

# Victoria Market Profile

## Year Ending December 2009



This fact sheet provides a summary of the latest tourism data for Victoria. Information includes: domestic and international visitor numbers, visitor expenditure, forecasts and visitor profiles such as origin, purpose of visit, visitor activities, travel party and accommodation used.

### ECONOMIC CONTRIBUTION OF TOURISM TO VICTORIA

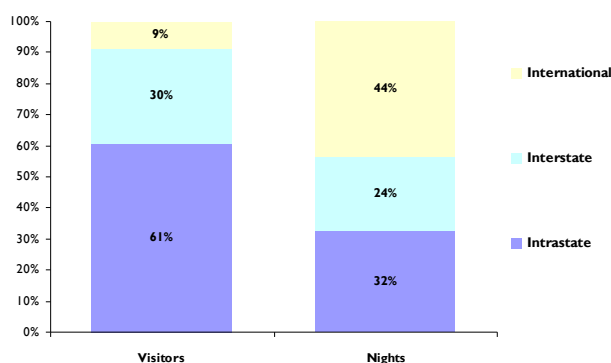
- In 2007-08, the combined direct and indirect contribution of tourism to Victoria's economy is estimated to be \$15.8 billion or 5.9% of Gross State Product (GSP) (a 4.4% increase from \$15.1 billion in 2006-07).
- The tourism industry contributes more to the Victorian economy than many traditional industries including agriculture, forestry & fishing; mining; electricity, gas & water supply; Government administration and defense.

### EMPLOYMENT IN THE TOURISM INDUSTRY

- In 2007-08 tourism accounted for 184,800 jobs or 7.1% of all people employed in Victoria (a 3.1% increase from 179,200 jobs in 2006-07).
- Retail trade (24.2%), accommodation (12.6%) and cafes and restaurants (10.2%) accounted for the largest share of direct tourism employment.

### VISITATION TO VICTORIA

- Sixty-one percent of overnight visitors to Victoria were sourced from the intrastate market, followed by 30% from the interstate market and 9% from overseas.



- Forty-four percent of domestic visitor nights to Victoria were sourced from the international market followed by 32% from the intrastate market and 24% from interstate.

### DOMESTIC VISITATION TO VICTORIA

Year Ending December (000s)	1999	2007	2008	2009	AAG 99-09	% Change 2008-09
Overnight Visitors	16,670	17,399	16,724	15,741	-0.6%	-5.9%
Visitor Nights	52,565	53,244	52,070	49,451	-0.6%	-5.0%
Daytrip Visitors	44,542	36,074	34,592	37,877	-1.6%	9.5%

### Domestic Overnight Visitation

- Victoria received 15.7 million domestic overnight visitors for the year ending December 2009.
- Victoria received 49.5 million domestic visitor nights. The average length of stay for the year ending December 2009 was 3.1 nights.
- Both domestic overnight visitors and visitor nights to Victoria experienced a decline of 0.6% since 1999.

### Domestic Daytrip Visitation

- There were 37.9 million domestic daytrip visitors to Victoria for the year ending December 2009.
- Domestic daytrip visitors to Victoria increased by 9.5% from the previous year. Over the longer term (1999 to 2009) domestic daytrip visitors to Victoria decreased by 1.6%.

### Domestic Visitor Expenditure

- Domestic overnight expenditure in Victoria in 2009 is estimated to be \$8.4 billion, with visitors spending on average \$170 per night and \$533 per visit.
- Domestic daytrip visitors spent \$3.7 billion in Victoria in 2009, spending on average \$99 per daytrip.
- Domestic overnight visitors to Victoria spent most of their money on food and drink (28% of total expenditure) and accommodation (24%).

Item	Overnight Visitor Expenditure (\$ million)	%
Accommodation	1,978	24%
Food and drink	2,348	28%
Airfares	981	12%
Other transport fares	362	4%
Fuel	823	10%
Shopping	1,106	13%
Entertainment	398	5%
Packages	44	1%
Other and education	355	4%
<b>Total*</b>	<b>8,395</b>	<b>100%</b>

\* - Total includes expenditure by visitors on trips with more than 21 stops. Expenditure on these trips cannot be allocated to individual items.

### Domestic Forecasts

- Domestic visitors in Australia are forecast to grow at an average annual rate of 0.6% over the period 2009 to 2020, reaching 70.6 million visitors by 2020.



