CEO Commentary

Tasmanian Tourism Snapshot for the year ending March 2013

The latest Tasmanian Tourism Snapshot certainly has some outstanding numbers for us to celebrate. However it's also clear from these latest results that in some areas, things are still not completely rosy.

But let's begin with some of the really positive stuff.

The latest results show that over the 12 months to March 2013, we welcomed just over 931 000 visitors to the state. That's 10 per cent more visitors than for the same period a year ago and a new record for Tasmanian tourism.

Not only have we seen strong growth in interstate visitors during this period, but we have also achieved growth in international visitors to our state at the same time. This result represents the highest number of visitors ever to come to Tasmania on regular air and sea services over a 12 month period.

One of Tourism Tasmania’s key roles is to attract more leisure visitors to the state. More people coming here for a holiday provides our tourism and hospitality operators with a larger pool of visitors in which to market their service, product or experience and attract a slice of their holiday spending.

In that regard, it seems we collectively have achieved a remarkable result for Tasmania’s tourism and hospitality industry.

I say ‘collectively’ because figures like these are never simply a result of one party’s activities, but rather an outcome of the collective marketing efforts of our regional tourism organisations, carriers, tourism businesses, the travel trade, tourism operators and many other related marketing and business partnerships.

In reality, the turnaround began with a 5 per cent increase in visitor numbers for the June quarter last year, compared with the previous years’ June quarter. It was then followed by a 14 per cent increase for both the September and December quarters – again compared with the same quarters the previous year. Around the same time, we saw growth in air services and capacity to and from Tasmania, backed up by some novel tactical marketing campaigns that seemed to stand out from the usual destination tourism advertising.

The latest results show that the positive results between April and December last year were maintained in the March quarter with a 9 per cent increase in visitors to Tasmania, compared with the March quarter last year.

This performance was again supported by an increase of almost 200 000 airline seats on the key Melbourne, Sydney, Launceston and Hobart routes during that period, including a 29 per cent increase in capacity on the Melbourne to Hobart route, compared with the same three months in 2012.

Competitive access is vital to growing our tourism industry, and this increase in air capacity again meant more people could come here between January and March to experience what our state had to offer.

Of course, for more people to choose to come here for a holiday also meant there had to be many good reasons for them to do so, and recent accolades from Lonely Planet, Trip Advisor, the Qantas Australian Tourism Awards, and Australian Gourmet Traveller to name just a few, certainly are giving them many reasons to make the journey.
However, as I said at the beginning of the commentary, while there are some outstanding numbers, things are still not completely rosy. Clearly, the highly competitive air travel environment right now, characterised by more flights and low fares between Tasmania and the mainland, is impacting the performance of the Spirit of Tasmania services, with less visitors arriving by sea.

Even though we are now seeing a resurgence in Victorian holidaymakers coming here (which would be one of TT Line’s most significant source markets), their shorter average length of stay in Tasmania means that for many of them, the option of choosing one of the many low cost flights from Melbourne to Tasmania was even more attractive.

We’ve noticed that people’s holiday behaviour has been changing, with many taking their big holiday overseas while they think it’s affordable, and then supplementing this with shorter local trips.

This change was also evident in the slight fall in the average number of nights each person spent in Tasmania during the year to March 2013. However this was more than offset by the record number of visitors, which also saw more people visiting the Northern, the Cradle Coast and the Southern regions over the 12 months to March 2013, compared with the same period the previous year.

A quick look at some quarterly regional figures showed visitation to these regions had improved further in the March quarter. But while it was good to see most regions capturing some of the growth in visitor numbers, our East coast region did not fare as well.

While a visitor’s choice of regional destinations to explore is a personal matter for them based on available time, preferences and interests, we will continue to work closely with regional tourism organisations to help them show prospective visitors what their region offers and why people should ‘go behind the scenery’ in their part of Tasmania.

I have spent a bit of time on the East Coast since my arrival in Tasmania and am confident the current results don’t reflect the true appeal of this beautiful area. So I expect we’ll see a turnaround in numbers to the region.

However overall, we must collectively be doing something right to produce this record number of interstate and international visitors coming to our shore. While it is beginning to flow on to most of our regions, there is still more work to be done to keep the momentum going, and spread the benefits.

Our focus over the coming months is to help maintain the momentum through our Go Behind the Scenery campaign, cooperative marketing activities with airlines, events like Dark MOFO, Festival of Voices and AFL games, and our new spring campaign which kicks off in August.

The latest Tourism Info Monitor (TIM) results continue to show very positive signs for our industry’s future and the potential to achieve further tourism growth. I’m also hearing that the air capacity to Tasmania over the coming months is scheduled to remain higher than it was in the same period last year. This is good news for travellers and our tourism industry, because if airlines are not seeing the return they require on individual routes, then they would naturally reduce services.

In my previous commentary, I said that if we can retain more flights to Tasmania and give people reasons to get on them, then there should be no reason why Tassie’s tourism industry and our regions cannot continue to grow. So we will maintain vigilance around supporting our aviation capacity going forward.

Well done to everyone in the industry who has worked so diligently and so hard to help achieve this record result. Through our collective efforts, the future is looking promising and I reckon that we are on the right track to break a few more tourism records.

John Fitzgerald
CEO, Tourism Tasmania