

### National Overview

According to the latest results of the International Visitor Survey, growth in the number of international visitors to Australia (+1% to 5.2 million visitors) and the nights they spent in the country (+2% to 160.5 million nights) continued to ease during the year ending March 2008. The demand for Australia as a destination for international visitors remains soft as a result of a slower global economy, the appreciation of the Australian dollar and increasing oil prices. Outbound travel from Australia is now exceeding inbound travel for the first time since 1986<sup>1</sup>.

Despite the easing growth rate, visitors to Australia from New Zealand and China continued to grow strongly over the reporting period. Increased air capacity between China and Australia<sup>2</sup> has stimulated growth in the Chinese visitor market. However, any growth in these markets was moderated by decreases experienced in the number of visitors from the United Kingdom and Japan.

Australia's international business visitor market continued its strong performance over the year to March 2008, whilst the holiday visitor market continued to decline. The visiting friends and relatives (VFR) market held up well over the reporting period and remains as the most popular reason for international travel to Australia. The education visitor market recorded the greatest growth over the period, with more than 400,000 visitors accounting for almost a third (29%) of all international nights spent in Australia.

### Tasmanian Overview

Tasmania's share of international travel to Australia remained unchanged during the year to March 2008, compared with the same period in 2007. During the year to March 2008, Tasmania maintained a 3% share of international visitors, a 2% share of nights, and a 2% share of expenditure. In line with the national picture, the number of international visitors to Tasmania over the reporting period remained stable at 155,000 visitors. Despite a drop in international visitor nights spent in Tasmania (-9%) on the previous year, expenditure by international visitors in Tasmania continues its strong performance with an overall increase of 12 per cent to \$247 million.

Similar to the national estimates, there has been sustained growth in international business and VFR travel in Tasmania. Tasmania recorded greater increases than were experienced nationally where business travel increased by 4%, compared with 23% for Tasmania. Similarly, the increase in VFR market for Tasmania (+13%) was also greater than for Australia overall (+4%). Meanwhile, the number of international holiday visitors continues to decline nationally (-0.9%) and in Tasmania (-1.0%) at an equal rate, though marginally over the reporting period.

Almost half (47%) of all international visitors to Tasmania stayed in a hotel, resort, motel, motor inn (72,100), down four percent from the previous year. Nearly a third of all nights in Tasmania (31%) were spent in a rented house/apartment/unit/flat, although only 10 per cent of visitors used this style of accommodation. Two thirds (66%) of all nights spent in Tasmania were in the Hobart and Surrounds zone, followed by 22 per cent of nights in Launceston, Tamar and the North. Most zones recorded growth in visitors except for Hobart and Surrounds (-2%) and the Western Wilderness Zone (no change). International nights spent in Hobart and Surrounds decreased by 15 per cent, while nights in Launceston, Tamar and the North increased slightly (+3%) over the year to March 2008 compared with the year to March 2007.

During the year ending March 2008, 57 per cent of all international visitors were travelling on their own, 58 per cent were on a return visit to Australia, 36 per cent were aged between 15 and 34, and only 14 per cent were travelling on a package tour while in Australia.

### Tasmania's International Market Overview

Visitors from Asia, Europe, North America, and the United Kingdom (UK) continued to be Tasmania's largest sources of international visitors during the year to March 2008. Declines in visitors from the UK (-11%) were moderated by increases from New Zealand (+8%) and other Europe (+13%). North America (\$29 million) remains Tasmania's largest source market in terms of total spend in the State in the year ending March 2008, followed by the UK (\$24 million), and New Zealand (\$17 million).

#### North America (Canada and USA)

There were 29,500 visitors from North America during the year ending March 2008, an increase of three per cent relative to the same period last year. Total expenditure by visitors from North America remained unchanged from the previous year at \$29 million. A reduction in the average length of stay from 12.4 nights to 10 nights resulted in a 17 per cent decline in the total number of nights spent in the State by North American visitors. An increase in total expenditure by visitors from Canada boosted the average spend per night to \$98, while average spend per visitor decreased to \$982.

