

November 2019



Access 2020 Progress Report

2018-2019

[Access Working Group]



Chairman's message

The Access 2020 Progress Report 2018-19 outlines the significant improvements to air and sea access to Tasmania. Our island's connectivity with the rest of Australia and the world has been improved through additional seat capacity on existing aviation routes, new routes and new codeshare agreements with airlines flying from Tasmania's key international visitor markets and increased visitation by cruise ships. These improvements have delivered increased access for our visitors to explore our state and more options for Tasmanians to travel direct to new interstate destinations.

In 2018-19, air capacity to Tasmania increased by 260,166 new seats on key routes from Melbourne, Sydney, Brisbane, Adelaide, Perth and the Gold Coast into Launceston and Hobart, almost doubling the Access 2020 domestic access target of 140,000 new seats per year. This was the result of increased seat capacity on existing scheduled passenger services, more flights over a longer peak season holiday period and the introduction of a year-round Hobart - Perth service.

Last year, the Access Working Group reset its growth targets for each Tasmanian airport to align with the Tasmanian Government's regional dispersal and yield objectives. This resulted in seat capacity into Launceston growing by more than 54,000 seats, attracting nearly 27,000 more passengers than the previous year.

Investment in major projects at both Hobart and Launceston Airports has continued throughout the year. Hobart Airport completed significant terminal upgrades to improve performance and passenger comfort as well as a new freight hub with significant cool-store capability.

Launceston Airport completed a range of passenger experience improvements that saw it win the Australian Airports Association Industry Award for Innovation and Excellence for the recently completed terminal reconfiguration.

The TT-Line continues to operate at near capacity and has invested in cleaner technology to meet the International Maritime Organisation's global low sulphur fuel cap. That comes into effect from 1 January 2020. This comes ahead of two new Spirit of Tasmania vessels ordered for delivery in 2021. Planning for the introduction of these new vessels has commenced which will deliver additional visitors directly into the north west of the state, contributing to the region's economy.

In 2018-19, cruise ship visits to the state steadied at 105 visits, down from 125 the previous year. The Access Working Group led Tourism Tasmania's Sustainable Cruise Blueprint, released in August 2019, which sets the direction of cruise shipping management in Tasmania for the next three years. This Blueprint focuses on strategies and actions designed to encourage greater spend by cruise visitors in our state and greater dispersal into our regions through day trips.

The combined commercial and government structure of the Access Working Group continues to prove a successful whole-of-economy approach to access improvement and coordinated management. Members of the Group are active participants in the consultation process underway for the development of the next iteration of the T21 Visitor Economy Strategy – Tourism 2030. Access will play a pivotal role in our state's future visitor economy and we look forward to continuing to play an important role in this ongoing discussion.

I would like to thank the members of the Access Working Group for their ongoing contribution to the broader visitor economy, and the important role it plays in supporting Tasmania's economy.

Kim Evans
Secretary Department of State Growth



Sterling Valley Track © Flow Mountain Bike

Growth in Tasmanian access demand

To meet the goals outlined in the T21 – Visitor Economy Strategy, the Tasmanian Government’s Access 2020 Strategy aims to increase domestic air and sea capacity and frequency, improve seasonal demand, maximise low fare availability and increase international visitation, as well as introduce a small number of direct international flights.

Air services

In the fourth year of the Strategy’s operation there were 260,166 new seats added on key routes from Melbourne, Sydney, Brisbane, Adelaide, Perth and the Gold Coast into Hobart and Launceston.

Overall, Tasmania gained six per cent growth in air capacity to its major airports in 2018-19. This was a standout performance when compared to other Australian states, with the Bureau of Infrastructure, Transport and Regional Economics (BITRE) reporting domestic regular passenger transport (RPT) seats were up just 0.01 per cent nationally over the same period.

In 2018-19, Tasmania saw a total 152,450 more air passengers than the year before with an additional 125,740 passengers through Hobart airport and 26,710 passengers through Launceston airport.

For the first time during the life of this strategy, seat capacity into Launceston grew by 54,563 additional seats with Hobart gaining 205,603 more seats.

Regional flying by Qantas into Devonport remained stable against the year before and Rex services between Burnie and Melbourne saw a passenger increase compared to the previous period.

Air capacity increases were the result of additional ad-hoc seats being made available over a longer peak season, more peak-time services and seats on existing routes, as well as the introduction of a year-round Hobart-Perth service three times per week.