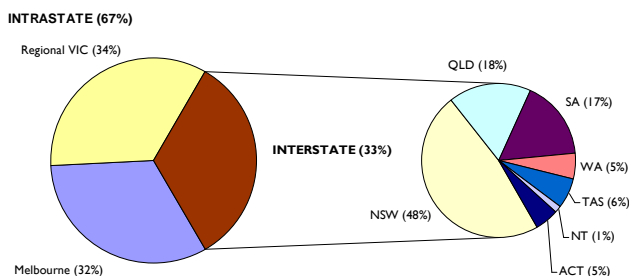
- By applying the national forecast rate of +0.6% to the latest data for Victoria, it is estimated that Victoria will receive 16.8 million domestic overnight visitors by 2020.
- Domestic visitor nights to Victoria are forecast to grow at an average annual rate of 0.5% to reach 52.3 million nights by 2020.
- Over the longer term (2009-2020) domestic visitor nights to Melbourne is forecast to increase by 0.8% per annum (19.8 million nights) and regional Victoria to increase by 0.5% per annum (52.3 million nights).

## PROFILE OF DOMESTIC VISITORS TO VICTORIA

### Destination Preference

- 41.4% of Australians (aged 14 years +), indicated that they would like to visit Victoria in the next two years.

### Domestic Overnight Visitors by Origin



- Intrastate visitors are the key market for Victoria, accounting for 67% of total domestic overnight visitors to the State. Interstate visitors, accounting for 33% of total domestic visitors, are primarily driven by the New South Wales market which comprises 48% of all interstate visitors.

### Age Group (% of Visitors)

- Domestic overnight visitors to Victoria were most likely to be in the 25-44 years (36%) and 45-64 years (35%) age groups.

Age Group	Victoria	Australia
15 - 24 years	15%	15%
25 - 44 years	36%	36%
45 - 64 years	35%	36%
65 years or over	14%	13%

### Lifecycle (% of Visitors)

- Domestic overnight visitors to Victoria tended to be in the parent (36%), single, no kids or older non-working (both 18%) lifecycles.

Lifecycle	Victoria	Australia
Single, No Kids	18%	17%
Couple, no kids	12%	12%
Parent	36%	38%
Older working	15%	16%
Older non-working	18%	17%

### Roy Morgan Values Segments<sup>1</sup> (% of Visitors)

- Visitors to Victoria were most likely to come from the Visible Achievement (22%), Socially Aware (20%) and Traditional Family Life (17%) Values Segments.

Values Segments	Victoria	Australia
Basic Needs	1%	1%
Fairer Deal	2%	2%
Traditional Family Life	17%	19%
Conventional Family Life	10%	12%
Look At Me	10%	10%
Something Better	5%	5%
Real Conservatism	4%	5%
Young Optimism	8%	7%
Visible Achievement	22%	21%
Socially Aware	20%	18%

<sup>1</sup> Devised by Michele Levine of Roy Morgan Research and Colin Benjamin of the Horizons Network.

## TRAVEL BEHAVIOUR OF DOMESTIC VISITORS TO VICTORIA

### Domestic Overnight Visitors by Purpose of Visit

- Forty-seven percent of visitors to Victoria were holiday visitors and 33% were visiting friends and relatives (VFR).

Purpose of Visit	Victoria	Australia
Holiday or leisure	47%	45%
Visiting friends and relatives	33%	33%
Business	17%	19%
Other	5%	5%

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### Length of Visit (% of Visitors)

- Seventy-four percent of domestic overnight visitors to Victoria visited on a short trip of 1-3 nights. A further 19% stayed 4-7 nights, whilst the remaining 6% stayed 8+ nights.

Length of Visit	Victoria	Australia
1-3 nights	74%	69%
4 - 7 nights	19%	23%
8 - 14 nights	4%	7%
15+ nights	2%	2%

### Domestic Overnight Visitors – Seasonality

- Visitation to Victoria peaks during summer, attracting 26% of visitors annually. In comparison, winter has the lowest proportion of visitors to Victoria annually 23%.

Month	Victoria	Australia
December	7%	7%
January	13%	12%
February	7%	6%
<b>Summer</b>	<b>26%</b>	<b>26%</b>
March	9%	8%
April	8%	9%
May	8%	8%
<b>Autumn</b>	<b>25%</b>	<b>25%</b>
June	7%	7%
July	9%	8%
August	7%	8%
<b>Winter</b>	<b>23%</b>	<b>23%</b>
September	8%	8%
October	8%	9%
November	9%	9%
<b>Spring</b>	<b>25%</b>	<b>26%</b>

### Travel Party (% of Visitors)

- The majority of visitors to Victoria travelled as part of an adult couple (29%), alone (24%), followed by family group (22%) or with friends or relatives (19%). When compared to visitors to Australia, visitors to Victoria were slightly more likely to travel as part of an adult couple or with friends or relatives and slightly less likely to travel as a family group or alone.