<sup>1</sup>Overseas Arrivals and Departures, 3401.0, Australian Bureau of Statistics

<sup>2</sup>Bureau of Infrastructure, Transport and Regional Economics

### *United Kingdom (UK)*

There was a significant drop in visitor numbers (-11%), nights (-16%) and total spend (-11%) recorded by visitors from the UK in the year ending March 2008 compared with the previous year. Despite this, a larger decrease in visitor numbers than in spend has meant the average spend per visitor and per night by UK visitors increased slightly over the year to \$900 and \$71 respectively. In contrast, the average length of stay decreased to 12.7 nights (was 13.3 nights).

### *New Zealand*

There was positive growth in numbers (+8% to 14,600) and spend (+13% to \$17 million) amongst visitors from New Zealand in the year ending March 2008. However, total nights in Tasmania by New Zealand visitors declined by 38 per cent to 157,000 nights (was 252,000), the largest decrease in nights recorded by any market. Correspondingly, the average length of stay in Tasmania by New Zealand visitors decreased considerably, from 18.5 nights in the year ending March 2007 to 10.7 nights in the year ending March 2008. Both average spend per visitor and average spend per night increased over the year.

### *Europe*

There were 32,900 visitors from Europe during the year ending March 2008, an increase of seven per cent relative to the same period last year. Total nights by European visitors declined 11 per cent over the year, resulting in a drop in average length of stay from 21.5 nights to 17.9 nights. (*Expenditure data for Europe is not published due to data reliability*).

### *Japan*

There was a small increase in visitors to Tasmania from Japan (+2% to 9,600) in the year to March 2008. Total nights spent in the State by visitors from Japan increased by eight per cent (301,000) over the year, the only market to have experienced a growth in nights. Expenditure by Japanese visitors declined 18 per cent to \$14 million, which resulted in a decline in average spend per visitor and per night. Despite the decrease in spend, Japanese visitors have the second highest spend per visitor (\$1,460), and the second longest average length of stay in Tasmania than any other market (31.3 nights).

### *Total Asia (including Japan)*

There was a 10 per cent decline in visitors (43,500) and a five per cent decline in nights (1,386,000) by visitors from Asia (including Japan) in the year ending March 2008 compared with the previous year. Hong Kong, Korea and Japan were the only countries to experience growth in visitors over the period, whilst all other Asian countries declined. Asian visitors (including Japan) spent the highest proportion of nights in Tasmania, accounting for 47 per cent of total international nights spent in the State. A decrease in nights from Korea and Singapore was tempered by an increase in China and strong growth out of Malaysia. The long average length of stay (32 nights) for Other Asia visitors was a result of a high proportion of Malaysian visitors in Tasmania for education purposes. Nearly half of all Malaysian visitors (41%) and almost all of their nights spent in Tasmania (91%) were for education purposes, resulting in an average length of stay of 179 nights.

TABLE 1 INTERNATIONAL VISITATION - TASMANIA AND AUSTRALIA

	TASMANIA			AUSTRALIA		
	12 months ending Mar 07	12 months ending Mar 08	% Change	12 months ending Mar 07	12 months ending Mar 08	% Change
International visitors	155,700	155,100	0	5,156,500	5,206,300	1
International nights	3,277,200	2,977,900	-9	157,708,000	160,525,000	2
Average Length of Stay (nights)	21.0	19.2		30.6	30.8	2
International Expenditure (\$million) <sup>1</sup>	\$221	\$247 <sup>2</sup>	12	\$13,664	\$15,209	11
<b>Market Share</b>						
Visitors	3%	3%		100%	100%	
Nights	2%	2%		100%	100%	
Expenditure	2%	2%		100%	100%	
<b>International Purpose of visit<sup>3</sup></b>						
Holiday	107,900	106,300	-1	2,638,800	2,557,900	-3
Visit friends or relatives	27,900	31,500	13	1,063,300	1,110,300	4
Business	16,800	20,700	23	845,100	875,100	4
Education	9,200	9,200	0	330,000	372,200	13
Employment	2,600	np	np	116,000	106,300	-8
Other reason	np	np	np	163,300	184,600	13
<b>Total international visitors</b>	<b>155,700</b>	<b>155,100</b>	<b>0</b>	<b>5,156,539</b>	<b>5,206,300</b>	<b>1</b>

Source: International Visitor Survey, Tourism Research Australia.