	FY 19	Growth	FY 20 YTD	Growth
HBA Seats	205,603	6.4%	39,823	3.8%
HBA Passengers	125,740	4.8%	40,184	4.8%
LST Seats	54,563	3.3%	-3,190	-
LST Passengers	26,710	2.0%	653	-

New routes

Virgin Australia commenced a direct Perth-Hobart service on 17 September 2018, operating three times per week year-round. The service has performed well in its first year with Virgin adding more flights to the route over the summer peak season.

Tigerair re-commenced year-round flights between Hobart - Gold Coast three days a week, starting from 30 October 2018. The introduction of this new service on a year-round basis adds more leisure capacity from South East Queensland into Tasmania and it provides Tasmanians with greater opportunities to access the Gold Coast directly for leisure and business travel.



Jetstar Livery © Launceston Airport



Queen Elizabeth 2, Macquarie Wharf © Alastair Bett

Future capacity increases

Tasmania's strong demand as a leisure destination, its seasonal events, strong economy and growing outbound passenger traffic has assisted its air routes to continue to perform strongly. However as we head into the final year of the Access 2020 Strategy, the aviation operating environment is becoming more constrained with capacity increases becoming more difficult to secure.

The Australian domestic network will see very few new planes introduced over the next two years. The delivery delays impacting the Boeing 737MAX have compounded this challenge. The Western Australian and Northern Queensland aviation markets are bouncing back with the help of the resurgent mining sector, meaning its becoming increasingly competitive for other Australian states and territories to secure additional seats.

Tasmania's relationships with all domestic airlines remain very strong and the state's destination appeal continues to rank the highest among domestic destinations. With routes to Melbourne, Sydney, Brisbane, Perth, Adelaide and Gold Coast now added to the Tasmanian network, there are no other new domestic routes immediately viable for introduction, however, Tourism Tasmania continues to monitor both visitor and residential air traffic with a view to advocating for new routes when the opportunity arises.

The focus for the next year will be on increasing capacity and frequency on existing domestic routes to Hobart and Launceston, retaining summer season capacity year-round and securing the introduction of direct international services to and from Hobart Airport.

Sea access

Visitors to Tasmania are measured across air and sea access gateways with 89 per cent of visitors arriving at Tasmania's airports and 11 per cent of visitors arriving on the Spirit of Tasmania.

The TT-line has reported record performance for 2018-19, carrying 446,869 passengers on 867 sailings between Melbourne and Devonport. This included a record 169 day sailings (breaking the previous record of 156 day sailings established in 2017-18), with freight volumes also achieving record levels.

Cruise

Cruise visitation in Tasmania has increased significantly in the past five years as the state's appeal and demand continues to grow with domestic and international travellers. Between 2012 and 2015, the number of cruise ship port calls in Tasmania averaged around 60 visits per year. Since then, the state has experienced growth with 106 port calls over 134 cruise ship visit days recorded in 2018-19.

Hobart received 62 port calls over 90 days during the season, while Burnie received 25 port calls and 17 port calls at Port Arthur. Inspection Head at Beauty Point hosted one call from Seabourn Sojourn and one vessel visited Coles Bay.

Tasmania welcomed Viking Cruises for the first time, making six calls to Hobart over the season, with further calls booked in 2019-20.

Queen Elizabeth also made her maiden call to Tasmania, stopping at both Hobart and Port Arthur. Pacific Explorer returned to Hobart in June 2019 for a Dark Mofo event cruise, bringing 2,000 passengers to Tasmania's premier winter event.

The Cruise Line International Association (CLIA) and the Australian Cruise Association (ACA) jointly released a National Economic Impact Assessment of Cruise Tourism in Australia 2018-2019. The study found that cruise tourism directly contributed \$48 million to the Tasmanian economy.



Tasmania's Key Access Numbers for 2018-19



Tasmania now has year-round direct air services from Melbourne, Sydney, Brisbane, Gold Coast, Adelaide and Perth



446 869

Spirit of Tasmania passengers



106

cruise ship visits across Hobart, Burnie, Port Arthur and Beauty Point



260 166

additional airline seats



867

Spirit of Tasmania sailings, including 169 day-crossings



194 626

Cruise passenger days



6%

growth in airline seats compared to .01% growth nationally



\$48 million

direct economic contribution from Cruise Shipping



84 350

Cruise ship crew days



152 450

more air passengers



Spirit of Tasmania I & II © TT Line

Improvements to enabling infrastructure

Tasmania's ports and airports are a complex mix of ownership and responsibility.

