent panel that includes both business and government representation.

There also needs to be a **framework or reference document** stating 'what is deemed as inappropriate competitive behaviour'. We've found Government boards have conflicts of interest and are stacked with people there to better their own position and not meeting the needs of their stakeholders.

The ability for business to not only state its case about why its got an issue with a government department but also why that business is meeting the needs of driving growth in productivity and living should be assessed on their merits.

The policy reforms need to state a **timeframe** that reviews should be solved ie 2 months and a decision reached. This ensures matters don't take extended time to be resolved.

A **website** should be created where all cases are made public with the outcomes once completed and cases are made public. This ensures that any government or business that breaches the policy are on public record but also is a sharp reminder to all those sitting in responsible positions that transparency and accountability are now easily reviewed if a case is brought forward.

Summary

Thank you for the opportunity to express our very long term frustration, concerns and expectations. Although our case may be unique the ramifications of government behaviour in the tourism sector around Australia is dramatically and drastically diminishing the competitive opportunities of business inside Australia and with the rest of the world. It is very serious and our livelihoods are on the line.

As we now have many years experience dealing with government, being blocked and excluded we feel we're in a good position to comment on this submission. As this is a Federal issue I think you'll find when you start to investigate these matters you'll see a very corrupt system manifested at the top and feeding down.

We wish for a fair and balanced playing field. The government invest in ACCC to watch private sector there's nothing to support private sector with issues related to government departments. The governments all protect themselves and they are nasty in their approach ensuring they cover their tracks. I sincerely hope this review investigates some of my claims and makes the report transparent. That way you'll have integrity with your review and not just another enquiry that ends in nothing.

If Australia is to compete it needs to remove the barriers for success!

End.

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Notes to Austrade on tourism roundtable – ‘Game Changers’

Conversation Record with Shane **Strudwick** – 23 April 2014

Key game changing priorities are

1. Getting the fundamentals right in how Government **respects and** engages with industry
2. Greater and more effective **long term** investment in industry training
3. Changing Government’s mindset from being a regulator of industry behaviour to an enabler of more private sector activity

Getting the Fundamentals Right

- Governments needs to recognise that industry growth is not the result of Government plans or strategic documents but the activities of individual businesses that invest millions of their own money in creating well run businesses that deliver world-class tourism products, services and experiences.
- Growth is the result of bottom-up **initiative and** leadership and not top-down strategic documents that do not resonate with individual tourism businesses.
- Government has a role to play in facilitating growth by providing fundamental infrastructure that creates **commercial**-generating opportunities for individual businesses **and communities**.
- Government should not compete with individual businesses and duplicate activities that are being delivered more efficiently by the private sector.
- Government owned entities should not compete against individual businesses for tourism awards **and tourism products or services**.
- **More accountability on government regarding competitive neutrality in the industry. Something like an ombudsman for tourism.**
- Government should not duplicate destination marketing activities that are being undertaken by privately funded ventures. This reduces the incentive for individual businesses to collaborate and show leadership by taking collective ownership of the future brand and direction of their region. Without leadership at the local level the ownership and passion needed to make the industry sustainable will not eventuate.
- Government needs to clearly and simply articulate what its role is and maintain this.
- Government should focus on the key outcomes it wants to achieve **from its investment**, work with industry to define the KPIs and then get out of the way and let industry deliver the services that will achieve the KPIs.
- This would provide industry with the certainty and predictability needed to invest with confidence.
- **Work with private sector industry leaders at both large but also progressive SME level and genuinely work towards overcoming industry challenges at a local level.**

Greater Investment in Training

- The best investment Government can make to advance industry development is through increasing capability through training and mentoring. **A rising tide floats all boats.**

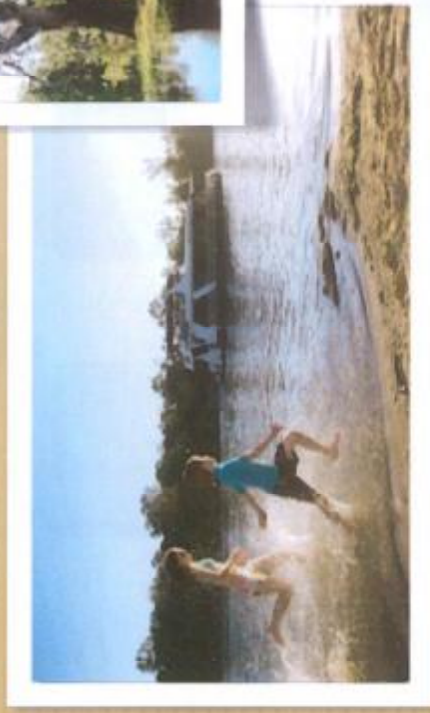
- Governments should fund **suitable and qualified entities/individuals** to operate industry training **and utilise the investment in the ATDW and the e-kit**.
- Training **should** be delivered by the private sector to ensure that it will be delivered sustainably **with commercial outcomes and real world application/results**. Training providers **with industry experience** need to make a profit from delivering training are more likely to deliver better targeted and more relevant material **and results** because they rely on repeat business and positive referrals to **build their reputations**.
- **Training should be considered an investment over 5+ years to ensure it gains greater depth in the industry and gains long term traction for many tourism businesses to participate.**

Different Mindset for Governments

- Governments need to see themselves as enablers of industry growth and not regulators of industry behaviour. In this way governments should not have an adversarial **or 'manipulative'** relationship with industry.
- Governments should stop referring to tourism businesses **as** tourism operators. This terminology is not used to describe businesses in other sectors of the economy and implies that people involved in the sector are doing so as a hobby and are not well run. **Those businesses** have invested millions in creating an enterprise that drives economic outcomes.
- Governments are insulated from commercial pressures and do not understand the commercial **or business** reality in which tourism businesses operate. They do not appreciate the cost of time and the financial impact government processes **and barriers** cause to tourism businesses.
- **Government funds need more accountability as its taxpayer's money. Millions of dollars are spent by tourism STOs and RTOs with no accurate or accessible reporting, tracking and public/industry knowledge of where those funds are invested. The KPIs of their investment results should be measured ie \$110,000 on a strategic plan that never delivers a result for the industry or community and consultants take all. \$110,000 can go a long way to helping the tourism industry.**
- Some officials consider issues only from their own perspective and place an adherence to rules and processes above achieving an outcome or working with industry representatives to create something that can be developed for further economic value.
- For example, the SATC **new** product development fund offered between \$5000 to \$20000 to tourism businesses. But to get access to this support, businesses need to complete a **full business plan** and provide five years of financial statements. By comparison an individual can get a loan to purchase a car from a bank for **\$15,000** within 15 minutes and can apply **online with instant approvals**.
- Government introduces too many costly layers of complexity that do not contribute to sensible outcomes.
- Local Government also blocks tourism businesses by making it too hard to get approval to expand business enterprises and to develop new **products, services and development**.
- This attitude has led to cynicism and mistrust of government by industry.

