

CEO Commentary

Tasmanian Tourism Snapshot for the year ending September 2015



With Christmas fast approaching, it would be fair to say that the growth of Tassie's visitor economy in 2015 has pretty much replicated last year's performance. This time last year, I happily reported that our visitor numbers for the year ending September 2014 had grown by 6 per cent to a record 1 062 700 visitors.

This year, I am pleased to report that our latest figures are significantly higher, and have grown by 7 per cent to reach 1 142 500 visitors on scheduled air and sea services. This result keeps us tracking above the 5-6 per cent annual growth rate required to reach the target of 1.5 million visitors a year by 2020.

This time last year I also reported that we saw a record 167 800 international visitors to Tasmania, according to the International Visitor Survey for the year ending September 2014. At the time, China had only just overtaken the UK as our number one international source market.

Twelve months on and we have seen a further 19 per cent growth and a new record of 199 100 international visitors to our state during the year ending September 2015. China has also now firmly established itself as our largest source of international visitors.

While we can always expect to see quarterly fluctuations, our latest annual results have benefited from three quarters of significantly stronger results compared with a year ago. And while total numbers in our September 2015 quarter were down just slightly on last year, we achieved really strong growth in a number of important measures for the state's visitor economy.

For example, total visitor spending and nights spent in the state during the September quarter showed very healthy growth of 12 and 6 per cent respectively. This meant that compared with last year, our visitors stayed here longer and spent more while travelling around.

And travel around they did, with visitor numbers to the east coast, cradle coast and northern regions showing growth in this quarter. This growth is also reflected in the record high occupancy figures being reported by Tasmanian Hospitality Association members throughout the state for July, August and September 2015.

More visitors are getting out and about, and our regional communities and their economies are benefitting from the growing number of people coming to our state.

On another very positive note, the latest figures also show that the number of holiday, VFR (visiting friends and relatives) and business travellers coming to our state all grew during the year to September 2015. It's great news for Tassie as all these sectors contribute to our overall visitor economy goal of attracting 1.5 million visitors a year.

The airlines and Spirit of Tasmania are certainly helping us out here, with the major airlines scheduling around 9 per cent more airline seats on various routes to Tasmania during this period, and demand for travel on the Spirits had also grown noticeably.

While all the extra airline seats, sailings and high occupancy rates being experienced by existing properties is great news for our tourism and hospitality sector, they do raise the question about our capacity to host all these extra visitors with the inventory we have, particularly during our high season, and especially in Hobart.

Occupancy rates for southern Tasmania are hitting record highs and with so many popular attractions in or near the state's capital, it is only natural for visitors to want to stay in Hobart for some of their Tassie holiday. However, it's important to remember that only around 34 per cent of all visitor nights spent in our state are spent in Hobart, so the majority of nights are spent elsewhere in the state.

Clearly though, we do need more rooms in Hobart and it is reassuring to see so many new hotels and rooms being planned or under construction. But their completion is still a little way off and the time it will take to get these new hotels built and trading may cause visitor growth to Tasmania to plateau or slow up in the short term as we wait for the extra accommodation to come on line.

Air and sea access is another one of those vital areas that will help or hinder our progress towards the 1.5 million visitor goal. There's no point having great marketing and creating more demand if we can't get people here. The Access 2020 report released recently reveals that around 700 000 more seats a year will be required by 2020 to carry the 1.5 million visitors we aim to attract each year to Tasmania. That's about 140 000 extra airline seats every year till 2020.

The good news on that front is that airlines are scheduling more seats next year on key routes from Victoria and New South Wales. With around 90 per cent of all visitors to the state coming by air, it is not surprising that the growth in air seat capacity is vital to our future visitor growth.

The TT Line is also doing a fantastic job to bring more visitors here as well, and their extra day sailings and strong forward travel bookings are testament to the effort they are putting into this.

Tourism Tasmania will continue to focus its energy and resources on marketing Tasmania as a great leisure destination, creating demand to visit, and helping to facilitate more air and sea access to get all those extra visitors here. And even though the team here have had a busy 2015, we are looking forward to 2016.....and keeping the momentum going.

In early 2016, Tourism Australia will be launching a major new global Aquatic and Coastal campaign, and we will definitely be part of that promotion. One wonders if Tourism Australia is designing its campaigns just for Tassie, because while the Restaurant Australia campaign was tailor-made for us, as an island we are also perfectly placed to shine in this campaign as well.

Work is also well underway on our next interstate marketing campaign for autumn 2016. We have seen some really positive results coming from our recent spring campaign and in particular the use of locals to tell a story about the Tasmanian visitor experience. This approach has certainly engaged our target audience, and we will be building on this during the 2016 autumn campaign.

There is a lot for us all to look forward to in 2016. But for now, on behalf of the Board of Directors and the team at Tourism Tasmania, I want to wish all our Tasmanian tourism operators, industry colleagues and their families a happy Christmas, and a safe, healthy and prosperous 2016.

John Fitzgerald
CEO, Tourism Tasmania