In October 2019, Hobart Airport announced its new majority shareholders with the Queensland Investment Corporation (QIC) and Royal Schiphol Group each acquiring a 35 per cent stake in the Airport, with Tasplan Super retaining a 30 per cent share. QIC and Schiphol Group are also co-investors in Brisbane Airport with each organisation owning other airport and infrastructure investments around the globe.

The Australia Pacific Airports is the majority owner of Launceston Airport, in partnership with Launceston City Council. Australia Pacific Airports also owns and operates Melbourne Airport, a key gateway for Tasmania.

Local government owns and operates Burnie Airport, Flinders Island Airport and King Island Airport.

The Tasmanian Ports Corporation Pty Ltd (TasPorts) is a state-owned company responsible for managing, operating and developing 11 Tasmanian seaports and the Devonport Airport.

During the year, there were significant investments in Tasmania's gateway airports and seaports.

Spirit of Tasmania

The TT-line has made a significant infrastructure investment in two new roll-on, roll-off vessels, to replace the current Spirits of Tasmania. The new vessels are expected to start operations in 2021 and constitute critical capacity increases to ensure Tasmania is able to continue to grow both passengers and freight across Bass Strait.

Given the current vessels are now fully utilised and operating on an expanded schedule, the additional capacity to be delivered by the new vessels will be timely. The new vessels will be 212 metres in overall length with each able to carry 1 800 passengers and up to 600 passenger vehicles along with increased freight capacity.

According to the Tasmanian Visitor Survey undertaken by Tourism Tasmania, visitors arriving on the Spirit of Tasmania vessels spend the longest amount of time in Tasmania and spend more than visitors who arrive by air. The new Spirit of Tasmania vessels will contribute to the state's yield and dispersal strategies and support the development of new experiences in regional Tasmania. They will also support the development of Tasmania as the world's best self-drive touring destination, underpinned by the state's five drive journeys.

During the year, major work was undertaken to upgrade the current vessels to be fully compliant with new international regulations in relation to sulphur emissions. These regulations come into effect globally from January 2020. While this has obvious environmental benefits, the regulations will add significantly to the TT-Line's cost over the remaining service of the current vessels, in addition to the cost of the conversions required to burn compliant fuel.



Departure Lounge, Hobart Airport © Hobart Airport

Hobart Airport

Passenger numbers at Hobart Airport continue to grow with more than 2.7 million passengers welcomed through this major gateway airport.

New domestic routes, including Perth and Adelaide, commenced during the last financial year; meaning that Hobart Airport now provides direct routes to every major state capital city in Australia.

This year, the airport completed a \$4.5 million refurbishment of the passenger terminal providing more seating, improved traffic flow, better ambience and upgraded food and beverage offerings.

The new power in/push back processes introduced this year saw the amount of regular passenger transport (RPT) aircraft parking positions available at Hobart Airport increase by 40 per cent. This \$2.8 million project also included the introduction of new Light Emitting Diode (LED) apron lighting.

In collaboration with the airlines, new safety initiatives will be employed at the Airport including the installation of five more ramp boarding solutions. These ramp solutions will be available to all airlines operating in Hobart and will see a reduction in the use of stairs for boarding and a decrease in the use of lifts for those with impaired mobility.

Hobart Airport has submitted a Major Development Plan for the expansion of its terminal. This project is a staged approach to expanding the terminal. The first stage is aimed at providing increased domestic lounge areas, enhanced security screening, improved airline lounges and increased food and beverage offerings.

This stage will also see the development of international passenger processing facilities, with a view to securing a direct international service. Further stages, will see the airport terminal grow from the 12,000 square metre space it is today to in excess of 30,000 square metres.

The airport's Master Plan is due for release by the end of June 2020. It will highlight the economic contribution of the airport and focus on development opportunities from both an aeronautical and non-aeronautical perspective.

This year, Hobart Airport was pleased to receive level 2 carbon accreditation and is now one of six airports in Australia with a level 2 accreditation from the global program that encourages and rewards airports for neutralising their carbon footprint.

In 2017, Hobart Airport was awarded level 1 mapping accreditation and have now been upgraded to level 2 reduction accreditation following a reduction in energy and water use, fuel consumption and waste generation.