Regional Program Prospectus

MRTB 2014/2015 Program



MRTB Regional Program Prospectus

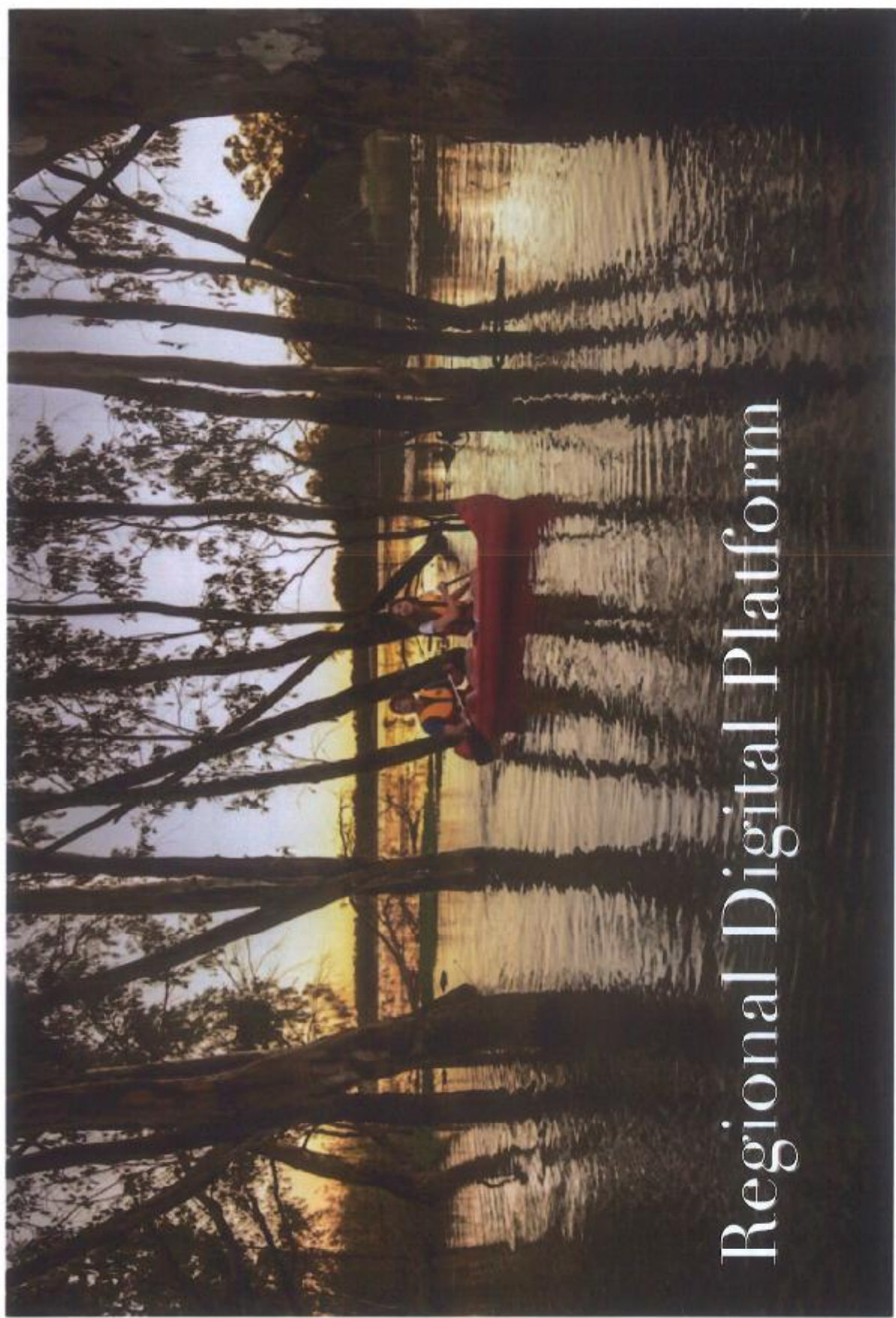
We know digital is playing an ever-increasing role in influencing visitor expenditure.

MRTB has investigated the development of an integrated regional digital program, allowing you to cost effectively deliver a range of destination marketing messages to a variety of prospective visitors.

And, through an innovative new funding structure, you can take advantage of this digital activity at a fraction of the cost of a traditional partnership approach.

As well, to complement the development of the regional digital platform, MRTB has brought together a range of additional marketing initiatives. These include: (1) participation at consumer shows + tradeshow, (2) PR + media engagement activities, and (3) free activation opportunities to drive traffic to your new destination website.





Regional Digital Platform

Regional Digital Platform



Through the collaborative development of the Murray Region Tourism Destination Management Plan, many participants acknowledged the need for a consolidated mobile-friendly digital presence for tourist information. In addition to this, many of you have already identified the need to update your existing destination websites. With this in mind, MRTB has been working with each of you to better understand your digital requirements.

Through an innovative, collaborative approach to managing the digital landscape, this is a significant opportunity for you to take advantage of a cost effective solution to developing and managing a new destination website. As well, through integration across the regional platform, your new website will provide visitors with a richer and more effective digital experience. In turn, this provides prospective visitors with a better travel planning experience and relevant travel information across the entire Murray River region and ultimately lead to increased visitation.

