

International Market Profile

China

Year Ending December 2010

This fact sheet provides a summary of the latest tourism data for Chinese visitors to Victoria. Information includes: visitor numbers, purpose of visit, expenditure, visitor forecasts, regional visitation and dispersal, demographics, visitor behaviour, airline used, travel style, information sources and booking methods.

I OVERVIEW OF CHINESE VISITORS TO AUSTRALIA

I.1 Trends

Total Chinese Visitation to Australia, 2000-2010

Year Ending December	2000	2006	2007	2008	2009	2010	Av Annual	Av Annual	% change
							% change	% Change	
							2000-2010	2006-2010	09-10
Visitors (000s)	115	296	340	338	351	431	14.2%	9.9%	23.0%
Visitor Nights (000s)	3,730	14,147	14,893	16,079	19,177	24,022	20.5%	14.2%	25.3%
Average Length of Stay	32.6	47.9	43.8	47.5	54.7	55.7			

China generated 431,000 visitors to Australia in the year ending December 2010. The number of visitors from China to Australia has increased rapidly at an average rate of 14.2% per annum over the period 2000-2010. Chinese visitors are also spending more nights in Australia with 24.0 million nights recorded in 2010. Visitor nights in Australia have grown at an average rate of 20.5% per annum over the period 2000-2010 and 25.3% year-on-year, while the average length of stay of Chinese visitors has also increased to reach 55.7 nights in 2010.

I.2 Main Purpose of Trip

Chinese Visitors (000s) to Australia by Purpose of Trip, 2000-2010

Year Ending December	2000	2006	2007	2008	2009	2010	Av Annual	Av Annual	% change
							% change	% Change	
							2000-2010	2006-2010	09-10
Holiday	39	133	159	157	153	190	17.1%	9.4%	24.9%
Visiting friends & relatives	18	36	41	46	58	74	15.4%	19.5%	27.1%
Business	43	74	85	71	57	70	5.1%	-1.2%	22.7%
Education	10	41	47	57	74	90	24.3%	21.3%	21.7%
Other	-	11	7	8	9	7	-	-11.0%	-23.5%

NB: Where there is a '-', figures are unreliable and are unable to be published.

There were 190,000 holiday visitors to Australia from China in 2010, an increase of 24.9% over the previous year. 74,000 Chinese visitors came to Australia to visit friends and relatives (VFR), an increase of 27.1% over the previous year. Both these segments have experienced growth over the longer term – for both 2000 to 2010 and 2006 to 2010.

The education sector has also experienced strong growth increasing at an annual average rate of 21.7% year-on-year to reach 90,000 visitors in 2010.

The business sector has experienced good recent growth with an increase of 22.7% year-on-year, but a slight decrease of 1.2% for the period 2006 to 2010.

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I.3 States/Territories Visited

Chinese Visitation (000s) to Australia by State/Territory, 2000-2010

Year Ending December	2000	2006	2007	2008	2009	2010	Av Annual	Av Annual	% change
							% change	% Change	
							2000-2010	2006-2010	09-10
Australia	115	296	340	338	351	431	14.2%	9.9%	23.0%
New South Wales	92	227	269	231	236	281	11.8%	5.5%	19.1%
Victoria	40	138	143	160	163	206	17.7%	10.6%	26.4%
Queensland	42	125	161	132	153	188	16.2%	10.9%	23.2%
South Australia	-	9	15	7	14	17	-	16.8%	23.1%
Western Australia	-	10	13	13	9	12	-	5.9%	32.1%
Tasmania	-	5	13	-	6	7	-	8.8%	22.6%
ACT	16	12	16	15	11	14	-1.7%	3.7%	24.6%

NB: Where there is a '-', figures are unreliable and are unable to be published.

There were 206,000 Chinese visitors to Victoria in 2010, a 26.4% increase over the previous year. Chinese visitation to Victoria has grown at an annual average rate of 17.7% over the period 2000 to 2010, greater than the growth rates nationally (+14.2%) and in New South Wales (+11.8%) and Queensland (+16.2%).

Chinese Visitor Nights (000s) in Australia by State/Territory, 2000-2010

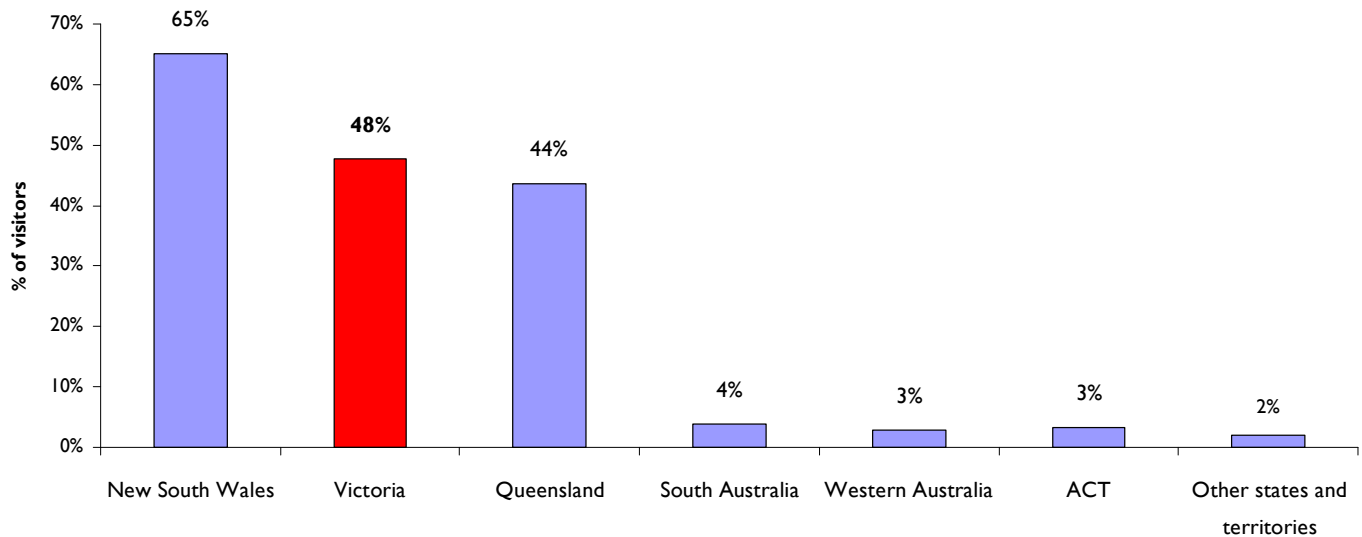
Year Ending December	2000	2006	2007	2008	2009	2010	Av Annual	Av Annual	% change
							% change	% Change	
							2000-2010	2006-2010	09-10
Australia	3,730	14,147	14,893	16,079	19,177	24,022	20.5%	14.2%	25.3%
New South Wales	2,577	8,588	8,483	8,403	8,552	10,265	14.8%	4.6%	20.0%
Victoria	625	3,528	3,671	4,268	6,327	7,754	28.6%	21.8%	22.6%
Queensland	-	919	1,353	1,893	1,846	2,981	-	34.2%	61.5%
Other States & Territories	-	1,105	1,380	1,510	2,447	3,012	-	28.5%	23.1%

NB: Where there is a '-', figures are unreliable and are unable to be published.