Departure Lounge, Hobart Airport © Hobart Airport



Bridestowe Lavender Estate © Luke Tscharke

Launceston Airport

Launceston Airport is the major gateway to Tasmania's north and north west and this year it has focussed on improving passenger experiences throughout the airport, showcasing the region's products and produce and providing a strong sense of arrival to the state. Passenger numbers at the airport increased by 1.9 per cent in 2018-19 aligning with the state's aspiration to grow visitation outside of Hobart.

Launceston Airport again won an Australian Airports Association industry award, taking out the Innovation and Excellence Award for the recently completed terminal reconfiguration. The airport was also recognised in the 2018 and 2019 Tasmanian Tourism Awards, receiving the gold award for 'Specialised Tourism Services'.

This year, Launceston Airport secured a five year Aeronautical Services Agreement (ASA) with its largest airline customer, Qantas Group, incorporating mechanisms to stimulate continued growth in seat capacity and flight frequency.

It also worked collaboratively with Qantas Group on an innovative multi-channel marketing campaign to drive increased visitation to the region and raise Launceston Airport's profile on the national and international stage. The airport's investment in the campaign leveraged Jetstar assets to incorporate 'Destination Launceston Airport' livery onto an Airbus A320. The eye catching aircraft was seen by many travellers during its 759 turnarounds at 18 domestic and three international airports. Additional marketing channels were also used during this time, with interior branding installed in four Jetstar Airbus A320s, airport sponsored in-flight reading material, boarding pass banners and digital activations. Passenger growth for the period of this campaign was more than five times the average Australian domestic aviation growth rate for the 2018-19 financial year.

Launceston Airport plays a pivotal role in visitation to Northern Tasmania and to connect visitors with the region's cultural, sporting, business and community events calendar. A highlight of the 2018-19 events calendar was the arrival of Tasmania's newest airline – Air Mofo, which arrived at the airport to celebrate Launceston's inaugural year hosting the Mona Foma arts and music festival.

A new office suite was constructed within the terminal for the airport's thirty strong team with meeting rooms branded with iconic Northern Tasmanian tourism locations, reflecting the airport's aspiration to be Tasmania's tourism gateway.

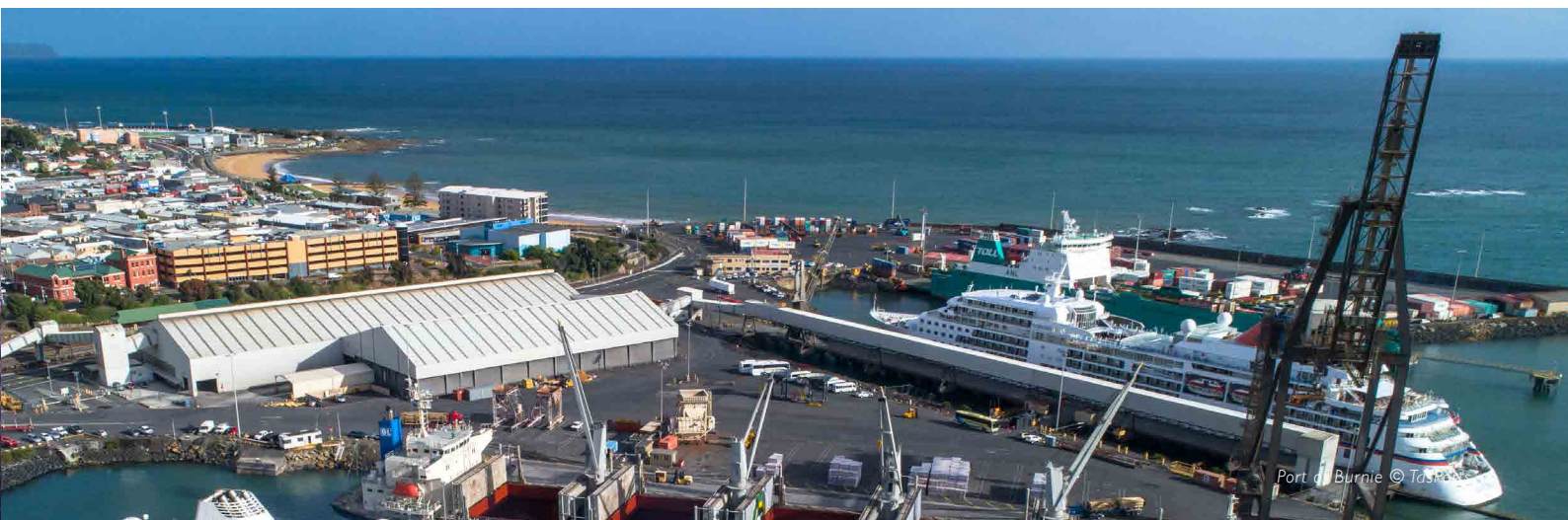
Launceston Airport continued its commitment to improving the customer experience by constructing covered walkways between the terminal and the car rental car park. Rental-return service booths were installed for three major rental car operators and works were completed in the rental car ready-bay zone, to expand capacity by more than 20 per cent.