Regional Digital Platform Features

- **Responsive design** – one site for the destination to manage that works across a range of devices - mobile, desktop, tablet etc. And no flash in the build.
- **Easy to use and navigate** site map with customised nav / menu structures, set by you
- **Customised design** and look and feel, based on your destination branding
- **Local operator listing** (Business Directory) and integration with ATDW
- **Live local weather** forecast feed
- **“Shopping cart”** features - multi-booking features across accommodation, events, and tours/ experiences
- **Bookeasy** integration
- **Live booking** search features (for operators linked through TAA)
- **Events Calendar** listing + easy search features. Also potential to integrate SecurePay to administer event ticketing online, if required
- **WYSIWYG** content management system, and you will have direct access to your website's CMS to make updates as required
- **Website content is controlled and updated by your team** and you decide what content is featured where and when
- **Content approvals** can be set on a destination-by destination basis; these can be automatically pushed live, or submitted to your destination site administrator for approval
- **Social media integration** – one click share on Facebook, Twitter etc.
- **Itinerary planning tools** and easy search features – easy for destinations to create itineraries and users to book (all or part of a featured itinerary)
- **Detailed site and user analytics** (and links to Google Analytics)
- **Download Visitor's Guide** (destination can set requirements on customer data capture, if any)
- **Mail-out forms** and features
- **New advertising opportunities** (MREC + leaderboard sizes) on site
- **Database / customer capture** capabilities
- **“Contact us” forms** and other tools can be easily created by users from a pre-set establish suite of tools and widgets
- **Interactive mapping** and location search features

Benefits of MRTB's Collaborative Approach

Investing in a whole of region digital solution provides you with a multitude of benefits – and more much than simply a new destination website.

Economies of Scale: Leveraging a \$500,000 technology platform, additional program management resources, and shared regional knowledge for your destination at a fraction of the cost of 'going it alone'

Additional resources to support industry engagement and education: online booking systems are becoming a fundamental tool for travellers however there is a significant gap in the number of regional operators who are actively engaged in online inventory management. This program provides you with support to reach out to local operators and help educate them on the value of an online presence.

New content: compelling images, copy and video are a key component to selling any destination to prospective visitors. Through the integrated program, MRTB will be working with you to identify the gaps and requirements for new content and developing a content capture schedule. Through the collaborative approach, you will be able to leverage this new content in all your future marketing efforts.

Access to new streams funding and marketing dollars: MRTB's collaborative approach provides you with the opportunity to tap into Destination NSW's new Regional Visitor Economy Funding scheme. This opens up significant opportunities in both the short term and long term to access more than \$40,000,000 in funding, aligning with MRTB's strategic approach

Better travel information for visitors + more visitors: linking in to this collaborative approach will mean you new website will be able to provide travellers with a seamless travel planning experience – visitors are able to access content and operators from across the region through your website, rather than have to jump from site to site to plan their holiday through the region. Over the long term, this should deliver more visitors to your destination as well as encourage visitors to spend more while there.

MRTB Digital Platform

MRTB's innovative Digital Platform provides you access to four resource pillars and the level of support within each pillar varies based on the tiered package approach. This provides you the opportunity to select the package based on your resource requirements and budget allocations.



Project Management

During the website development process, you will have access to an additional project management resource. This person will work closely with your team and the digital development agency to manage the day-to-day transition to your new destination website.



Destination Website

You will gain access to a new integrated digital platform, providing you with a customised website solution. Your destination site will be developed based on strategic communication priorities and destination branding.



Content

The regional platform will only be as good as the content we have available – it's been acknowledged there is a gap in compelling and relevant destination content. Through this program, a cost effective long-term calendar of 'content capture' will be commissioned. This professional-quality content could include video, copy and still images.



Training + Industry Education

You will have access to specialist knowledge and additional resource to guide you through the process of the new website migration. As well, a workshop schedule will be established to help you educate operators the value of establishing a digital presence, building industry knowledge and capacity.

MRTB Digital Platform: Two Year Investment

Year 1 (2014) of the program will require the bulk of your investment, with three program packages to choose from based on your destination requirements and budget.

Year 1 Investment: 2014

	Value to Destination	Cost to Destination
Package A	\$105,000	\$21,500
Package B	\$85,000	\$17,400
Package C	\$60,000	\$10,800

Year 2 (2015) will see a continued investment in content, industry engagement + training, as well as continued access to specialist digital marketing knowledge. The level of support varies between two package options, which you can select based on your destination requirements and budget.

Year 2* Investment: 2015

	Value to Destination	Cost to Destination
Package A	\$31,500	\$9,400
Package B	\$24,000	\$6,240

**For your budgeting purposes, it's anticipated the costs for participation through years 3, 4 and 5 will remain close to the Year 2 investment levels pending the region's indicated preferences for further technology enhancements, platform extensions and access to funding.*

For each subsequent year of the program, it's anticipated each destination's participation will match their chosen Year 2 investment level. However this will be confirmed prior to formalising commitments beyond 2015.

For destinations who chose to opt out of this opportunity, it is possible to opt in at a later date. The estimated Year 1 Package C cost will be \$26,800+GST.

Year 1 Package A: \$21,500



Project Management

Project management support to transition to new digital platform and develop new destination website

48 hours of support from digital marketing expert providing guidance and ongoing support to help maximise new destination website and program platform



Destination Website

Access to integrated digital platform, including integrating with online booking systems (TXA or Bookeasy)

Customised destination website developed based on Project Brief, developed (and approved) by destination. Allocation for bespoke customisation in website page wireframes and creative designs

New website links to regional digital platform, providing access to content and travel planning tools from all participating destinations



Content

In-depth content captured for 10 destination-specific experiences, including images / copy / video as outlined in final Content Brief.

Unlimited usage rights on new content captured.

Support to integrate new content across website features, itineraries etc. as required



Training + Industry Education

2 industry training/education sessions (June 2014 – July 2015).