<sup>1</sup> Modelled expenditure excluding package expenditure.

<sup>2</sup> Tourism Research Australia revised international expenditure, 30 June 2008.

<sup>3</sup> Sum of components for Tasmania may be greater than the total as a visitor can give more than one reason for visiting Tasmania.

np: not published due to data reliability.

TABLE 2 ORIGIN OF INTERNATIONAL VISITORS TO TASMANIA

Origin	VISITORS			NIGHTS				EXPENDITURE				
	12 months ending Mar 07	12 months ending Mar 08	% Change	12 months ending Mar 07	12 months ending Mar 08	% Change	Average Length of Stay (08)	12 months ending Mar 07	12 months ending Mar 08	Change	Average Spend per Stay (08)	Average Spend per Night (08)
	visitors	visitors	%	nights	nights	%	nights	\$million	\$million	%	\$	\$
United Kingdom	30,100	26,700	-11	402,000	338,000	-16	12.7	\$27	\$24	-11	\$900	\$71
New Zealand	13,600	14,600	8	252,000	157,000	-38	10.7	\$15	\$17	13	\$1,161	\$108
Total Asia	48,200	43,500	-10	1,453,000	1,386,000	-5	31.9	np	np	np	np	np
Japan	9,400	9,600	2	280,000	301,000	8	31.3	\$17	\$14	-18	\$1,458	\$47
Other Asia	38,800	33,900	-13	1,173,000	1,085,000	-8	32*	np	np	np	np	np
North America	28,700	29,500	3	356,000	297,000	-17	10.1	\$29	\$29	0	\$982	\$98
USA	23,200	20,100	-14	300,000	188,000	-37	9.4	\$24	\$20	-17	\$997	\$106
Canada	5,500	9,500	73	np	109,000	np	11.5	\$5	\$9	80	\$950	\$83
Total Europe	30,800	32,900	7	663,000	589,000	-11	17.9	np	np	np	np	np
Germany	9,900	9,300	-6	243,000	182,000	-25	19.6	\$16	\$15	-6	\$1,615	\$82
Other Europe	20,900	23,600	13	420,000	407,000	-3	17.3	np	np	np	np	np
Other Countries	4,300	7,900	83	153,000	210,000	37	26.6	np	\$19	np	np	np
<b>Total</b>	<b>155,700</b>	<b>155,100</b>	<b>0</b>	<b>3,277,000</b>	<b>2,978,000</b>	<b>-9</b>	<b>19.2</b>	<b>\$221</b>	<b>\$247</b>	<b>12</b>	<b>\$1,593</b>	<b>\$83</b>

Source: International Visitor Survey, Tourism Research Australia.

\*The long average length of stay (32 nights) for Other Asia visitors is a result of a high proportion of Malaysian visitors in Tasmania for education purposes. Nearly half of all Malaysian visitors (41%) and almost all of their nights spent in Tasmania.

**TABLE 3 PURPOSE OF VISIT TO TASMANIA BY ORIGIN, YEAR ENDING MARCH 2008**

Origin	Leisure (holiday & VFR <sup>1</sup> )	Other reason <sup>2</sup>	Total	Leisure (holiday & VFR <sup>1</sup> )	Other reason <sup>2</sup>	Total
	visitors	visitors	visitors	%	%	%
United Kingdom	26,100	np	26,700	20%	np	17%
New Zealand	10,700	4,000	14,600	8%	15%	9%
Total Asia	28,900	14,600	43,500	23%	54%	28%
<i>Japan</i>	7,800	np	9,600	6%	np	6%
<i>Other Asia</i>	21,000	12,900	33,900	16%	47%	22%
North America	25,500	4,000	29,500	20%	15%	19%
USA	17,400	2,600	20,100	14%	10%	13%
Canada	8,000	np	9,500	6%	np	6%
Total Europe	30,500	2,400	32,900	24%	9%	21%
Germany	8,600	np	9,300	7%	np	6%
Other Europe	21,900	np	23,600	17%	np	15%
Other Countries	6,400	np	7,900	5%	np	5%
Total	128,000	27,100	155,100	100%	100%	100%

Source: International Visitor Survey, Tourism Research Australia.