The number of visitor nights spent in Victoria by Chinese visitors increased by 22.6% from 2009 to reach 7.8 million visitor nights in 2010. Between 2000 and 2010, visitor nights spent in Victoria increased at an annual average rate of 28.6%, outperforming the national average (20.5%) and New South Wales (14.8%).

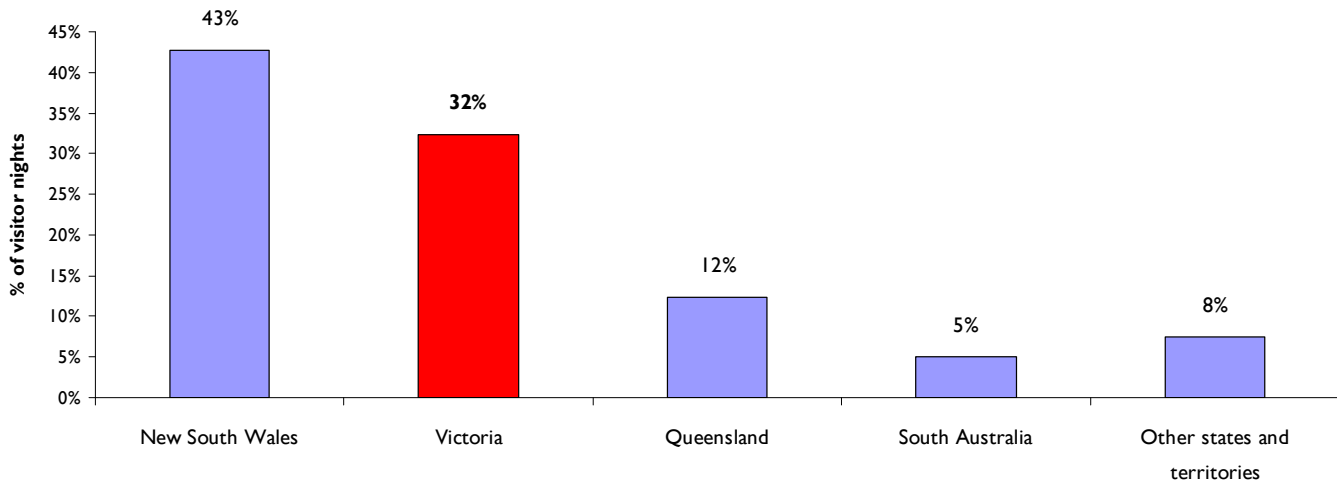
1.4 Market Share by State

Chinese Overnight Visitors¹ to Australia, Year ending December 2010 – by State



48% of Chinese visitors to Australia in 2010 stayed overnight in Victoria, compared to 65% in New South Wales.

Chinese Visitor Nights to Australia, Year ending December 2010 – Market Share by State



Victoria's market share of visitor nights spent by Chinese travellers in 2010 was 32%, 11 percentage points behind New South Wales (43%) and 20 percentage points ahead of Queensland (12%).

¹ NOTE: The proportion of Visitors to the States and Territories will not add up to 100% as visitors can travel to multiple destinations in one trip; while the proportion of Visitor Nights to the States and Territories will add to 100% as this measure is mutually exclusive.

1.5 Main Purpose of Visit – Visitors to Victoria

Chinese Visitation (000s) to Victoria by Main Purpose of Visit, 2000-2010

Year Ending December	2000	2006	2007	2008	2009	2010	Ave Annual	Ave Annual	% change
							% change	% Change	
							2000-2010	2006-2010	09-10
Holiday	17	78	73	80	80	92	18.4%	4.2%	14.4%
Visiting friends & relatives	-	9	11	27	28	39	-	44.1%	38.2%
Total Leisure	-	87	83	107	108	131	-	10.7%	20.6%
Business	16	31	40	33	25	39	9.6%	5.8%	55.1%
Education	-	15	17	18	26	34	-	22.0%	32.4%

NB: Where there is a '-', figures are unreliable and are unable to be published.

In 2010, there were 131,000 Chinese overnight leisure visitors to Victoria, a 20.6% increase over the previous year and a 10.7% average annual increase over the medium term from 2006 to 2010.

Victoria experienced year-on-year increases in all sectors including overnight business (+55.1%), VFR (visiting friends and relatives) (38.2%) and education (32.4%) visitors from China.

1.6 Regional Dispersal² – Visitor Nights (000s), 2000 - 2010

China	2000	2006	2007	2008	2009	2010	Ave. Annual	Ave. Annual	% change
							Change (%)	Change (%)	
							2000-2010	2006-2010	2009-2010
Regional Australia - Visitor Nights (000s)	-	1,122	1,236	1,137	1,163	1,741	-	11.6%	49.6%
% of total nights in Aust	-	7.9%	8.3%	7.1%	6.1%	7.2%			

NB: where there is a '-', figures are unreliable and are unable to be published.

Chinese visitors spent 1.7 million nights in regional Australia in 2010, a very strong increase of 49.6% from the previous year, and an average annual increase of 11.6% from 2006.

² "Regional" is defined as non capital city nights for each state with the exception of the Gold Coast. For example, Regional Queensland excludes nights spent in both Brisbane and the Gold Coast.

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I.7 Melbourne and Victorian Regions Visited

Chinese Visitation (000s) to Victoria, 2000-2010

Year Ending							Av Annual	Av Annual	% change	
	December	2000	2006	2007	2008	2009	2010	% change	% change	% change
		2000	2006	2007	2008	2009	2010	2000-2010	2006-2010	2009-2010
Melbourne		40	136	141	159	162	204	17.6%	10.6%	25.9%
Regional Victoria		-	9	9	-	-	7	-	-7.3%	-
Victoria		40	138	143	160	163	206	17.7%	10.6%	26.4%

NB: Where there is a '-', figures are unreliable and are unable to be published.

There were 204,000 Chinese overnight visitors to Melbourne in 2010, a 25.9% increase over the previous year. Chinese visitation to Melbourne has grown at an annual average rate of 10.6% over the medium term, 2006 to 2010.

Chinese Visitor Nights (000s) in Melbourne, 2000-2010

Year Ending							Av Annual	Av Annual	% change	
	December	2000	2006	2007	2008	2009	2010	% change	% change	% change
		2000	2006	2007	2008	2009	2010	2000-2010	2006-2010	2009-2010
Melbourne		605	3,233	3,495	4,185	6,225	7,526	28.7%	23.5%	20.9%

The number of visitor nights spent in Melbourne by Chinese visitors increased by 20.9% from 2009 to reach 7.5 million visitor nights in 2010. Between 2006 and 2010, visitor nights spent in Melbourne increased at an annual average rate of 23.5%, just outperforming state growth (21.8% p.a.).