Total Value: \$105,000

Year 1 Package B: \$17,400



Project Management

Project management support to transition to new digital platform and develop new destination website

24 hours of support from digital marketing expert providing guidance and ongoing support to help maximise new destination website and program platform



Destination Website

Access to integrated digital platform, including integrating with online booking systems (TXA or Bookeasy)

Customised destination website developed based on Project Brief, developed (and approved) by destination. Allocation for bespoke customisation in website page wireframes and creative designs

New website links to regional digital platform, providing access to content and travel planning tools from all participating destinations

Customised builds and related digital production costs will be estimated over and above initial investment.



Content

In-depth content captured for 8 destination-specific experiences, including images / copy / video as outlined in final Content Brief.

Unlimited usage rights on new content captured.

Support to integrate new content across website features, itineraries etc. as required



Training + Industry Education

2 industry training/education sessions (June 2014 – July 2015).

Total Value: \$85,000

Year 1 Package C: \$10,800



Project Management

Project management support to transition to new digital platform and develop new destination website

8 hours of support from digital marketing expert providing guidance and ongoing support to help maximise new destination website and program platform.



Destination Website

Access to integrated digital platform, including integrating with online booking systems (TXA or Bookeasy)

Customised destination website developed based on Project Brief, developed (and approved) by destination. Creative design costs included but no variations to existing wireframes are allowed for.

New website links to regional digital platform, providing access to content and travel planning tools from all participating destinations.

Customised builds and related digital production costs will be estimated over and above initial investment.



Content

In-depth content captured for 6 destination-specific experiences, including images / copy / video as outlined in final Content Brief.

Unlimited usage rights on new content captured.

Support to integrate new content across website features, itineraries etc. as required



Training + Industry Education

1 industry training/education sessions (June 2014 – July 2015).

Total Value: \$60,000

Year 2* Package A: \$9,400



Project Management

32 hours of support from digital marketing expert providing guidance and ongoing support to help maximise new destination website and program platform



Content

In-depth content captured for 8 destination-specific experiences, including images / copy / video as outlined in final Content Brief.

Unlimited usage rights on new content captured.

Support to integrate new content across website features, itineraries etc. as required



Training + Industry Education

3 industry training/education sessions (June 2014 – July 2015).

Total Value: \$31,500

*For budgeting purposes, it's anticipated the costs for participation through years 3, 4 and 5 will remain close to the Year 2 investment levels, pending your preferences around new technology integration or platform extensions.

Year 2* Package B: \$6,240



Project Management

12 hours of support from digital marketing expert providing guidance and ongoing support to help maximise new destination website and program platform



Content

In-depth content captured for 4 destination-specific experiences, including images / copy / video as outlined in final Content Brief.

Unlimited usage rights on new content captured.

Support to integrate new content across website features, itineraries etc. as required



Training + Industry Education

2 industry training/education sessions (June 2014 – July 2015).

Total Value: \$24,000

*For budgeting purposes, it's anticipated the costs for participation through years 3, 4 and 5 will remain close to the Year 2 investment levels, pending your preferences around new technology integration or platform extensions.

What happens if I choose not to invest this year?

Limited future funding opportunities.

One of the key benefits from this collaborative digital approach is the ability for you to tap into Destination NSW's \$40 million Regional Visitor Economy Funding scheme. Through your destination's participation in this program, it will increase the potential to access this funding, working in conjunction with MRTB on new marketing activities and destination projects.

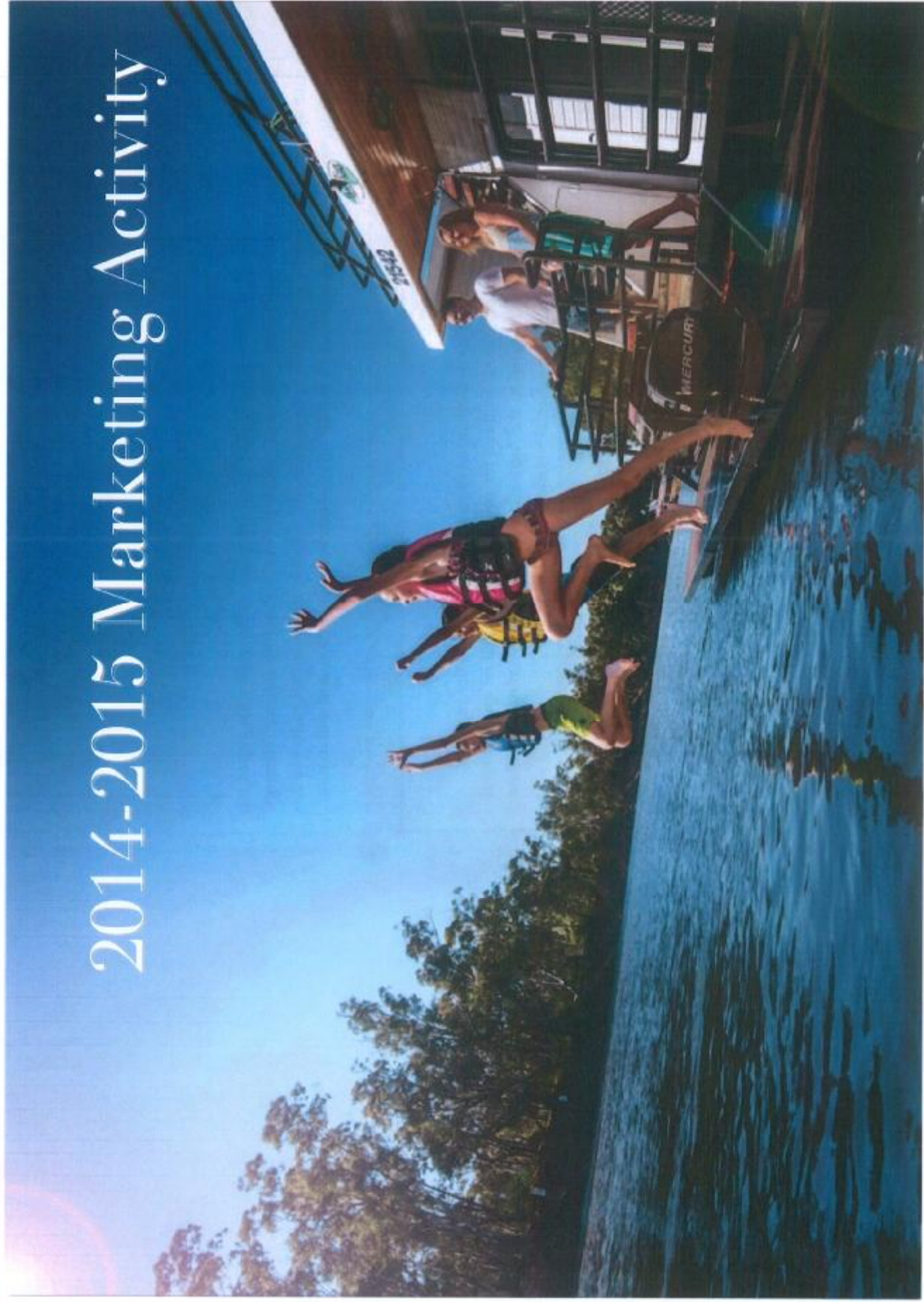
Limited destination exposure.

