

# CEO Commentary

## Tasmanian Tourism Snapshot for the year ending December 2015



2015 has been another great year for our visitor economy. Our latest figures show the number of visitors coming to Tasmania on scheduled air and sea services in 2015 grew by 8 per cent on the previous year to 1.15 million. To be more precise, our island state welcomed around 1 153 300 interstate and international visitors during 2015.

This result means we continue to track above the 5-6 per cent annual growth rate we have to sustain to reach the 1.5 million visitor target by 2020.

On another very positive note, the latest Tasmanian Visitor Survey (TVS) figures also show healthy growth in the number of holiday, VFR (visiting friends and relatives), business and business event travellers coming to the state during 2015. It's great news for Tassie when all the travel segments are contributing to our overall visitor economy goal and are generating economic and social benefits throughout the state.

The airlines and Spirit of Tasmania have continued to help us out here, with airlines scheduling 9 per cent more seats on various routes to and from Tasmania during 2015. The Spirits of Tasmania are another success story with a 16 per cent jump in interstate and international visitors travelling on the two ships in 2015. The TT Line is doing a fantastic job of attracting more visitors to Tassie, and their extra day sailings and strong forward travel bookings are testament to the effort they are putting into this.

Tasmania's Access 2020 Strategy says we will need around 140 000 more airline seats into and out of Tasmania every year till 2020 to ensure we can transport the number of visitors we aim to attract. The good news on that front is that starting this month we have around 200 000 more airline seats scheduled on key routes from Victoria and New South Wales over the next 12 months.

Recently announced codeshare agreements between international airlines and our own domestic carriers are also helping us to get more international visitors to Tasmania. These arrangements will not only improve our profile amongst the travel trade in the international markets these airlines service, but they will help visitors to connect seamlessly between these international services and domestic flights to Tassie.

Speaking of international visitors, this time last year I reported that a record 177 000 international visitors had come to Tasmania in 2014. Twelve months on and the International Visitor Survey shows that 20 per cent more international visitors came to Tassie during 2015, passing the two hundred thousand visitor mark for the first time ever, and setting a new record of 211 800 international visitors.

This 20 per cent growth rate far outstripped the nation's 8 per cent growth during the same period. It's a great result and also pleasing to see that our traditional North American and UK markets have rebounded strongly to be on par with our Chinese visitor numbers.

I returned only recently from a week-long trip to the USA to meet with a number of travel trade and media representatives and can confirm the growing awareness and popularity of Tasmania amongst the US travel trade.

There is no doubt our recent accolades and growing list of world-class golfing, nature-based activities, high-end accommodation experiences and our premium food and drink experiences promoted through campaigns like Restaurant Australia, are helping to turn us into a must-visit destination for more American travellers.

While this is all great news for our tourism and hospitality sector, it does raise the question about our capacity to host all these extra visitors, especially in Hobart, and the impact this may have on the number and mix of visitors to the state

For example, even though it was pleasing to see another lift in total visitor numbers to Tasmania during the 2015 December quarter, this growth was heavily dominated by business and business event travellers. It's good news to see the business sector growing. It has no doubt helped Hobart post the fastest RevPAR growth (Revenue per Available Room) of any market in the country, according to Deloitte's recently published Tourism and Hotel Market Outlook 2016 report.

However, the strong business and business event visitor growth, coupled with strong demand, high occupancies, increasing room rates and limited supply of hotel rooms, may affect leisure visitor numbers by making it harder for leisure travellers to find suitable places to stay, especially in Hobart.

As I have said in previous commentaries, the time it will take to get all the new hotels built and trading may have some short term impact on our visitor numbers or mix. This is something that we will closely monitor as we continue to market Tasmania as a holiday destination and build demand.

Right now, we are in the midst of our autumn marketing push, promoting the state as a great leisure destination and stimulating travel ahead of and during our coming winter season. I am really pleased to report that we are already seeing very positive results from our current campaign.

The latest Tasmanian Visitor Survey shows that we are on the verge of another significant milestone with interstate numbers being only a few thousand short of the one million visitor mark. Feedback from many operators suggests that Tasmania is looking at another outstanding March quarter, and if so, could see us surpassing one million interstate visitors annually for the first time ever, in only a few months.

While the feedback regarding this season has been overwhelmingly positive, I appreciate that some individual tourism businesses and especially those in the Cradle Coast region, were impacted by the recent bushfires and the precautionary road, park or track closures. I am also grateful that we saw no fatalities or physical loss of tourism businesses. Despite the fires impact on some businesses, I want to acknowledge the professionalism of our tourism industry and the efforts of everyone who worked hard to ensure their clients continued to have a great holiday in Tasmania.

The good news is that despite the fires, the feedback we have continued to receive from our major travel partners suggests they were having little impact on their customer's intentions and plans to holiday in Tasmania,

This augurs well for the next round of Tasmanian Visitor Survey results, which are expected to be published this June. Hopefully, we will see Tassie creating another new record when they are published.

**John Fitzgerald**  
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