<sup>1</sup>VFR - Visiting friends &/or relatives.

<sup>2</sup>Other reason includes: business, education, employment and other.

np: not published due to data reliability.

How to read this table: 20% of all international leisure visitors to Tasmania in the 12 months to March 2008 were from New Zealand.

**TABLE 4 ACCOMMODATION USED IN TASMANIA**

Accommodation	12 mths ending Mar 08	% of visitors	% Change on Mar 07	12 mths ending Mar 08	% of nights	% Change on Mar 07
	visitors	%	%	nights	%	%
Hotel, resort, motel, motor inn	72,100	47%	-4	377,400	13%	-18
Backpacker / hostel	32,600	21%	10	281,700	9%	10
Rented house/apartment/unit/flat	15,100	10%	33	926,200	31%	16
Home of friend or relative (no payment)	37,000	24%	15	527,800	18%	-14
Caravan	18,200	12%	25	139,700	5%	14
Guest house / Bed and Breakfast	10,700	7%	-22	np	np	np
Educational institution (eg uni)	3,300	2%	-5	311,600	10%	-25
Homestay	3,300	2%	14	255,100	9%	-1
Other	12,700	4%	-5	np	np	np
Total	155,100		0	2,977,900	100%	-9

Source: International Visitor Survey, Tourism Research Australia.

np: not published due to data reliability.

How to read this table: 24% of all international visitors to Tasmania in the 12 months to March 2008 stayed in a home of a friend or relative.

**TABLE 5 ZONES VISITED IN TASMANIA<sup>1</sup>**

Zones	12 mths ending Mar 08	% of visitors	% Change on Mar 07	12 mths ending Mar 08	% of nights	% Change on Mar 07
	visitors	visitors	visitors	nights	nights	nights
Hobart and Surrounds	128,300	83%	-2%	1,962,100	66%	-15%
Launceston, Tamar and the North	67,200	43%	18%	665,800	22%	3%
The North West and King Island	27,000	17%	24%	168,000	6%	np
Western Wilderness <sup>2</sup>	33,000	21%	0%	np	np	np
The East Coast and Flinders Island	34,300	22%	8%	np	np	np
<b>Total</b>	<b>155,100</b>		<b>0%</b>	<b>2,977,900</b>	<b>100%</b>	<b>-9%</b>

Source: International Visitor Survey, Tourism Research Australia.

<sup>1</sup> Zones are based on Tourism Tasmania's Marketing Zones.

<sup>2</sup> Western Wilderness includes Cradle Mountain.

np - not published due to data reliability.

How to read this table: 83% of international visitors to Tasmania in the 12 months to March 2008 visited Hobart and Surrounds.

**TABLE 6 FIRST OR RETURN VISIT TO AUSTRALIA**

	12 mths ending Mar 07	12 mths ending Mar 08	% Change	12 mths ending Mar 07	12 mths ending Mar 08
	visitors	visitors	%	%	%
First visit to Australia	60,400	64,800	7	39%	42%
Return visit to Australia	95,300	90,300	-5	61%	58%
<b>Total</b>	<b>155,700</b>	<b>155,100</b>	<b>0</b>	<b>100%</b>	<b>100%</b>

Source: International Visitor Survey, Tourism Research Australia.

How to read this table: 64,800 international visitors to Tasmania in the 12 months to March 2008 were visiting Australia for the first time.

**TABLE 7 TRAVEL PARTY**

	12 mths ending Mar 07	12 mths ending Mar 08	% Change	12 mths ending Mar 07	12 mths ending Mar 08
	visitors	visitors	%	%	%
Unaccompanied traveller	78,400	88,900	13	50%	57%
Adult couple	44,100	41,300	-6	28%	27%
Family group - parent(s) and children	18,200	8,800	-52	12%	6%
Friends and/ or relatives travelling together	11,800	11,900	0	8%	8%
Business associates travelling together with or without spouses	3,200	4,200	33	2%	3%
<b>Total</b>	<b>155,700</b>	<b>155,100</b>	<b>0</b>	<b>100%</b>	<b>100%</b>

Source: International Visitor Survey, Tourism Research Australia.