From a functional perspective, if your destination does not participate in the regional digital platform, the volume of content featured for your destination will be quite limited; only those operators who are included in the Australian Tourism Data Warehouse will be included for your destination on the regional website.

Increased cost to 'opt in' at a later date.

There is the opportunity to 'opt in' to the digital platform in the future. However, if you choose to buy in at a later date, the cost of participation will increase significantly – this year's discounted participation rates are a direct result of being able to leverage new funding opportunities. For those who do opt out of this year's opportunity and elect register for the program at a later date, the minimum buy-in will be approximately \$26,800.

2014-2015 Marketing Activity



2014-2015 MRTB Marketing Activity

Integrating with the development of the new regional digital platform, MRTB has developed a new regional Destination Appeal marketing program. This program will include a range of activities through 2014/2015, with a particular emphasis on delivering the new regional brand strategy.

MRTB's refreshed approach to regional marketing will provide you, and your destination partners / members, a multitude of options to participate in new marketing activities.

The proposed 2014/2015 regional program includes (1) PR + media outreach, (2) activation at Consumer Shows, and (3) an integrated Destination Appeal advertising campaign.

Based on your strategic priorities and marketing budgets, MRTB has developed a suite of co-operative marketing packages, for you to choose from. Each of these are outlined on the following pages.



PR + Media
Engagement



Paid Media
Campaign



Consumer Shows

2014-2015 PR + Media Outreach

Building on the partnership with Cox Marketing, MRTB is developing a pro-active approach to media engagement and outreach.

Through 2012/2013, MRTB's approach to media outreach has delivered an estimated \$2,550,000 in earned media value for the entire region. For 2014/2015, MRTB is looking to build on this success and provide further opportunities to capture key destination stories in line with the regional brand experiences.

For 2014/2015, MRTB will be looking to develop an annual calendar of PR + Media Outreach. This schedule will include

- Event listings in top tier media (digital, print, broadcast)
- Pitching stories related to feature destination experiences and products
- Hot Deals, Accommodation Reviews, and Giveaways
- Coordinating media family profiling stories, negotiated TV and broadcast.

With MRTB's approach to planning these activities, you will **maintain responsibility for liaising with local operators, managing bookings and building itineraries** – this remains the same as it has been managed previously.

One aspect of the new PR + Media Engagement process will change. All invoices will need to be directed and paid through MRTB.

Based on running a PR + Media Engagement program to a similar scale as those commissioned through 2012/2013, here is a summary of anticipated costs:

	Your Investment*
Major Destinations	\$8,000 - \$12,000
Other Destinations	\$5,000

**This is an estimated total. A final figure will be confirmed once all destinations have finalised their participation in this approach.*

The benefit to you of running the PR + Media Engagement financial administration through MRTB is that these activities could be contributed towards increasing a *FREE* Activation Bonus, driving traffic directly towards your new destination website.

For further information on the *FREE* Activation Bonus, turn to Page 24.

2014-2015 Consumer Shows

Understanding the continued demand of a consistent presence at relevant consumer shows, MRTB is building an integrated calendar of Consumer Show activity in 2014/2015.

Providing you with the opportunity to plan ahead, you can opt in to the show(s) most relevant to your destination priorities.

<i>NSW Supershow</i>		April/May 2014 + 2015
Camping & Caravanning	<i>Adelaide</i>	February 2015
	<i>Victoria</i>	March 2015
River Experiences	<i>Melbourne Boat Show</i>	June 2014 + 2015
Food & Wine	<i>Melbourne Good Food & Wine Show</i>	May 2014 + 2015
	<i>Taste of Victoria</i>	October 2014
Golf	<i>Australian Masters, Melbourne</i>	November 2014
	<i>Emirates Australian Open, Sydney</i>	November 2014

Tiered Participation Structure

	Your Estimated Investment*	Inclusions
Single Show Package	\$2,500	Branded co-operative stand including furniture, LCD screen, Brochure racks, rostered destination attendance (Min 2 days), promotional flyer, accommodation for 1 destination representative
Double Show Package	\$4,500	
Triple Show Package	\$6,375	

*estimated investment is based on a minimum of five destinations participating in each show.

2014-2015 Trade Shows

As in previous years, MRTB will be managing the coordinated effort at both ATE and AIME through 2014 and 2015.

If you are interested in participating in these shows, participation inclusions and costs are outlined below.