Devonport Airport

Passenger numbers at the TasPorts owned and run Devonport Airport remained steady during 2018-19 with 2,688 QantasLink flights drawing 146,608 passengers.

The Devonport Airport draft master plan was finalised to guide strategic developments over the next 15 years and ensure further growth and renewal for the asset.

Since acquiring the Devonport Airport in 2006, TasPorts has invested over \$10 million in updating the infrastructure and facilities at the airport.



TasPorts - Cruise shipping infrastructure

During the 2018-19 season, TasPorts successfully facilitated calls by 106 cruise ships, carrying 194,626 passengers and 84,350 crew to Tasmania. TasPorts' ongoing investment in port infrastructure upgrades is increasing the state's capacity for cruise vessels and facilitating future growth in the market for the range of cruise vessel classes, appropriate to each port's capability.

TasPorts' role extends beyond infrastructure provision, with the company playing a crucial role in planning for the sustainable management of the sector, alongside government and other key stakeholders.

Port of Burnie

Cruise ship calls to Burnie remained steady in 2018-19, following a record number the previous cruise season. In 2018-19, there were 25 cruise ships carrying 36,569 passengers and 17,086 crew that called at the Port of Burnie. Calls by cruise ships above 290m in length grew to four ship calls during the season, facilitated by the mooring dolphin installed off Berth No. 7.

Burnie cruise calls are forecast to increase in the 2019-20 season with 39 cruise ships booked to call.

Infrastructure planning to accommodate the growing cruise ship demand, while reducing impacts on other commodities at Burnie, is a priority of TasPorts' Port Master Plan.

Bell Bay/Inspection Head

TasPorts continued to support cruise ship calls at regional ports and welcomed two cruise ships to Beauty Point in 2018. During the 2018-19 financial year, Seabourn Sojourn, carrying 450 passengers, carried out the inaugural cruise ship anchorage call for the Tamar River and tendered passengers ashore to Inspection Head.

Demand from cruise ships to call at Beauty Point has increased with TasPorts supporting this through an investment of \$4 million since 2014 in infrastructure upgrades at Inspection Head Wharf. Further investigations are underway by TasPorts into infrastructure upgrades to increase the capacity of the existing wharf to enable small luxury ships up to 240m to be berthed alongside.

There are currently two cruise ships booked to call at Inspection Head in 2019-20 and a further three cruise ships booked for 2020-21.

Hobart Port

The Port of Hobart continues to grow as Tasmania's principal cruise ship port. The 2018-19 season represented the largest cruise season on record for Hobart, with 62 cruise ship calls at the port. These cruise ships carried over 122,900 passengers and 52,476 crew to Tasmania's capital.

A project aimed at improving safety for passengers onboard large cruise vessels and general users of the Hobart waterfront was completed during 2018-19.

Cruise ship bookings for Hobart are set to remain at record levels in 2019-20 with 65 calls forecast.

Further works to improve mooring capacity for cruise ships are underway with additional bollard upgrades planned for Macquarie 2/3, prior to the completion of the 2019-20 season.



Fridays © Providore, Devonport © S Group

Access Working Group

The Access 2020 project is a cross government initiative that contributes to the following two goals as outlined in the T2I Tasmanian Visitor Economy Strategy:

- Generate more demand for travel to Tasmania.
- Grow Tasmania’s air and sea capacity.

The Access Working Group, led by the Secretary of the Department of State Growth, contains a comprehensive mix of skills that provide direction in effectively implementing the state’s access goals. The group takes a coordinated ‘whole of government and industry’ approach to overseeing the implementation of the Access 2020 plan and is responsible for monitoring the effectiveness of the plan and progressing outcomes through commercial and government channels.

The group’s main focus is passenger access, air freight issues and those aspects of freight issues that impact on the economic development of passenger services. The working group considers access in the context of direct and connected services that link Tasmania with interstate and overseas destinations, including air and sea services and the key infrastructure that supports them, mainly ports and airports.