Travel Party	Victoria	Australia
Alone	24%	25%
Adult couple	29%	28%
Family group	22%	24%
Friends and/ or relatives	19%	18%
Business associates	4%	5%
Other	2%	2%

### Accommodation (% of Nights)

- Of all domestic visitor nights in Victoria for the year ending December 2009, 39% were spent with friends or relatives and 26% at a hotel, motel or serviced apartment. Compared to Australia, visitor nights in Victoria were more likely to be spent at a friends or relatives property or on own property (e.g. holiday house).

Accommodation	Victoria	Australia
Hotel, resort, motel or motor Inn	26%	27%
Guest house or B&B	1%	1%
Rented house, apartment, flat or unit	8%	11%
Caravan or camping	15%	16%
Friends or relatives property	39%	36%
Own property (e.g. holiday house)	6%	4%
Other	5%	6%

### Top 15 Activities (% of Visitors)

- Eating out at restaurants (59%), visiting friends and relatives (45%), shopping for pleasure (29%) and sightseeing (28%) were amongst the most popular activities for domestic overnight visitors to Victoria. Compared to the visitors to Australia generally, visitors to Victoria were more likely to go to the markets (8% cf 7%) or attend an organised sporting event (5% cf 3%).

Activities	Victoria	Australia
Eat out at restaurants	59%	58%
Visit friends and relatives	45%	46%
Go shopping (pleasure)	29%	29%
General sight seeing	28%	28%
Pubs clubs discos etc	19%	21%
Go to the beach	16%	23%
Going to markets (street, weekend or art craft)	8%	7%
Bushwalking or rainforest walks	8%	9%
Visit national parks or State parks	7%	9%
Visit museums or art galleries	6%	6%
Go on a daytrip to another place	5%	6%
Attend an organised sporting event	5%	3%
Play other sports	5%	5%
Go fishing	5%	7%

# Victoria Market Profile

## Year Ending December 2009

### INTERNATIONAL VISITATION TO VICTORIA

Year Ending December (000s)	1999	2007	2008	2009	AAG 99-09	% Change 2008-09
Overnight Visitors	1,075	1,462	1,479	1,531	3.6%	3.5%
Visitor Nights	17,981	30,953	33,655	38,368	7.9%	14.0%

- Victoria received more than 1.5 million international overnight visitors for the year ending December 2009. The average annual growth since 1999 was 3.6%, with a year-on-year growth of 3.5%.
- International overnight visitors to Victoria stayed a total of 38.4 million visitor nights for the year ending December 2009, staying an average of 25.1 nights.
- International visitor nights increased from the previous year by 14.0% and experienced an average annual growth of 7.9% since 1999.

### International Visitor Expenditure

- International visitors to Victoria spent \$3.8 billion during 2009, spending on average \$98 per night and \$2,443 per visit.

### International Forecasts

- International travel to Australia is forecast to increase 5.3% with 5.9 million visitors in 2010 and rising 5.6% to reach 6.2 million in 2011.
- The average annual growth rate of visitors to Australia is forecast to be 3.9% over the period 2009 to 2020, with visitation estimated to reach 8.5 million by 2020.
- Assuming Victoria maintains its current market share of international visitors, there will be an estimated 2.3 million visitors in 2020.

### PROFILE OF INTERNATIONAL VISITORS TO VICTORIA

#### Age Group (% of Visitors)

- International visitors to Victoria were most likely to be in the 25-44 years (41%) and the 45-64 years (33%) age groups.

Age Group	Victoria	Australia
15 - 24 years	19%	17%
25 - 44 years	41%	41%
45 - 64 years	33%	34%
65 years or over	7%	8%

### Country of Origin

- The primary markets for Victoria are New Zealand, the United Kingdom, China and the USA; with China (+1.8%) and New Zealand (+1.2%) experiencing year-on-year growth for 2009.
- With the exception of Japan all of Victoria's tier two markets experienced long term growth for the period 1999-2009.

Overnight Visitors by Origin	Year Ending December				AAG 99/09	% Change 08/09
	1999	2007	2008	2009		
<b>Tier 1</b>						
China	38,584	142,756	160,150	162,953	15.5%	1.8%
New Zealand	141,567	228,723	242,251	227,971	5.0%	1.2%
UK	153,252	238,677	211,519	208,984	2.8%	-3.7%
USA	121,747	131,043	132,542	130,160	0.6%	-0.5%
<b>Tier 2</b>						
Japan	79,613	61,447	44,863	39,889	-6.7%	-11.1%
Singapore	68,604	61,684	68,291	75,093	0.9%	10.0%
Malaysia	37,061	47,576	52,853	72,991	7.0%	38.1%
Germany	52,919	60,108	59,711	59,007	1.1%	-1.2%
Korea	15,394	37,489	38,676	33,076	7.9%	-14.5%
India	n/a	32,375	40,179	50,671	n/a	26.1%
Hong Kong	23,323	32,664	38,268	38,675	5.2%	1.1%
Canada	28,737	38,748	39,815	37,827	2.8%	-5.0%
<b>Tier 3</b>						
France	n/a	28,536	25,192	29,230	n/a	16.0%
Italy	n/a	21,764	22,479	23,976	n/a	6.7%
Netherlands	n/a	17,786	20,690	21,503	n/a	3.9%
Switzerland	n/a	17,187	14,596	16,343	n/a	12.0%
Nordic	n/a	26,466	27,086	28,959	n/a	6.9%
Indonesia	24,388	25,650	30,139	36,502	4.1%	21.1%
Taiwan	46,861	23,336	20,110	25,929	-5.7%	28.9%
Thailand	16,844	23,980	22,486	22,159	2.8%	-1.5%
<b>TOTAL</b>	<b>1,075,381</b>	<b>1,461,635</b>	<b>1,479,351</b>	<b>1,530,633</b>	<b>3.6%</b>	<b>3.5%</b>