	Your Estimated Investment*	Inclusions
AIME	\$5,750 (minimum 2 participating destinations)	<i>Branded co-operative stand including furniture, LCD screen, Brochure racks, rostered destination attendance (Min 2 days), promotional flyer, accommodation for 1 destination representative.</i>
ATE 2014	\$4,000 (minimum 4 participating destinations)	<i>Branded co-operative stand including furniture, LCD screen, Brochure racks, rostered destination attendance (Min 2 days), promotional flyer, accommodation for 1 destination representative and 1/2 Appointment Scheduled for ATE.</i>
ATE 2015	\$4,000 (minimum 4 participating destinations)	

Paid Media Campaign

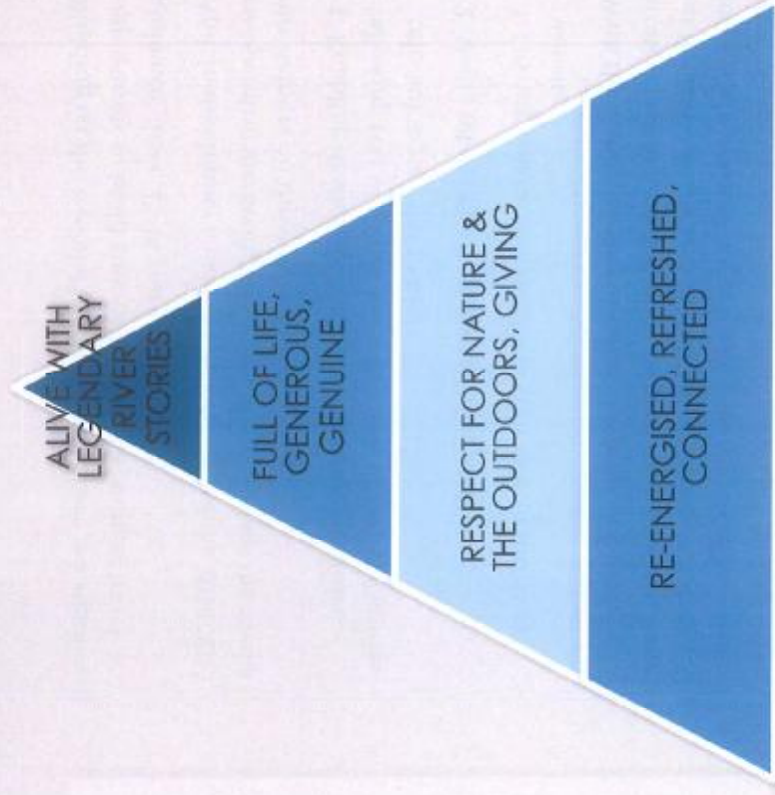
Linking directly to the development of the new regional digital platform, MRTB has developed a new region-wide Destination Appeal marketing program.

This marketing program will focus on presenting a more refreshed and youthful brand story, with a particular emphasis on connecting and resonating with travellers seeking authentic experiences (especially younger families, couples and friendship groups).

In line with this strategic objective, new advertising creative has also been developed. This new material focuses on bringing to life 10 unique Murray River regional stories:

1. Golf
2. Camping + Caravanning
3. History
4. Houseboating
5. Nature
6. Food & Wine
7. Fishing
8. Water Skiing
9. Self-Drive / Touring
10. Aboriginal

Within MRTB's proposed campaign structure, you will be able to select the stories most relevant to your destination.



Murray Region Brand Strategy

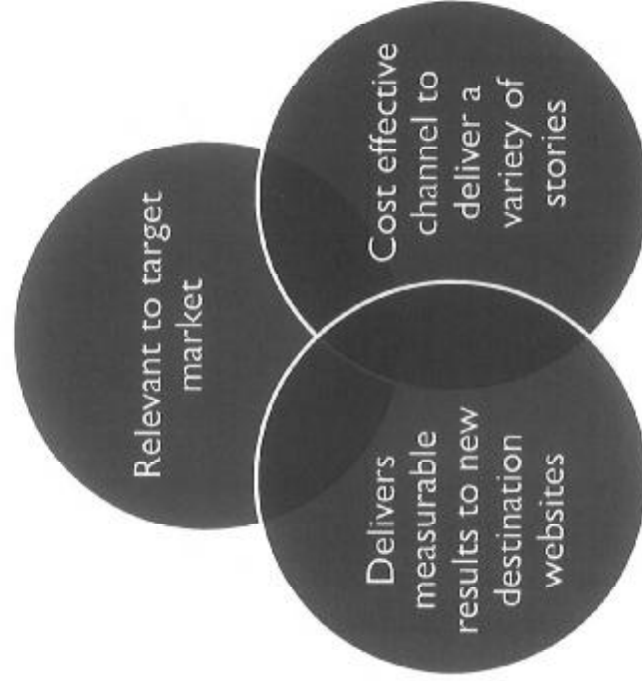
Media Approach: Digital Media Focus

Building on the regional brand strategy, there is a significant opportunity to build connections with a younger travel audience (those 25-44 years of age).

And, in developing a paid media strategy for the 2014/2015 co-operative marketing campaign, it's important the media mix delivers on three key challenges:

1. Enabling destinations to tell a collection of stories – allowing **you** to choose from the suite of regional stories relevant to *your* destination
2. Media relevant to the target market profile
3. Driving measurable results to your new destination website

With these three factors in mind, the proposed media strategy will focus primarily on digital media outlets. Based on the above challenges, digital media outlets will deliver the most effective result, as well as enable you to choose from a suite of regional experiences in line with the Murray River Brand Strategy – ultimately providing more value for your marketing dollars.