I.8 Visitor Expenditure

Expenditure by China Visitors	Total Expenditure					Expenditure Share			Expenditure Per Night			Expenditure Per Visitor		
	Nominal (\$ million)					%			\$			\$		
	Year Ending December	2000	2009	2010	Av Ann % Change 00-10	% Change 09-10	2000	2009	2010	2000	2009	2010	2000	2009
New South Wales	np	1,003	1,109	np	10.6%	np	16.5%	17.7%	np	117	108	np	4247	3944
Victoria	np	528	685	np	29.7%	np	14.1%	17.4%	np	83	88	np	3,240	3,325
Queensland	np	287	338	np	17.8%	np	7.4%	8.9%	np	155	113	np	1,877	1,795
South Australia	np	94	106	np	12.8%	np	14.3%	14.4%	np	80	88	np	6,749	6,180
Western Australia	np	34	81	np	138.2%	np	1.9%	4.2%	np	79	90	np	3,743	6,752
Tasmania	np	21	26	np	23.8%	np	7.7%	9.3%	np	90	100	np	3,579	3,614
Northern Territory	np	np	np	np	np	np	np	np	np	np	np	np	np	np
Australian Capital Territory	np	54	59	np	9.3%	np	23.3%	20.8%	np	92	95	np	4,853	4,256
Australia	395	2,023	2,410	19.8%	19.1%	3.6%	11.8%	13.7%	106	105	100	3,449	5,767	5,587

NB: Visitor expenditure includes expenditure on packages attributable to destination.

Source: Tourism Research Australia expenditure allocation method applied to 2000-2010 International Visitor Survey data.

Since 2000, expenditure by Chinese visitors in Australia has increased at an annual average rate of 19.8% to reach \$2.4 billion in 2010. Chinese visitor expenditure in Victoria reached \$685 million in 2010 with a year-on-year increase of 29.7%, representing a 17.4% share of total international expenditure in Victoria.

I.9 Visitor Forecasts

China Forecasts	2010 Vic Mkt Share	ACTUAL 2010	FORECAST											Ave Annual Growth Rate (2009 - 2020)
			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
Visitor Numbers (000s)	48%	206	236	256	274	292	310	327	345	363	381	399	8.5% p.a.	
Visitor Nights (000s)	32%	7,754	8,975	9,585	10,174	10,735	11,231	11,671	12,083	12,477	12,852	13,210	6.9% p.a.	

Note 1: Based on visitors aged 15 years or over.

Note 2: Slight variations in calculations are due to rounding.

Sources: Tourism Forecasting Committee Forecast November 2010 Issue 2; International Visitor Survey, Tourism Research Australia, year ending December 2010

Average annual growth for arrivals to Australia from China is forecast at 8.5% over the period 2009-2020. Victoria is estimated to receive 399,000 overnight visitors from China by 2020. The Chinese outbound travel market is one of the fastest growing in the world. Although modest growth was experienced in 2009, mainly attributed to the global financial crisis and the H1N1 flu outbreak, Chinese outbound departures is set to continue increasing with the diminishing restrictions on foreign travel and rising income levels in the market. Increased direct and indirect air services to Australia will support this growth.

However, local events may impede some outbound travel in the short term: Shanghai Expo (1 May to 31 October 2010) and the 16th Asian Games in Guangzhou (12-27 November 2010).

Source: Tourism Forecasting Committee Forecast 2010 Issue 1, June 2010.

For more detailed information on tourism forecasting, market performance and economic commentary, please refer to the source at:

<http://www.ret.gov.au/tourism/tra/traforecasts/publications/Pages/default.aspx>

2 OVERVIEW OF CHINESE LEISURE VISITORS TO VICTORIA

The main focus of this analysis will be on leisure travellers from China to Victoria. Leisure travellers are those who travelled to Australia for holiday purposes or to visit friends and relatives (VFR).

Chinese Visitation to Victoria for Leisure, 2000-2010

Year Ending December	2000	2006	2007	2008	2009	2010	Av Annual	Av Annual	% change
							% change	% Change	
							2000-2010	2006-2010	09-10
Visitors (000s)	20	87	83	107	108	131	20.7%	10.7%	20.6%
% Market Share	35%	51%	42%	53%	51%	49%			
Visitor Nights (000s)	130	640	722	1,508	1,804	2,913	36.4%	46.0%	61.5%
% Market Share	9%	15%	15%	37%	38%	42%			
Average Length of Stay	6.5	7.4	8.7	14.0	16.7	22.3			

In 2010, there were 131,000 Chinese leisure visitors who stayed in Victoria, a 20.6% increase over the previous year and a 10.7% average annual increase over the medium term (2006 to 2010). Victoria has experienced a steady increase from this market between 2000 and 2010, with average annual growth of 20.7%.

This segment spent 2.9 million visitor nights in Victoria in 2010, a very strong 61.5% increase from the previous year. Average length of stay increased to 22.3 nights in 2010.

Chinese 'Experience Seekers' – Proportion by State/ Territory, 2007-2010

Tourism Australia defines the Experience Seekers as "looking for unique, involving and personal experiences from their holidays. Experience Seekers are long haul travellers who are less affected by the traditional barriers to travel of distance, time and cost. They are more informed, interested and curious about potential travel destinations. Experience Seekers can be found among all age groups, income levels and geographic locations".

Year ending December	2007	2008	2009	2010
Total	26%	27%	22%	18%
New South Wales	24%	26%	21%	19%
Victoria	25%	28%	21%	19%
Queensland	23%	31%	22%	19%
South Australia	78%	52%	54%	30%
Western Australia	32%	23%	55%	24%
Tasmania	53%	9%	19%	48%
Northern Territory	26%	22%	90%	28%
Australian Capital Territory	41%	29%	6%	24%

Of Chinese overnight leisure visitors to Victoria, 19% can be defined as part of the Tourism Australia "Experience Seekers" segment in 2010. This is similar to the proportion of "Experience Seeker" Chinese leisure travellers to Australia generally (18%), and also for key competitors New South Wales and Queensland (both 19%).

For more detailed information on the Experience Seekers segment, please refer to:

<http://www.tourism.australia.com/en-au/marketing/experience-seekers.aspx>

2.1 Places Visited in Regional Victoria and Melbourne Attractions

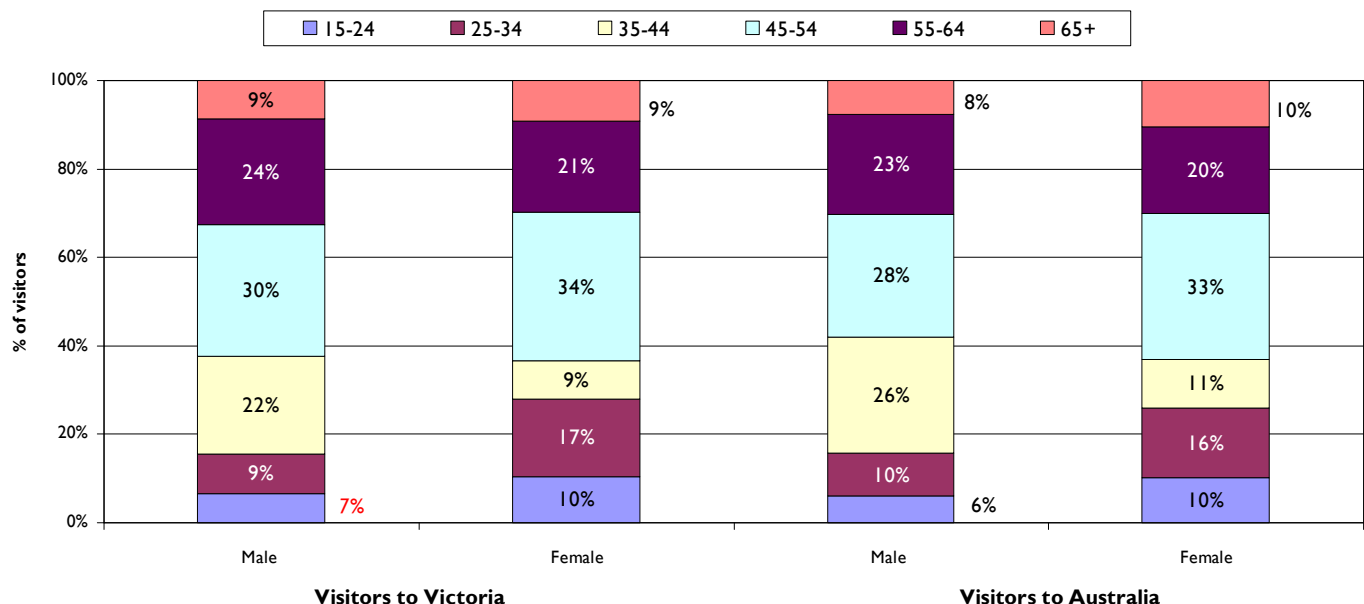
Selected Places Visited - Overnight Visit or Daytrip (% of all Leisure Overnight Visitors to Victoria)	China Visitors	All International Visitors	Selected Places Visited - Melbourne Attractions (% of Leisure Overnight Visitors to Victoria)	China Visitors	All International Visitors
Phillip Island, penguin parade	28%	20%	Crown Casino/entertainment complex	43%	33%
Ballarat, Sovereign Hill	28%	12%	Federation Square	44%	50%
Dandenongs, Puffing Billy, Healesville Sanctuary	5%	14%	Queen Victoria Market	38%	51%
Great Ocean Road or Twelve Apostles	37%	34%	Southbank/Southgate	10%	31%
Mornington Peninsula	-	9%	Melbourne Museum (Royal Exhibition Building)	26%	23%
Daylesford, Hepburn Springs, Macedon	-	2%	Docklands/Telstra Dome	5%	28%
Yarra Valley	6%	12%	National Gallery of Victoria (NGV)	25%	17%
Bendigo	-	5%	Melbourne Cricket Ground (MCG)	5%	11%

Of the Victorian places visited (for an overnight visit or daytrip) 37% of Chinese overnight leisure visitors to Victoria spent time in the Great Ocean Road region and/or the Twelve Apostles. This region is very popular generally with 34% of all international overnight leisure visitors travelling there.

Of the Melbourne attractions visited, 44% of Chinese overnight leisure visitors to Victoria spent time at Federation Square compared to 50% of all international overnight leisure visitors to Victoria. The highest result for all the listed Melbourne attractions for international overnight leisure visitors was the Queen Victoria Markets (51% of overnight leisure visitors to Victoria).

2.2 Demographic Profiling

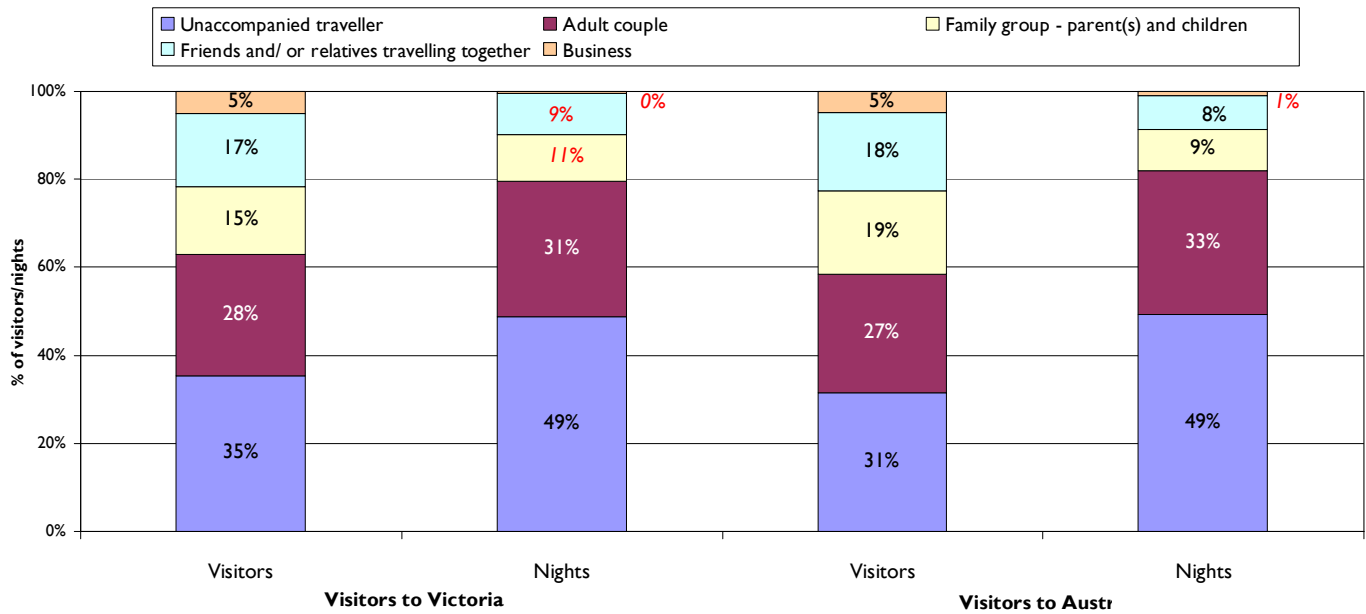
Age Group & Gender (% of overnight leisure visitors from China)



In 2010 overnight leisure visitors from China to Victoria were more likely to be female (53%) than male (47%). Male visitors were largely in the middle-aged brackets with 76% aged between 35 and 64. Female visitors had a skew towards the 45-55 age bracket (34%), and 25 to 34 age bracket (17%).

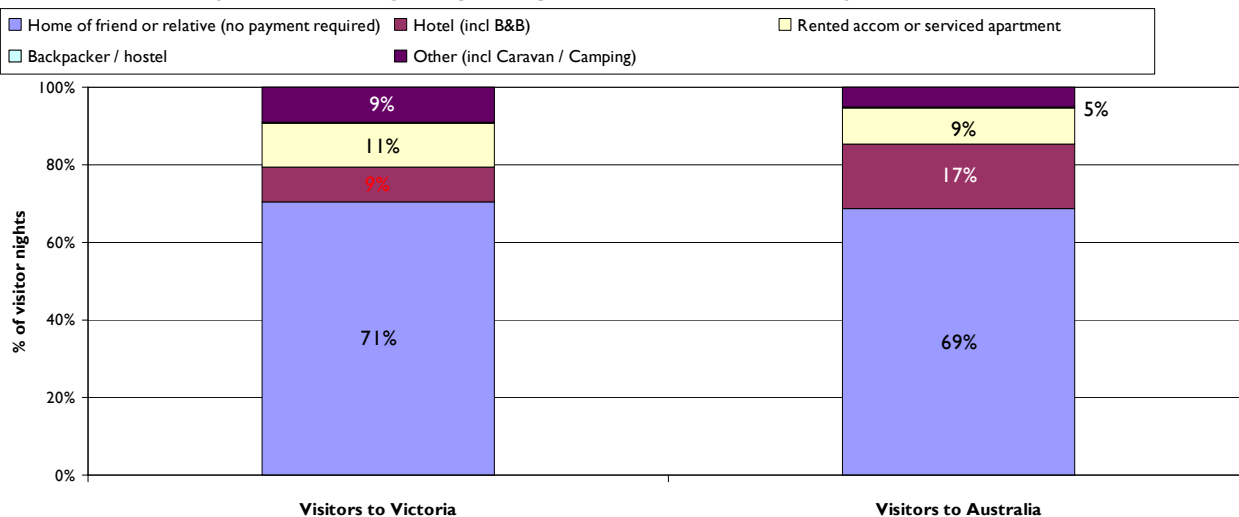
2.3 Detailed Visitor Behaviour

Travel Party Description (% of overnight leisure visitors from China)