The members of the Access Working Group are:	
Kim Evans (Chair)	Secretary, Department of State Growth
John Fitzgerald	CEO, Tourism Tasmania
Sarah Renner	CEO, Hobart Airport
Paul Hodgen	General Manager, Launceston Airport
Anthony Donald	CEO, Tasports
Bernard Dwyer	CEO, TT-Line
Hans van Pelt	Director, Access and Aviation, Tourism Tasmania



Goals and strategies

Domestic air access development

Access 2020 goals

- Grow capacity across the key routes of Melbourne, Sydney and Brisbane to Hobart and Launceston by 700,000 seats by 2020.
- Improve connectivity, frequency and low fare availability on existing domestic routes to support and drive visitor growth.
- Develop and support new direct domestic routes.
- Flatten seasonality through increased demand in new and existing markets to retain capacity viably year round.

Following a mid-term review of the Strategy, the overall seat capacity target was refined to focus on increasing capacity on routes into Tasmania's regional airports. Greater emphasis was placed on growing seat capacity at Launceston Airport, particularly on the Melbourne, Sydney and Brisbane routes. It also includes a focus on improving passenger growth and yield at Burnie and Devonport airports and maintaining capacity during the off-peak period.

Tasmanian routes are performing well, the visitor economy continues to grow and overall there is strong demand for travel to Tasmania. Hobart Airport performed very strongly in the 2018-19 financial year with capacity increases being quickly absorbed by the market. Nationally, seeking additional seat capacity on any domestic routes is becoming more difficult in an environment where there are no new domestic aircraft and crewing issues persist. New aircraft will come on-line from 2021 and work is underway to position Tasmania for early growth opportunities. Tourism Tasmania continues to maintain strong relationships with all of the Australian airlines.

Progress in 2018-19

In 2018-19, air capacity to Tasmania increased by 260,166 new seats on key routes from Melbourne, Sydney, Brisbane, Adelaide, Perth and the Gold Coast to Launceston and Hobart, almost doubling the Access 2020 domestic access target of 140,000 new seats per year.

This growth represents a six per cent increase in air seat capacity for Tasmania during the 2018-19 financial year. No other state gained an increase during that time and both Melbourne and Sydney airports are reporting flat domestic capacity overall. Given the constraints outlined above, Tasmania is targeting two per cent increase in capacity in 2019-20, to remain ahead of the overall Access 2020 capacity target.

Total visitation to Tasmania in 2018-19 was 1.32 million, including both interstate and international visitors. The total number of interstate visitors to Tasmania for the year ending June 2019 was 1.12 million, up four per cent from the previous year. Of all interstate visitors, 43 per cent were on holiday, 28 per cent were visiting friends or relatives, 20 per cent were on business and nine per cent were travelling for other reasons. Domestic visitors contributed \$2.04 billion to the Tasmanian visitor economy, an increase of five per cent on the previous year.

Tasmania's key domestic markets, Victoria and Queensland showed growth, with NSW remaining steady, for the year ending June 2019. South Australia and Western Australia also recorded growth, direct flights between Hobart and Perth introduced in September 2018, increased travel options and capacity into the state from Western Australia.

A state of origin breakdown for the financial year 2019 is as follows:

Victoria	474,900	▲	5%
NSW	302,400	▶	-1%
Queensland	178,300	▲	4%
South Australia	54,700	▲	7%
Western Australia	61,100	▲	12%
ACT	30,600	▶	0%
NT	6,500	▼	-5%



Hobart Airport © Supplied Courtesy of Hobart Airport

Route Development

- Virgin Australia commenced the new three day per week year-round Hobart-Perth service on 17 September 2018.
- Virgin Australia also added additional services between Hobart and Sydney for the 2018-19 financial year as well as extra peak season flights across 2018-19 summer period.
- Qantas added larger aircraft and peak season capacity from Melbourne, Sydney and Brisbane to enable increased visitor numbers and passenger movements over Tasmania's longer peak season travel period.



Taste of Tasmania © Alastair Bett

International air access development

Access 2020 goals

- Grow international visitation by improving connections to Tasmania through Melbourne, Sydney and Brisbane hubs to Launceston and Hobart.
- Secure the introduction of a direct, triangulated or tagged international service from Asia-Pacific hubs to Hobart.

Progress

The Tasmanian Visitor Survey reports that during the 2018-19 financial year, 300,300 international visitors arrived in Tasmania, contributing \$528 million to the visitor economy.