How to read this table: 57% of international visitors to Tasmania in the 12 months to March 2008 were travelling alone.

**TABLE 8 AGE OF INTERNATIONAL VISITORS TO TASMANIA**

	12 mths ending Mar 07	12 mths ending Mar 08	% Change	12 mths ending Mar 07	12 mths ending Mar 08
Age group	visitors	visitors	%	%	%
15 to 24	28,600	25,500	-11	18%	16%
25 to 34	29,400	31,200	6	19%	20%
35 to 44	23,500	19,300	-18	15%	12%
45 to 54	23,000	25,200	10	15%	16%
55 to 64	29,200	33,300	14	19%	21%
65 and over	22,000	20,500	-7	14%	13%
<b>Total</b>	<b>155,700</b>	<b>155,100</b>	<b>0</b>	<b>100%</b>	<b>100%</b>

Source: *International Visitor Survey, Tourism Research Australia.*

How to read this table: 21% of all international visitors to Tasmania in the 12 months to March 2008 were aged between 55 to 64 years.

**TABLE 9 INTERNATIONAL VISITORS TO TASMANIA ON A PACKAGE TOUR IN AUSTRALIA**

	12 mths ending Mar 07	12 mths ending Mar 08	% Change	12 mths ending Mar 07	12 mths ending Mar 08
Age group	visitors	visitors	%	%	%
Package tour	23,400	21,700	-7	15%	14%
Non package tour	132,300	133,400	1	85%	86%
<b>Total</b>	<b>155,700</b>	<b>155,100</b>	<b>0</b>	<b>100%</b>	<b>100%</b>

Source: *International Visitor Survey, Tourism Research Australia.*

How to read this table: 14% of all international visitors to Tasmania in the 12 months to March 2008 were on a package tour in Australia.



### Data source and reliability

The information included in this report was extracted from the International Visitor Survey (IVS), Tourism Research Australia. The IVS collects information via face to face interviews of a sample of short-term (<12 months) international visitors in the departure lounges of eight international airports around Australia.

The table below provides the 95% confidence intervals for a range of estimates in the IVS. That is, there are approximately 19 chances in 20 that the true number of international visitors, nights and expenditure is within the range identified in the table. A basic assumption is that the bigger the sample (the more visitors that were interviewed), the smaller the range can be. Conversely, results based on a small number of interviews are less reliable, meaning the size of the range is bigger to compensate. This means that smaller estimates are less reliable than larger estimates. To illustrate; if the IVS estimated that 20,000 visitors from the USA stayed in Tasmania then looking at the visitor column, we can be 95% confident that the true number of Americans who stayed in Tasmania was between 16,000 (lower limit estimate) and 24,000 (upper limit estimate).

Please consult the table below before drawing any conclusions or inferences, or taking any action, based on the data. Judgments as to the level of data reliability required should be relative to the decisions they inform.

95% CONFIDENCE INTERVALS FOR IVS ESTIMATES						
Estimate	Visitors		Nights		Expenditure (\$million)	
	lower limit	upper limit	lower limit	upper limit	lower limit	upper limit
2,000	1,000	3,000				
5,000	3,000	7,000				
10,000	7,000	13,000				
20,000	16,000	24,000				
50,000	43,000	57,000				
100,000	90,000	110,000	24,000	176,000		
155,000	143,000	168,000	59,000	251,000		
200,000			89,000	311,000		
300,000			161,000	439,000		
400,000			238,000	562,000		
500,000			316,000	684,000		
1,000,000			731,000	1,269,000		
2,000,000			1,606,000	2,394,000		
2,978,000			2,487,000	3,469,000		
5,000,000					\$4	\$6
10,000,000					\$7	\$13
15,000,000					\$11	\$19
20,000,000					\$15	\$25
50,000,000					\$19	\$31
100,000,000					\$75	\$126
200,000,000					\$149	\$251
247,000,000					\$184	\$310

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