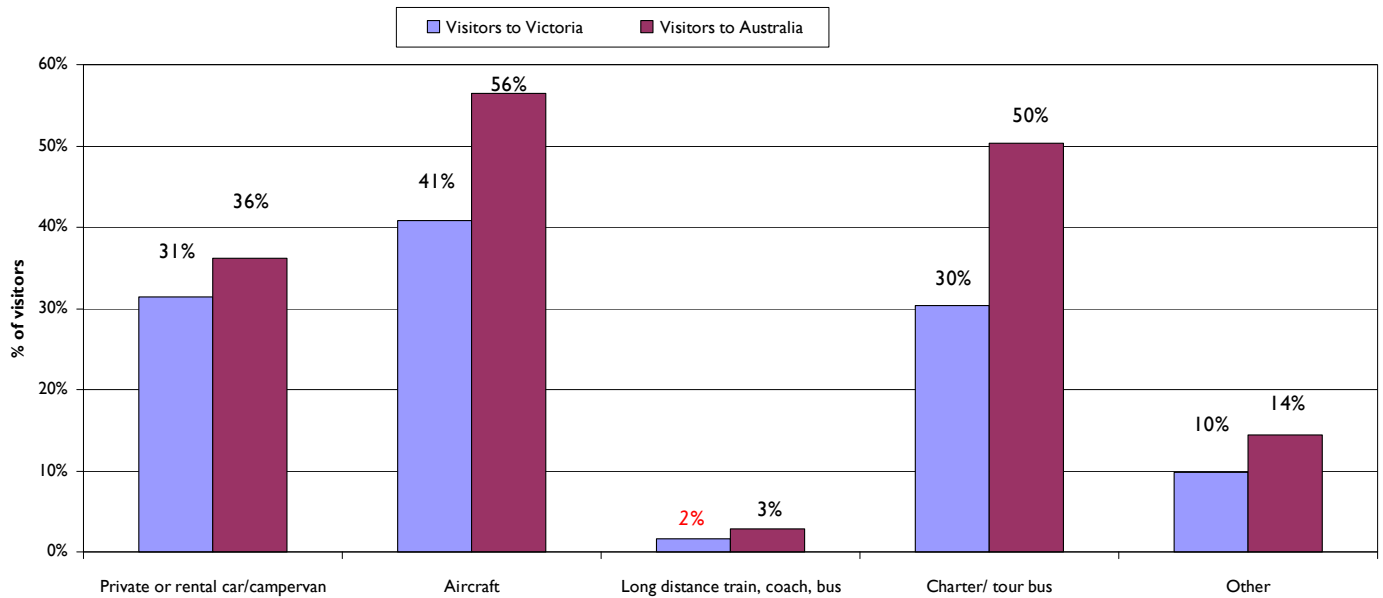
Chinese overnight leisure visitors to Victoria in 2010 tended to be travelling alone (35%) or as an adult couple (28%). However, nearly half of all nights spent in Victoria by leisure visitors were by solo travellers (49%). Similarly, 31% of Chinese leisure visitors to Australia were travelling alone and 27% as an adult couple. The majority of Chinese leisure visitor nights in Australia were spent by unaccompanied travellers (49%) and adult couples (33%).

Accommodation (% of visitor nights spent by Chinese leisure visitors)



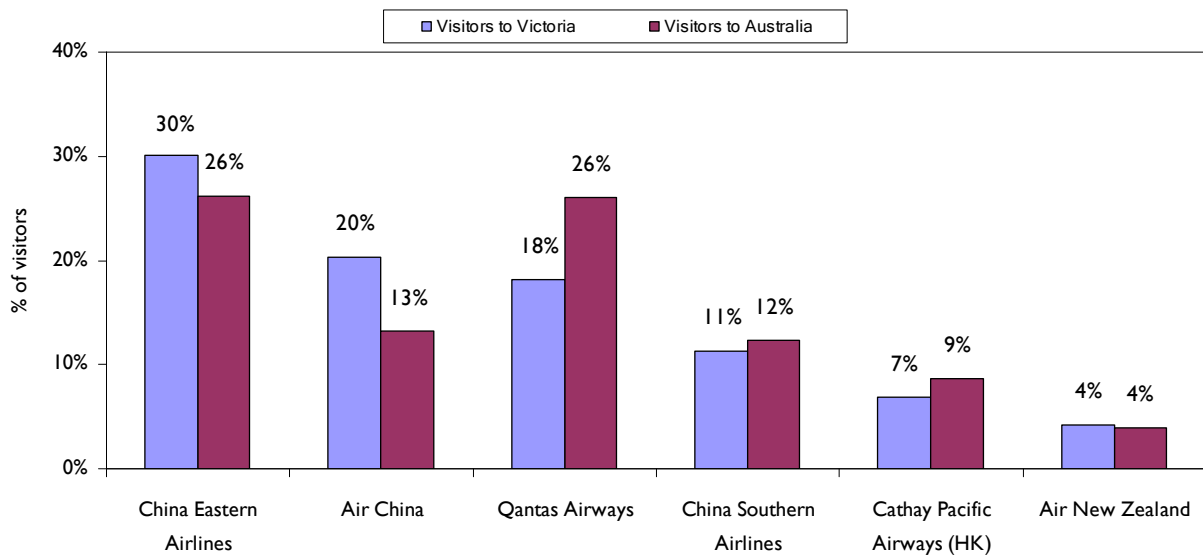
In 2010, 71% of nights spent by leisure visitors to Victoria from China were spent with friends or relatives, a rate higher than the national average (69%). 11% of nights spent by Chinese leisure visitors to Victoria were in rented accommodation or serviced apartments compared to 9% of nights spent by Chinese leisure visitors to Australia in this accommodation sector.