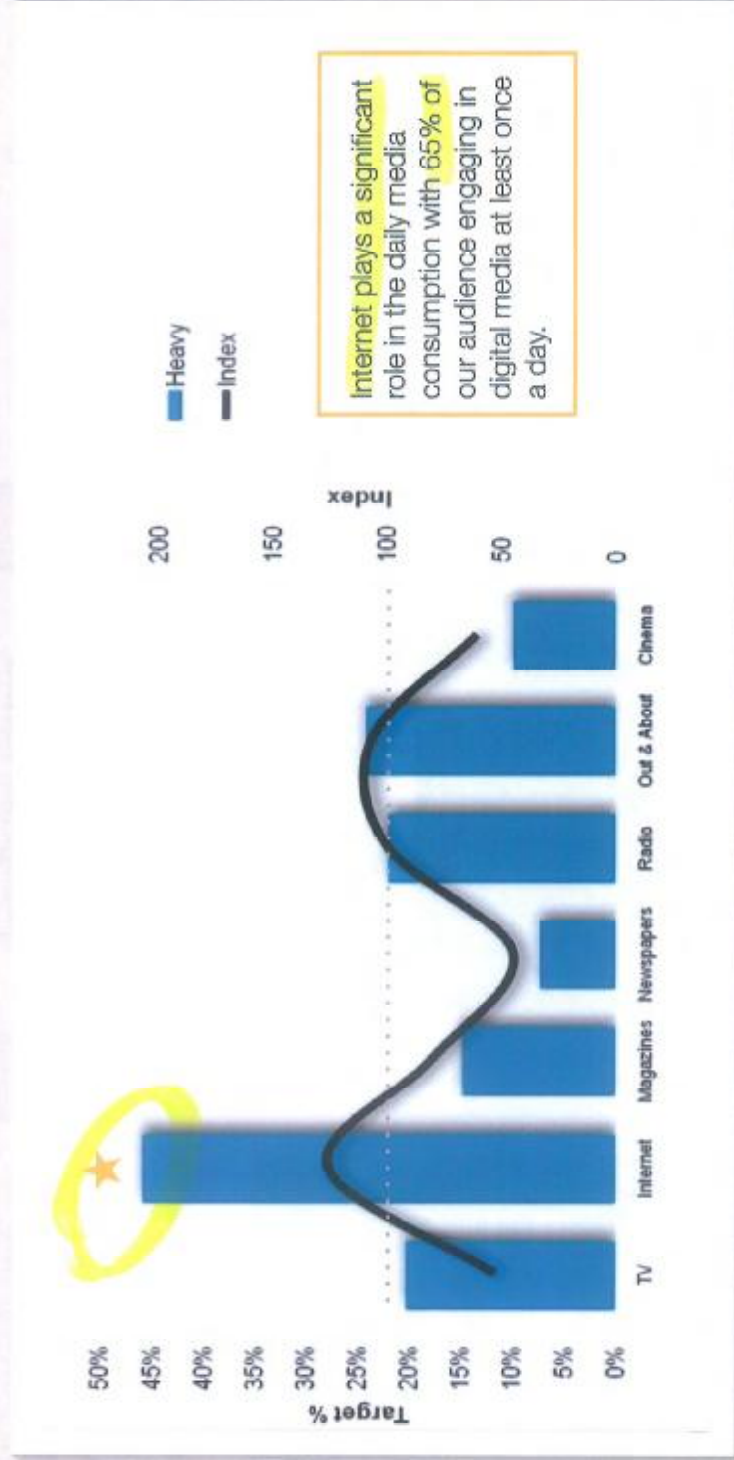


Paid Media Strategy: Aligning to the Target Market

A strategic review of the media consumption habits of our target market show our preferred prospective travellers use internet and digital media more than any other paid media channel.

And, with the proliferation of 'multi' screen media consumption, we have a significant opportunity to share the Murray regional travel story across a range of digital media opportunities.

Digital media outlets also provide the opportunity for a range of messages and stories to be featured at more cost effective investment levels – this means you will be able to choose from a variety of destination stories and specific executions can even include price points or operator packages.



Digital Media Channels

MRTB's 2014/2015 destination appeal campaign will focus primarily on reaching our target market through a range of digital media outlets, including: Digital Display Advertising, mobile advertising, social media, direct marketing, and tactical media partnership.

Digital Display Banner Advertising on a range of top tier websites, which bring to life the regional experiences most relevant to your destination. This advertising will use high impact imagery and emotive storytelling to capture our audience's attention and drive traffic to your destination website



Digital Display Banner Advertising focused on promoting tactical or retail messages, cost effectively reaching our target market and driving consumers to your destination website to learn more

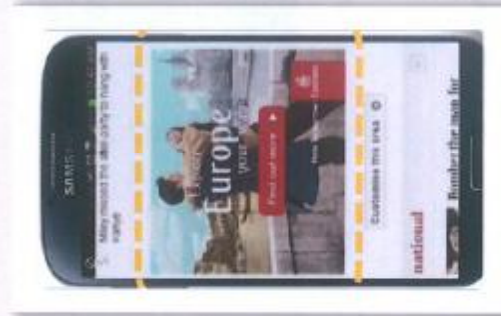


Direct marketing opportunities to convert travellers who are actively considering a getaway, along with the opportunity to build a larger database of potential travellers



Digital Media Channels

Advertising featured on mobile and tablet devices, targeting key demographics and geographic profiles, featuring key experiences and driving traffic to your website



Media partnership with Lastminute.com.au (or similar) to drive bookings in 2014.



Social media engagement through the form of Google AdWords



Activation Bonus

FREE

The development of an integrated digital platform provides you with a new opportunity to tap into a broader regional advertising program – at **no extra cost**. This opportunity provides you with the chance to drive a significant amount of traffic to your new destination website, without investing in subsequent advertising activities.

To take advantage of this unique opportunity, you need to (1) participate in the development of the Digital Platform (select your Year 1 + 2 packages) and (2) support the promotion of the new Murray Regional Brand through your planned 2014/2015 paid media and marketing activities.

How does this opportunity work?

With your planned 2014 / 2015 marketing components, many of your existing destination marketing activities could be classified as support activities for MRTB's integrated approach. Example activities can include: Social Media, Digital Advertising and Official Visitor Guides.

To classify for the Activation Bonus, your destination marketing activities need to:

1. Integrate your destination website URL and / or link directly to your destination website;
2. Include the appropriate Destination NSW and MRTB logo placements;
3. Be supported by invoices that can be paid directly by MRTB (rather than your organisation); and
4. The activity must occur and invoices dated between 30 April 2014 and 1 September 2015.

From an administration perspective, you will maintain control and be responsible for delivering the agreed components (as per your current marketing management process). However, you will need to authorise MRTB to invoice *you* for the agreed components / marketing activities and your suppliers / media partners will then invoice MRTB, rather than send you the invoices.