Note - 'n/a' represents where the IVS data was not available for these markets.

### TRAVEL BEHAVIOUR OF INTERNATIONAL VISITORS TO VICTORIA

#### International Overnight Visitors by Purpose of Visit (% of Visitors)

- Forty-eight percent of international visitors to Victoria were holiday or leisure visitors, 24% were visiting friends and relatives and 14% were visiting for business purposes.

Purpose of Visit	Victoria	Australia
Holiday or leisure	48%	46%
Visiting friends and relatives	24%	25%
Business	14%	15%
Education	9%	8%
Employment	2%	2%
Other	2%	4%

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### Travel Party (% of Visitors)

- The majority of international visitors to Victoria travelled alone (60%) or as part of an adult couple (20%), similar to international visitors to Australia generally.

Travel Party	Victoria	Australia
Alone	60%	59%
Adult couple	20%	22%
Family group	8%	9%
Friends and/or relatives	9%	8%
Business associates	3%	3%

### Accommodation (% of Nights)

- Of all international visitor nights in Victoria in the year ending December 2009, 44% were spent at a rented house, apartment or unit, 29% were spent with friends or relatives and 11% were spent at a hotel, motel or serviced apartment.

Accommodation	Victoria	Australia
Rented house / apartment / unit / flat	44%	37%
Home of friend or relative	29%	26%
Hotel, motel or serviced apartment	11%	12%
Backpacker / hostel	6%	9%
Homestay	4%	5%
Educational institution (eg university)	2%	4%
Caravan park or commercial camping ground	1%	3%
Other	3%	4%

### Top 15 Activities (% of Visitors)

- Dining out (71%), sightseeing (61%), shopping for pleasure (54%), going to the beach (29%), and going to pubs, clubs and discos (28%) were among the most popular activities for international visitors to Victoria. Compared to international visitors to Australia generally, visitors to Victoria were more likely to go to markets (27% cf 19%), visit museums or art galleries (21% cf 14%), visit history or heritage buildings, sites or monuments (20% cf 17%), visit botanical or other public gardens (20% cf 17%), and go to the casino (17% cf 9%).

Activities	Victoria	Australia
Eat out	71%	69%
Sightseeing/looking around	61%	62%
Shopping for pleasure	54%	49%
Go to the beach	29%	43%
Pubs / clubs / discos etc	28%	28%
Go to markets	27%	19%
Visit national parks / state parks	25%	24%
Visit museums or art galleries	21%	14%
Visit botanical or other public gardens	20%	17%
Visit historic buildings / sites	20%	17%
Visit casinos	17%	9%
Visit wildlife parks / zoos / aquariums	14%	15%
Tourist trains	12%	5%
Attend Movies/Cinema	12%	9%
Bushwalking / rainforest walks	10%	12%

### First / Return Visitation (% of Visitors)

- Fifty-seven percent of international visitors to Victoria were on a return visit, while 43% visited Victoria for the first time.

Visitation	Victoria	Australia
First visit	43%	38%
Return visit	57%	62%

### Travel Arrangement (% of Visitors)

- Eighty-six percent of international visitors to Victoria were independent travellers, 8% were on a group tour and 6% were on a package tour. International travellers to Victoria were more likely to be travelling independently (86% cf 83%) when compared to travelers to Australia generally.

Travel Arrangement	Victoria	Australia
Group Tour	8%	7%
Package	6%	9%
Independent Travel	86%	83%

Note: Percentages may not add to 100% due to rounding.

Sources:

- National and International Visitor Surveys, year ending December 1999-2009, Tourism Research Australia
- Domestic and International Tourism Expenditure in Australia's regions 1999-2009, Tourism Research Australia
- Holiday Tracking Survey, year ending December 2009, Roy Morgan Research
- Tourism Forecasting Committee Forecast 2010 Issue 2, November 2010, Tourism Research Australia.