Transportation used (% of overnight leisure visitors from China)



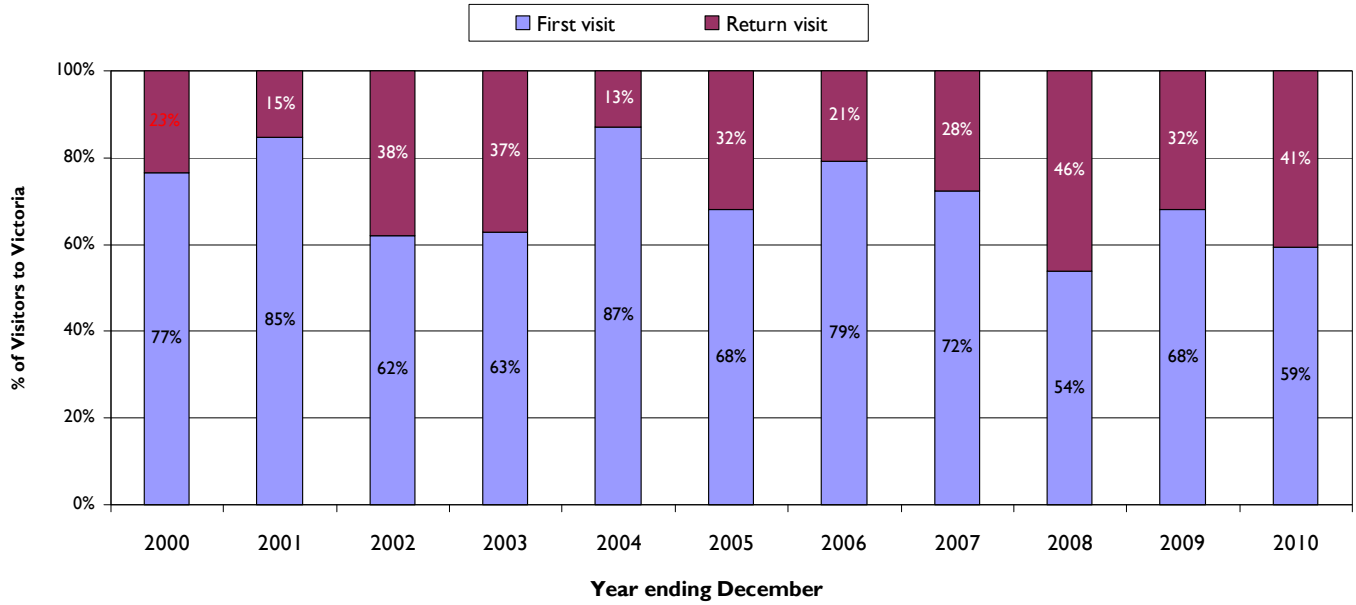
Of the 131,000 Chinese leisure visitors who stayed overnight in Victoria in 2010, 41% used an aircraft, 31% used a private or rental car, campervan or motor-home and 30% used a charter or tour bus. In comparison, 56% of Chinese visitors to Australia generally used an aircraft, 50% used a charter or tour bus and 36% used a private or rental car, campervan or motor-home on their trip.

Departure Airline used (% of overnight leisure visitors from China)



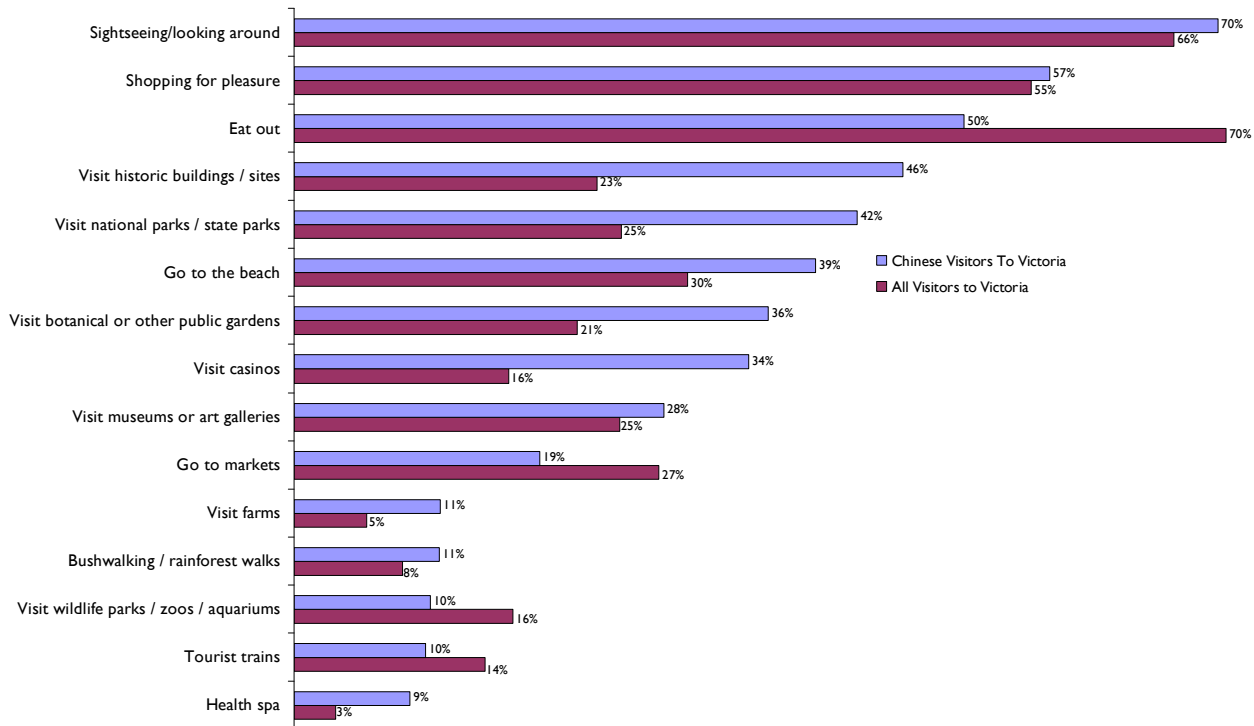
Among Chinese leisure visitors to Australia in 2010, the leading airlines used for departure were China Eastern Airlines and Qantas (both 26%). For overnight leisure visitors to Victoria, China Eastern Airlines was the most popular (30%) followed by Air China (20%) and Qantas (18%).

Repeat Visitation to Victoria (% of overnight leisure visitors from China)



In 2010, the proportion of overnight leisure visitors from China to Victoria who were visiting for the first time was 59% (compared to 77% in 2000). In 2010 a similar proportion of Chinese leisure visitors to Australia were visiting for the first time (58%).

Top 15 Activities (% of overnight leisure visitors from China)



Note: Chinese visitor activities are based on three years of data to December 2010.

