

CEO Commentary

Tasmanian Tourism Snapshot for the year ending December 2013



The latest set of results from the Tasmanian Visitor Survey for the 2013 calendar year reveal what many tourism businesses throughout the state probably saw and experienced during the year – more visitors in the state and in their region, and an improving business environment.

While the latest results may come as no surprise to many, it's always good to have all the anecdotal evidence about our performance backed up by the hard statistics from the Tasmanian Visitor Survey.

The latest results for the 12 months to the end of December 2013 show that we continue to welcome just over 1 million interstate and international visitors to the state on regular air and sea services. The actual number of visitors that came to the state in 2013 was 1 033 600, which is 14 per cent higher than in 2012 and higher than the previous record we set last quarter.

Again, much of this growth and volume has come from our largest domestic travel markets of Victoria and NSW, with Queensland also playing its part. It looks like the increase in direct flights from Brisbane, and the extra \$1 million we used last spring to promote Tasmania in Queensland paid off, and I hope that growth continues throughout the year.

This growth was also supported with a 12 per cent increase in seat capacity to Tasmania across the four major direct air routes between Melbourne, Sydney, Launceston and Hobart during 2013. It gave travellers more choices when it came to finding the best time and day of the week to come here to enjoy the many events and other great experiences that Tasmania offers its visitors.

I am also pleased to see our interstate and overseas visitors were continuing to spend up while they're here, with around \$1.58 billion being spent in Tasmania during the 12 months to December 2013. This is around 13 per cent more than in 2012 and another step in the right direction when it comes to achieving the \$2.05 billion annual visitor spend goal in Tourism 21.

The latest Tasmanian tourism figures show the total visitor nights spent in the state during 2013 had also grown to around 8.84 million nights, or about 10 per cent more nights than in 2012. As this total did not grow quite as much as actual visitor numbers, it does mean that the average length of stay for each visitor fell - but not by much.

Pleasingly, the average length of stay only fell from 8.9 to 8.6 nights, which indicates that many visitors are still taking longer touring style holidays in Tasmania, and this normally translates into more people getting out and exploring our regional areas.

That appears to be the case, because the latest figures show that more people visited the Southern, Northern, East Coast and the Cradle Coast regions in 2013, compared with the previous year. In fact, we saw around 13 per cent more people visiting southern Tasmania, 16 per cent more people heading to the east coast, 14 per cent more visitors checking out the north, and 9 per cent more visitors exploring the Cradle Coast region during 2013.

This is a marked improvement for all our regions last year, and the most recent figures for the December quarter continue to show encouraging signs for further growth in regional dispersal. They showed the total number of people visiting our regions continued to grow in the December quarter by double-digit figures, compared with the same quarter in 2012.

The only observation I would like to make about the growth of visitors to all our regions is a possible slowing in the rate of growth of visitors to southern Tasmania. This is something that we will monitor closely over coming reporting periods to see if this trend continues, as it might herald a different challenge for the industry in relation to the amount of accommodation stock in the state's capital city.

In my last CEO commentary, I also mentioned that I was buoyed by reports from the Spirit of Tasmania about their increased forward bookings.

Well, the latest figures suggest their marketing efforts continue to bear fruit when it comes to more visitors travelling on the ships. Over the last two quarters of the Tasmanian Visitor Survey, we have seen positive signs of a recovery in sea travel, and between October and December 2013, our figures showed that the Spirit of Tasmania recorded a substantial 17 per cent jump in passenger numbers compared with the same quarter in 2012.

The net effect of these last two positive quarters has been to halt the annual decline in visitors coming to the state by sea, and if we see another quarter like these last two, we can expect to see total annual passenger numbers on the Spirit of Tasmania returning to positive territory in the next set of Tasmanian Visitor Survey results.

This is further good news for our regions, because they traditionally benefit a great deal from the visitors coming to the state on the Spirits of Tasmania.

I imagine many operators throughout our regions have seen more business as a result of all these extra visitors to Tasmania by air and sea. The informal feedback I have been receiving from local operators suggests they have been having both a good year and a good season, and I hope that we can keep this going throughout this year and beyond.

We too are responding to changes in people's holiday and travel behaviour, and especially how they get information, opinions and ideas about travel and destinations. The new Discover Tasmania website, which went live in late January, is already hard at work showcasing our state, especially through the images, videos and stories from locals, experts and other visitors.

Phase 3 of our *Go Behind the Scenery* campaign has also been in full swing in Sydney and Melbourne since early February, and is continuing to build on the success of our past two seasonal campaigns by engaging with potential visitors in these markets, giving them a sense of what Tasmania is all about, and getting more of them to consider taking a holiday in Tasmania.

However, we also need to convince more of those who are thinking about a holiday here, to take the next step and actually book their Tassie holiday. Our autumn campaign has been heavily weighted towards that outcome, and the early feedback we are receiving from our national air and retail travel partners is that their cooperative marketing with us is generating significantly more Tassie sales than the same period last year.

All this is good news and suggests we are shaping up for another great season and year ahead for our tourism industry.

As I'm writing this commentary, we have a new State Government which is settling in to its first 100 days in office. Tourism is expected to feature prominently in their future plans and while it is too early to provide any details, I look forward to sharing more news with you about tourism marketing initiatives that we will be undertaking over the next few years to attract even more visitors to the state.

John Fitzgerald
CEO, Tourism Tasmania