

# *Tourism Business Activity Survey Results, February 2007*

## Introduction

This report describes how Tasmanian tourism businesses believe they performed over the Christmas period 2006 compared to 2005 and reports on their expectations for the near future.

Tourism business operators across Tasmania were invited to participate in an online survey conducted by Tourism Tasmania from 19 to 22 January 2007.

The survey focused on two key issues;

1. business performance for the 2006–2007 Christmas and New Year period (18 December to 5 January) compared with performance from the corresponding period in 2005–2006; and
2. forward bookings to the end of February 2007 (the survey recorded percentage increases and decreases, not the amounts of those increases or decreases).

A total of 234 tourism business representing accommodation, tour operator, transport and attraction sectors across Tasmania responded to the survey.

*Table 1: Percentage of survey respondents by industry sector and region*

REGION	INDUSTRY SECTOR				TOTAL
	Accommodation	Attraction	Tour Operator	Hire	
East Coast	11.1%	0.9%	1.7%	0.9%	14.5%
Hobart	11.1%	2.1%	2.1%	0.9%	16.2%
Launceston & Tamar Valley	7.7%	1.7%	4.7%	0.9%	15.0%
North West Coast	13.7%	2.6%	1.3%	0.0%	17.5%
Other Northern	7.7%	2.1%	0.4%	0.0%	10.3%
Other Southern	17.5%	4.7%	2.1%	0.0%	24.4%
West Coast	1.7%	0.0%	0.4%	0.0%	2.1%
<b>TOTAL</b>	<b>70.5%</b>	<b>14.1%</b>	<b>12.8%</b>	<b>2.6%</b>	<b>100.0%</b>

*Notes: This report presents results at a regional or industry sector level. Analysis of industry sectors by regions is not possible due to insufficient samples, which would be statistically invalid.*

*Survey results and business expectations described in this report were accurate as at January 22, 2007.*

*Additional data routinely collected from tourism operators, the Australian Bureau of Statistics (ABS), airlines, TT-Line and the Tasmanian Chamber of Commerce and Industry (TCCI) provided context for the main online survey results.*

## Section A: Recent Performance

Tasmanian tourism businesses indicated they performed well over the 2006–2007 Christmas period. Of the businesses who completed the survey, 42 per cent reported visitors or passenger numbers were higher than for the same period in 2005–2006, and 46 per cent indicated total sales or revenues had increased. A further 24 per cent reported visitors and revenues to be about the same in both periods.

A greater percentage of businesses based in Hobart, Launceston and the Tamar Valley reported a better performance than businesses based in northern and east coast regions generally. Hobart businesses fared better than those in all other areas, with 60 per cent of Hobart businesses reporting increased sales.

Statewide, 68 per cent of accommodation businesses reported increased or stable visitor numbers and 71 per cent had increased or stable revenue collections. These results align with the latest ABS Survey of Tourist Accommodation, which indicated stable occupancy rates and slightly increased revenues for Tasmanian accommodation businesses for the year and quarter ending September 2006.

### Revenue Sources

The survey indicated increased reliance on sales direct from customers, confirming the growing trend of customers bypassing traditional booking and information sources such as wholesalers, travel agents and visitor information centres.

Table 2: Percentage of survey respondents (businesses) by revenue sources

Revenue Source	Percentage of applicable businesses	2006 total revenue compared to 2005		
		Up	Same	Down
<b>TasTemps *</b>	51%	18%	26%	56%
<b>Direct from customers</b>	94%	54%	25%	21%
<b>Other</b>	76%	48%	25%	27%

\* 51 per cent of businesses that completed the survey indicated they were not participating in the TasTemps wholesale program.

### Airlines

Airlines reported strong performance through the 2006–2007 Christmas and New Year period compared to the same period in 2005–2006 and solid bookings to the end of February 2007.

### **Tasmanian Economy**

The Tasmanian Chamber of Commerce and Industry (TCCI) *Survey of Business Expectations in Tasmania* for the March 2007 quarter indicated lower levels of business confidence across Tasmania compared to the past few years. Although the TCCI survey indicated general business conditions and revenues marginally declined during the December 2006 quarter, the survey still indicated positive growth prospects (see Section B below).

### **Section B: Outlook for February 2007**

Businesses responding to Tourism Tasmania's online survey reported weak forward bookings for February 2007. Thirty two per cent of businesses indicated their forward bookings for February were higher than in January–February 2006, twenty one per cent indicated they were the same and forty seven per cent indicated that their forward bookings were lower.

However, lead times between bookings and actual travel have generally shortened, so these results may not accurately reflect the actual performance of businesses in February, especially given the increased customer preference for direct bookings highlighted in Section A.

There was no significance difference between Tasmanian regions in the pattern of forward bookings.

### **Airlines**

Airlines have indicated strong bookings through to the end of February, a situation confirmed by the limited numbers of discount fares available (out of Hobart in particular) compared to other interstate routes.

### **Tasmanian Economy**

Tasmanian businesses responding to the TCCI survey were uncertain about their performance expectations for 2007 but were not panicking. Tasmanian trends were reasonably well aligned to national trends, with business conditions across Australia showing a similar easing in recent quarters.

Nevertheless, the TCCI reported that Tasmanian businesses expected to increase employment and investment during the March 2007 quarter.