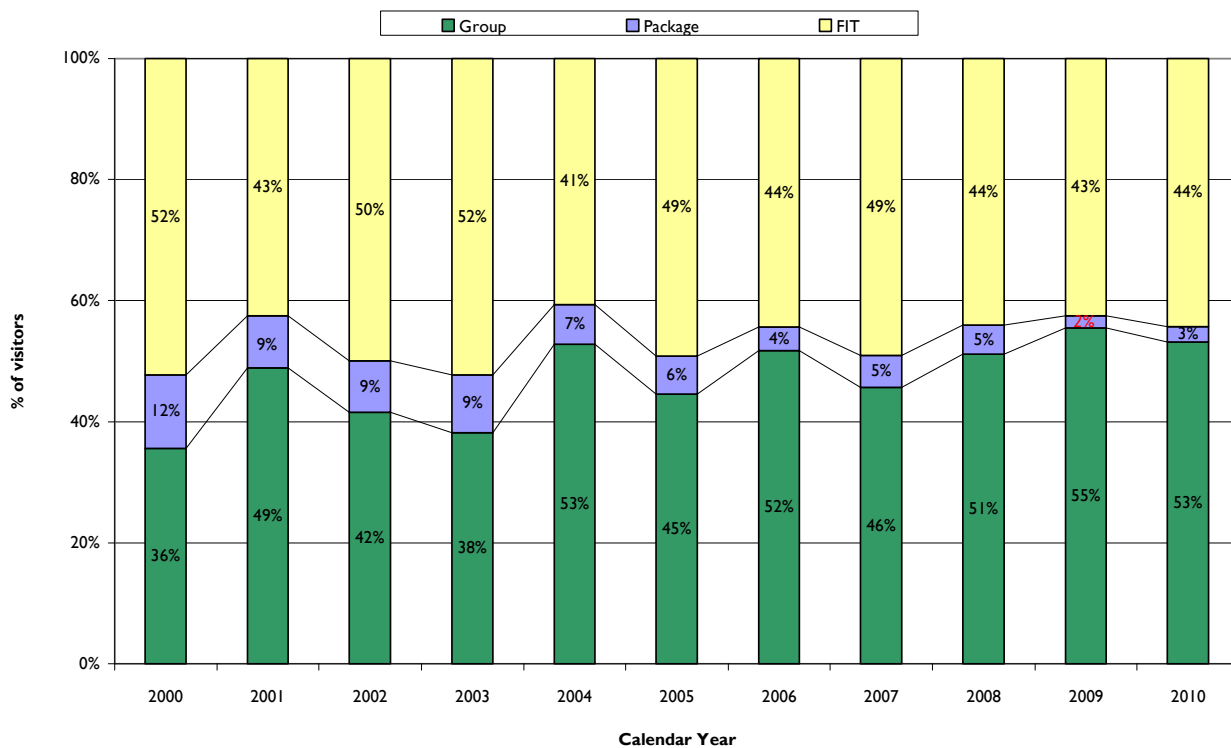
Chinese overnight leisure visitors who visited Victoria enjoyed a mix of cultural, social and nature-based activities on their trips.

Of the most common activities on their trip, as listed above, Chinese visitors were more likely than all international overnight visitors to Victoria to have visited historic buildings and sites (46% compared to 23%), national parks (42% compared to 25%), visit casinos (34% of 16%), botanical gardens (36% compared to 21%), go to the beach (39% compared to 30%), but were less likely to dine out (50% compared to 70%) and go to markets (19% compared to 27%).

3 TRAVEL STYLE

3.1 Group, package & Fully Independent Travel (FIT) travel

Trends in Group, Package and FIT travel among Chinese leisure visitors to Australia, 2000-2010



The increasing number of provinces accessing ADS travel has resulted in growth in the group travel market over the period from 2000-2010, with the majority of visitors travelling in this way during the past three years (53% in 2010).

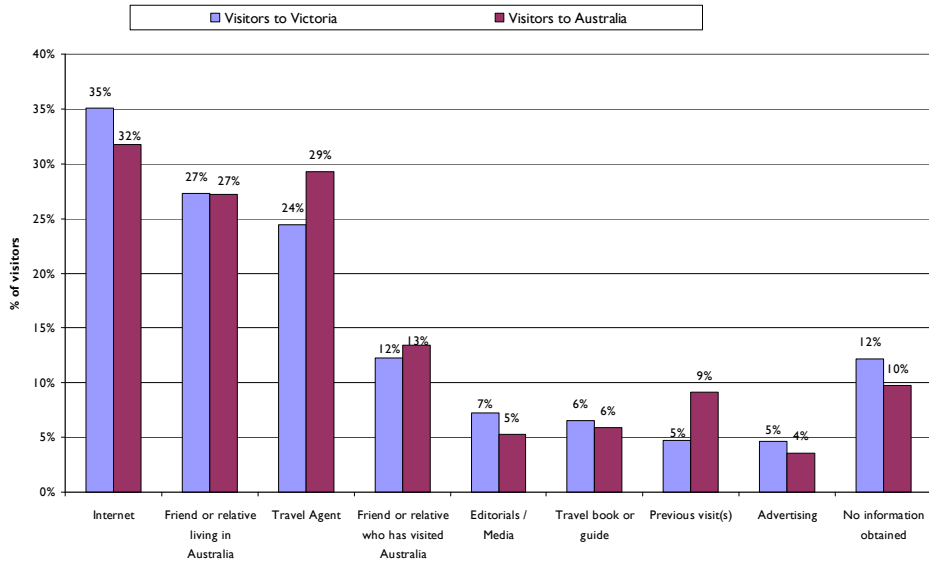
* NOTE: Group, Package and FIT are derived using the following method.

'Group' travellers refer to those who responded yes to question "Did you travel to Australia on a group tour?". 'Package' travellers refer to those who responded yes to question "Did you arrive in Australia on a travel package?" (minus 'Group' travellers). The remaining travellers who were not 'group' or 'package' are referred to as 'FIT' travellers.

4 INFORMATION SOURCES & BOOKING METHODS

4.1 Information Sources

Information Sources by Chinese Leisure Visitors to Australia and Victoria, 2010

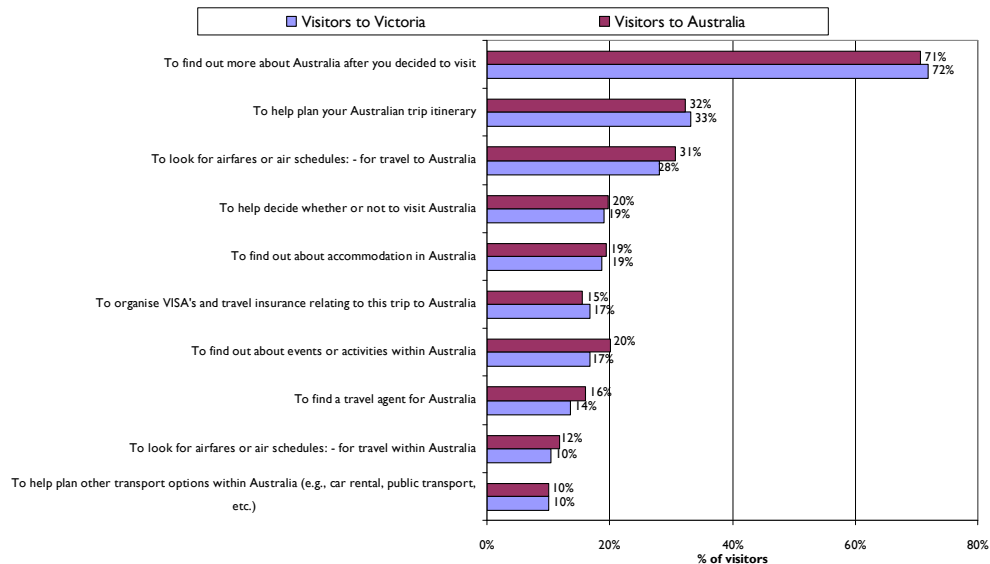


Base: Valid responses

NB: Information Sources with a value below 2% have been omitted.