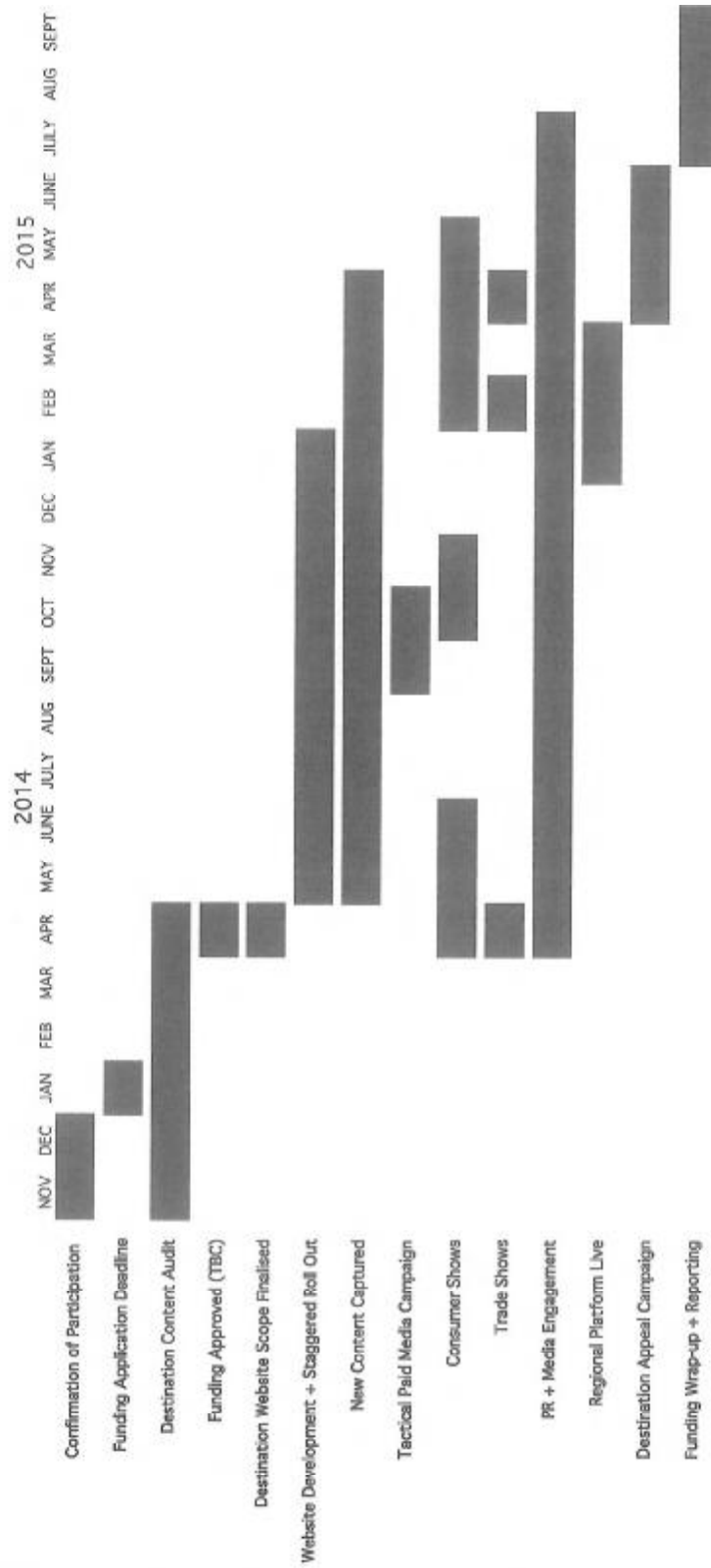
Activation Bonus

FREE

Activation Bonus Program		
Your Existing Paid Media Investment*	Bonus Value	Bonus Features
\$5,000	\$10,000	An estimated 800,000 digital impressions and 2,400 click-throughs to your new destination website. 1. Destination message and / or industry partner packages feature in a range of digital display advertising placements
\$10,000	\$40,000+	An estimated 1,342,000 digital impressions and 5,189 click-throughs to your new destination website. 1. Destination message and / or industry partner packages feature in a range of digital display advertising placements 2. Google AdWord buy directing visitors to your website 3. Destination message featured in mobile advertising creative
\$20,000	\$65,000+	A minimum 2,125,000 digital impressions and 9,000 click-throughs to your new destination website. 1. Destination message and / or industry partner packages feature in a range of digital display advertising 2. Google AdWord buy directing visitors to your website 3. Destination message featured in mobile advertising creative
\$50,000+	\$95,000+	A minimum 3,000,000 digital impressions and 10,500 click-throughs to your new destination website. 1. Destination message and / or industry partner packages featured in targeted eDM program 2. Destination message and / or industry partner packages feature in a range of digital display advertising 3. Google AdWord buy directing visitors to your website 4. Destination message featured in mobile advertising creative

**Your existing paid media investment can include existing marketing efforts such as Visitor Guides, social media and facebook advertising. To classify for the Activation Bonus, your destination marketing activities need to: (1) Integrate your destination website URL and / or link directly to your destination website; (2) Include the appropriate Destination NSW and MRTB logo placements; (3) Be supported by invoices that can be paid directly by MRTB (rather than your organisation); and (4) The activity must occur between 30 April 2014 and 1 September 2015.*

Program Timing



MRTB Digital Platform: Participation Registration

Please complete the information below, sign and scan the form. Email to Kathleen Drennan: kdrennan@elementsgroup.com.au

Once you have submitted your completed registration form, a formal Letter of Commitment will be generated. This Letter of Commitment establishes a formal agreement between you and MRTB and will include guidelines on payment milestones and reporting requirements.

Yes! I am interested in participating in MRTB's digital platform program.

Your Details:

Destination _____

Name _____

Position _____

Email _____

Phone Number _____

DIGITAL PLATFORM YEAR 1 *check one option below*

Year 1 Option A (\$21,500+GST)

Year 1 Option B (\$17,400+GST)

Year 1 Option C (\$10,800+GST)

DIGITAL PLATFORM YEAR 2 *check one option below*

Year 2 Option A (\$9,400+GST)

Year 2 Option B (\$6,240+GST)

PR PARTICIPATION

CONSUMER SHOW PARTICIPATION

TRADE SHOW PARTICIPATION

ANTICIPATED ACTIVATION
INVESTMENT (*FREE*)

Signature

Date

By signing this Registration Form, you are confirming your interest to participate in MRTB's 2014/2015 co-operative marketing activities. A formal Letter of Commitment will be supplied, which will confirm your investment and outline your responsibilities, financial milestones and reporting requirements.