

North West accommodation study

The *Tourism Accommodation Supply Analysis: North West Tasmania Hubs – Burnie, Devonport, Cradle Mountain* examines how current accommodation in the region will cope with growing tourism levels as we move towards the T21 goal of 1.5 million visitors by 2020.

It provides insights to guide tourism infrastructure and accommodation delivery, and future investment and development opportunities to meet future demand.

The study focuses on *Burnie, Devonport and Cradle Mountain* and provides a short and medium-term forecast of accommodation demand and supply and draws on targeted market research and stakeholder insights.

The study was undertaken by TRC in 2016 on behalf of the Office of the Coordinator-General with input from the Cradle Coast Authority.

Snapshot

- In 2015/16 there were 465 000 visitors to the region.
- Visitor nights in the region increased by 17 per cent, with strong growth in the three hubs of Devonport, Burnie and Cradle Mountain between 2014/15 and 2015/16.
- 70 per cent of visitors stay in paid accommodation, with hotel/motels being the most popular followed by rented house, flat, unit and serviced apartments.
- There are currently 77 accommodation properties in Devonport, Burnie and Cradle Mountain offering approximately 1346 rooms.
- Devonport is the most popular place to stay overnight, followed by Cradle Mountain and Burnie.
- 62 per cent of visitors are leisure travellers with many on short breaks from Victoria and NSW who prefer Cradle Mountain for an overnight stay.
- Over two thirds of accommodation offered in the three hubs are at the 3 – 3.5-star range, with Cradle Mountain having a higher proportion of 4 – 4.5-star properties.
- As at December 2016 there were 35 properties listed on Airbnb across the three hubs and anecdotal evidence suggests that this figure is increasing.

Findings

To meet the T21 goal of 1.5 million visitors in 2020 an additional 393 rooms are required across the hubs.

If proposed developments come to fruition (up to 150 rooms in Devonport and 150 rooms in Cradle Mountain), it will significantly lift the supply of 3.5 to 4.5 star accommodation, but there would still be a shortage in both Burnie and Cradle Mountain under the T21 scenario. The actual requirements could be higher if visitation patterns change and the quality of accommodation increases.

While investment in additional beds is required to satisfy forecast demand, it is equally important to encourage investment in the existing accommodation stock in Devonport, Burnie, and Cradle Mountain. The analysis shows that the current stock of mid-range accommodation is ageing and requires revitalisation. Updating the 3 to 3.5-star offering will unlock further visitation and visitor expenditure for the economy.

Government action

The Government, through the Office of the Coordinator-General is providing low interest loans through the Tourist Accommodation Refurbishment Loans Scheme to commercial tourism operators to revitalise and raise the standard of their accommodation offering. The Office is also instrumental in playing a key role in the implementation of two projects that will drive significant investment and growth, the Devonport Living Cities project and Cradle Mountain Master Plan, and is working with potential investors to develop further accommodation options on the north-west coast.

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