Among Chinese leisure visitors to Australia in 2010, the leading information source used was the internet (32%), followed by travel agents (29%), and word of mouth referral from an Australian resident (27%). For overnight leisure visitors to Victoria, the internet was also the most popular (35%), followed by word of mouth referral from an Australian resident (27%) and travel agents (24%).

Reasons for using the Internet by Chinese Leisure Visitors to Australia and Victoria, 2010

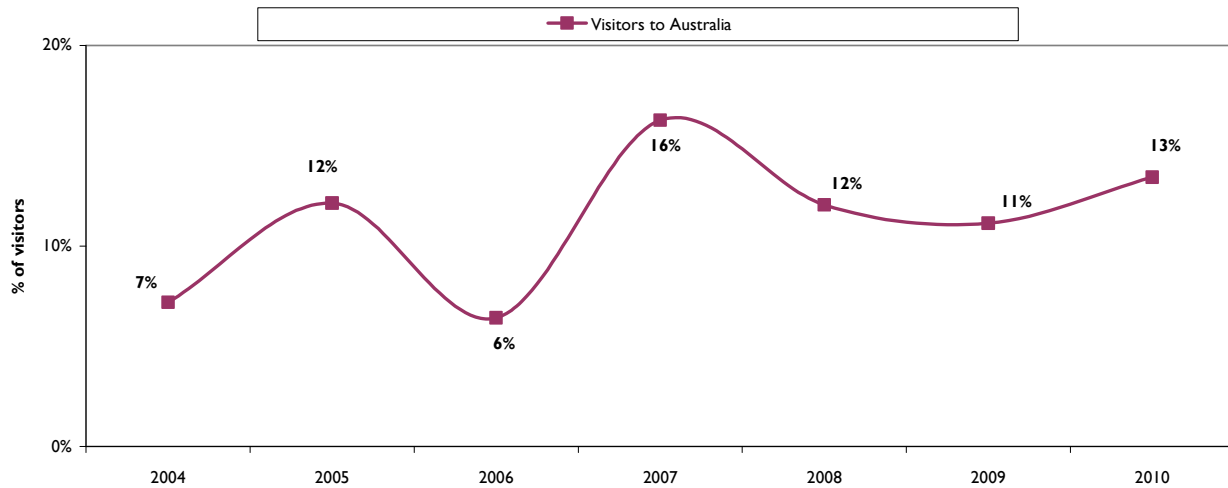


Base: Those who used the Internet as an Information Source.

Of the Chinese overnight leisure visitors to Victoria who used the internet in their holiday planning, 72% used it to find out more about Australia after deciding to visit. Other uses included to help plan an itinerary (33%) and to look for airfares or air schedules for their trip to Australia (28%).

4.2 Internet Booking

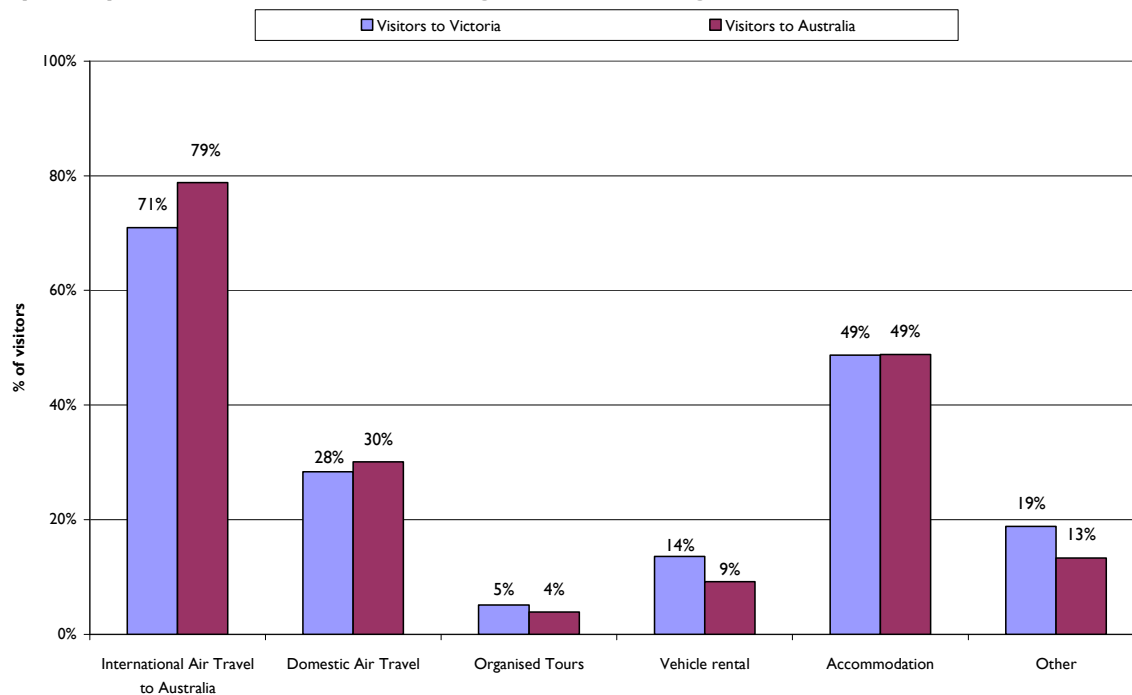
Incidence of Online Booking among Chinese Overnight Leisure Visitors, 2004-2010



Base: Valid responses

Strong growth in the incidence of online booking among leisure visitors from China to Australia is evident, increasing from 7% in 2004 to 13% in 2010.

Trip Components Booked Online among Chinese Overnight Leisure Visitors, 2010



Base: Booked online

Among Chinese overnight leisure visitors to Victoria booking travel online, international air fares (71%) and accommodation (49%) were the most frequently purchased components. Chinese overnight leisure visitors to Victoria were more likely to have booked vehicle rental than visitors to Australia (14% compared to 9%).

4.3 Planning and Booking Horizons

	Visitors to Australia	Visitors to Victoria
Planning Horizon (average weeks)	7.6	6.7
Booking Horizon (average weeks)	3.4	2.9

Among Chinese leisure visitors to Australia, the average planning horizon was 7.6 weeks, with a shorter horizon for visitors to Victoria (6.7 weeks). However, 51% of visitors to Australia indicated a lead time of less than 4 weeks for planning (56% of visitors to Victoria).

Flight booking to Australia occurred an average of 3.4 weeks prior to departure, with overnight leisure visitors to Victoria recording a shorter lead time of 2.9 weeks. 57% of flight bookings to Australia (and 59% of flight bookings among Victorian visitors) occurred within a month of departure.

Sources:

- *International Visitor Survey*, year ending December 2000-2010, Tourism Research Australia
- *International Tourism Expenditure in Australia's regions 2000-2010*, Tourism Research Australia
- Tourism Forecasting Committee Forecast 2010: Issue 1 (June 2010) and Issue 2 (December 2010).
- Tourism Australia Corporate Website: <http://www.tourism.australia.com/en-au/marketing/experience-seekers.aspx>, February 2010.

Further information: www.tourism.australia.com/Markets.asp
www.tourism.vic.gov.au/facts-and-figures/

Figures that are unreliable and unable to be published are represented by '-'. Percentages in red italics are unreliable and should be used with caution.

Figures might not add up due to rounding.