International visitation to Tasmania remains healthy, despite not reaching the record rates experienced in recent years. The international marketplace is becoming more competitive, at the same time as consumers are impacted by declining confidence and geopolitical tensions.

Tasmania is required to work even harder to attract international visitors to our island, which is why attracting a direct international flight to Tasmania is so important. We are making good progress as we continue to negotiate with a select number of premium airline carriers on our targeted international routes.

Terminal Expansion Project

Hobart Airport is undergoing a planning process for the redevelopment of the passenger terminal, to enable customs and quarantine processing for inbound and outbound international passengers in Tasmania, as well as accommodating the anticipated growth in domestic passengers.

With more than four million passengers per annum expected to pass through the airport by 2030, the increase in the building's footprint will place Hobart Airport in a position to readily enable growth, beyond the current planning horizon.



Port Arthur Historic Site © Port Arthur Historic Site Management Authority

A Major Development Plan process, including public consultation phases, was undertaken and approved by the Deputy Prime Minister and Minister for Infrastructure and Transport and Regional Development, Michael McCormack in November 2019.

Tourism Tasmania and Hobart Airport continue to work together to develop direct flight business cases for a number of international airlines with a focus on securing services to New Zealand and South East Asia. Details of any service proposal are treated on a commercial in confidence basis. The introduction of direct international flights into Hobart is reliant upon the introduction of appropriate quarantine and customs services, which form part of the Hobart Airport's terminal expansion project.

Tourism Tasmania, with Hobart Airport, attended the World Routes Aviation Convention in Adelaide. This was the first time the convention was held in Australia. The team met directly with over thirty international airlines to discuss direct services, codeshare services and improved international connectivity to Tasmania. A strong factor for consideration is that international visitors arriving in Tasmania are most likely to travel to other parts of Australia before returning home presenting a challenge for an international service to ensure consistent base loads for international aircraft departing from Hobart.

Hobart Airport also completed the construction of additional aeroplane parking bays that provide provisions for the appropriate infrastructure to park and service international aircraft, bringing Hobart Airport a step closer to offering international opportunities.

Sea access and cruise development

Access 2020 goals

- Grow visitor numbers arriving in Tasmania via TT-Line.
- Grow yield from the cruise ship sector through overnight stays, ship provisioning and increased air lift requirements.

Progress

TT-Line

The Spirit of Tasmania ships carried 446,869 passengers for 2018-19 and record freight volumes for the second year in a row.

The Tasmanian Visitor Survey reports that visitors to Tasmania arriving by sea grew two per cent to 148,700 in 2018-19.

The TT-Line reported record revenue of \$260.3 million, with after tax profit of \$44.1 million. Sailings increased to 867 up from 859 the previous year, with a record 169 day sailings.

Cruise Ships

Tasmania recorded 204,236 passenger visit days across 106 port calls and over 134 cruise ship visit days in 2018-19. Hobart received 62 port calls over 90 days during the season, while Burnie received 25 port calls and Port Arthur 17. Inspection Head at Beauty Point hosted one call from Seabourn Sojourn and one vessel visited Coles Bay.

The estimated economic contribution to Tasmania from cruise shipping was \$48 million in 2018-19.

The Australian Cruise Association estimates cruise passengers spent \$33 million in Tasmania in 2018-19 with cruise ship crew spending a further \$2.33 million. \$13.16 million is estimated to have been spent in Tasmania by cruise lines on port fees, local shipping agent charges, travel agent commissions, marketing investment within Tasmania, some provisioning and other operational costs. This estimate does not include fuel, which is not available to source in Tasmania.

There are 130 port calls booked for Tasmania for the 2019-20 season.



Cruise ship - MACq 01 © Sarajayne Lada

The Tasmanian Government released a Blueprint for Sustainable Cruise Shipping in Tasmania 2019-2022 in August 2019. A copy can be found at www.tourismtasmania.com.au/industry/cruise_tourism

The Blueprint provides a snapshot of the key actions required to deliver a sustainable cruise industry in Tasmania. It combines the findings of the Cruise Market Update and Regional Ports Review 2017-18, feedback from Tasmanian stakeholders and broader feedback from the cruise industry. It outlines three strategic initiatives that aim to deliver sustainable cruise ship growth and maximise benefits to Tasmanian communities by increasing regional dispersal and yield of cruise visitors.

