

CEO Commentary

Tasmanian Tourism Snapshot for the year ending June 2019




The latest Tasmanian Visitor Survey numbers for the year ending June 2019 tell an important story. Pleasingly, it tells us that visitors continue to invest record levels in our state, with spending increasing by 4 per cent to \$2.5 billion. The T2I – Visitor Economy Strategy goal of \$2.47 billion by 2020 has now been exceeded, meaning that our visitors are contributing value to our economy more than ever before. This is an important measure of our success as a sector, we're travelling well.

On the other hand, it also indicates that the record growth Tasmania has been fortunate to experience over recent years continues to slow. Overall visitation remained steady at 1.32 million visitors to the state in the year ending June 2019. This is not unexpected. Growth in visitation to Australia has also been slowing, with many other Australian states and territories experiencing their declines earlier than us.

Tourism Tasmania believes Tasmania's brand remains very healthy. Our research indicates as much. Business travel has seen strong growth over the past year, up 12 per cent, and these visitors may be displacing our potential holiday visitors (down by 4 per cent), as we know this travel segment is more willing and able to pay higher prices for travel and accommodation. There is no denying that Tasmania is becoming a more expensive destination to travel to, with pricing for Hobart accommodation (RevPar – Revenue per available room) leading the nation and average airfares increasing in line with the rest of the Australian domestic market. This may be having an impact on potential visitors as they look to choose between destinations as part of their holiday planning. This is likely to ease as an increased supply of accommodation is released into the market over the next year, with four new international hotels opening in Hobart alone.

Interstate visitation grew by four per cent, driven by increases in visitors from Victoria, Queensland, South Australia and Western Australia. Our Western Australian visitors were up 12 per cent – a positive sign following the introduction of direct flights between the two destinations.

In the regions, growth remained steady in the south and north, with no significant change in the North West and West. The East Coast continues to record a drop in visitation as recorded via the TVS, however this region is seeing strong intrastate visitation.



Destination marketing is becoming increasingly competitive as each state and territory vies for their share of the travelling public. Tourism Tasmania is preparing to launch its evolved tourism brand in market which will reposition our state in the minds of potential travellers and create a renewed interest in our island. At the same time, we are continuing to operate on the global stage to lure a small number of direct international aviation services to Tasmania. This is vitally important as the domestic aviation industry remains constrained with no new aircraft expected to enter the market over the next two years.

We are also looking to the future with planning underway on our new visitor economy strategy. Tourism Tasmania in partnership with the Tourism Industry Council is having conversations with our industry, regional leaders and those who depend on the visitor economy about the ten year outlook for tourism in this state. Part of this process will be confirming what success looks like and what targets will help us achieve that success. Growth will remain important, but so will visitor spend and regional dispersal, as we increasingly focus on increasing the value of tourism in our regional communities.

Warm regards

John Fitzgerald
CEO, Tourism Tasmania

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