A set of sustainability principles have also been developed to guide the overall strategic management and decision making in relation to cruise shipping in Tasmania. These include

- Managing the number of vessels and passengers in port at any given time through sequencing and influencing, where possible, the type and size of ship.
- Ensuring a wide dispersal of passengers to regional areas on day tours and shore excursions.
- Ensuring areas with environmental or community sensitivities are managed appropriately through cross-government and stakeholder collaboration.
- Active pre and post-season evaluation through the cruise stakeholder group, chaired by Tourism Tasmania and reporting to the Access Working Group.

The blueprint identifies the following goals for cruising in Tasmania over the next three years:

- Actively managing growth in cruise shipping in Hobart, Burnie and Port Arthur and encouraging greater passenger dispersal.
- Attracting small ships and expedition cruises to Tasmania's regional ports and anchorages to increase the dispersal of cruise passengers.

- Increasing yield from the cruise ship sector by growing onshore expenditure by passengers and provisioning expenditure by cruise lines to optimise economic benefits to the state.
- Maximising the rate of repeat visits by passengers who return to Tasmania on holiday by ensuring high levels of visitor satisfaction from cruise passengers.

The key goals and measures of the blueprint are in the table below:

Goals	Key performance indicators
Deliver sustainable cruise ship growth and maximise benefits to Tasmanian communities by increasing regional dispersal and yield of cruise visitors through:	Evaluate the sustainability of cruise ship growth and measure success in achieving the goals by tracking the following indicators:
Actively managing growth in cruise shipping in Hobart, Burnie and Port Arthur and encouraging passenger dispersal into Tasmanian regions	Lift overall cruise passenger spend in Tasmania from \$30.5 million to \$50 million by 2022 and ensure sustainability principals are applied to cruise shipping in Tasmanian destinations
Attracting small ships and expedition cruises to Tasmania's regional ports and anchorages to increase dispersal of cruise passengers	Grow the expedition segment into suitable regional ports and anchorages collaboratively with a Regional Anchorages Working Group
Increasing yield from the cruise ship sector by growing onshore expenditure by passengers and provisioning expenditure by cruise lines to optimise economic benefits to the state	Increase take-up of organised shore tours from 40% to 50% by 2022. Introduce turn-around visits for small ships and partial turn around visits for large ships to five per summer by 2022
Maximising the rate of repeat visits of passengers who return to Tasmania on holiday by ensuring high levels of visitor satisfaction by cruise passengers	Grow the number of people who were influenced to return to Tasmania on holiday by a previous visit on a cruise ship each year from 10,960 in 2019 to 15,000 by 2022 (Sourced from TVS)



Par Avion Wilderness Tours © Stuart London

Regional air access development

Access 2020 goals

- Grow visitors and yield to regional areas of Tasmania – dispersal via access points.
- Improve sustainability of regional access infrastructure.

Progress

Additional charter and scheduled air capacity has been added to King Island following a growth in visitor numbers driven from two new golf courses and a greater awareness of the destination.

Regional Express (Rex) maintains its regular service between Melbourne Tullamarine Airport and Burnie-Wynyard. This is an important service for the local community. A new long-term agreement between Rex and Burnie Airport to develop a longer term destination partnership to drive growth in traffic numbers on this route is showing early signs of success.

The Tasmanian Government is also engaged in a project with Flinders Island Council to strengthen the main runway for the island. This project is due to occur in 2020 and has secured Federal Government assistance.

The Access 2020 strategy continues to monitor and develop regional access and capacity growth opportunities for Tasmania.

Air freight access development

Access 2020 goals

- Introduce effective airfreight solutions, particularly for new and growing export and domestic markets beyond New South Wales and Victoria.
- Increase air freight uptake to add air service viability and provide greater opportunity to increase domestic and international air capacity.

Progress

There is increasing demand for high value, perishable, Tasmanian goods in China and other parts of Asia. There are also increasing constraints on the current premium and perishable export pathways involving Melbourne and Sydney Airports, due to congestion and increased security requirements.

Hobart Airport has completed a \$14 million freight handling facility as a first step to providing new market opportunities for local producers. The project included 1,000 square metres of freezer and 735 square metres of chiller space that will assist in maintaining product quality and maximising shelf life.

Link Logistics has signed on as the first tenant of the new freight handling facility and commercial precinct, processing perishable produce such as fresh seafood, meat and fruit now able to be sent quickly and directly from Hobart Airport.

Work continues on attracting direct international flights both in terms of passenger planes with cargo space and dedicated international air freight services to allow producers to freight their produce directly to export destinations from Hobart.



Crater Lake, Cradle Mountain © Jason Charles Hill

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