

Victorian Wineries Tourism Activity Survey - Year Ending December 2008



Tourism Victoria develops strategies to enhance the economic value of winery tourism. The 2008 Survey of Tourism Activity at Victorian Wineries was completed by 179 Victorian wineries with cellar door facilities.

Background

The objectives of this biennial study include monitoring visitation, tourism expenditure and estimating the economic value of Victoria's wineries.

Wineries were identified using the 'Winetitles' database. Wineries that do not offer cellar door, or are open by appointment only or one day per month were excluded as they have limited opportunities for visitation. For this research, the term 'Victorian wineries' refers to wineries with cellar doors that are open regularly. There were 420 wineries that met this classification.

Winery operators were then invited to participate in the survey and questionnaires could be completed via mail, phone or online.

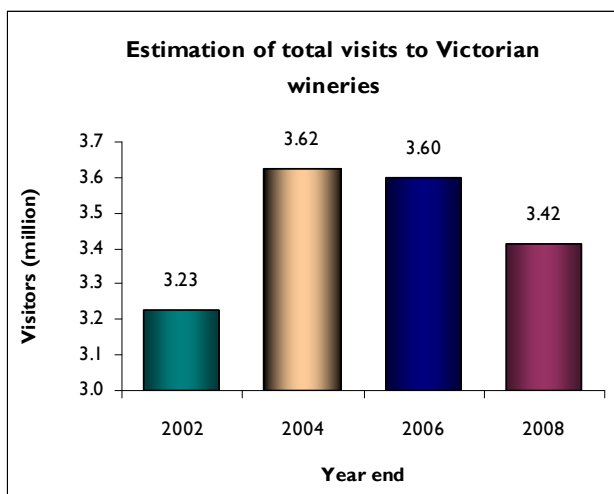
64% of winery operators reported that cellar door sales are extremely important to their business, with a further 20% stating cellar door sales are very important.

Over recent years key factors that have influenced the domestic visitor market include:

- Stagnant domestic tourism sector – with people taking fewer trips
- Increasing competition – with destinations becoming more innovative with their marketing
- Growth in low cost carriers - changing the nature of short break holidays

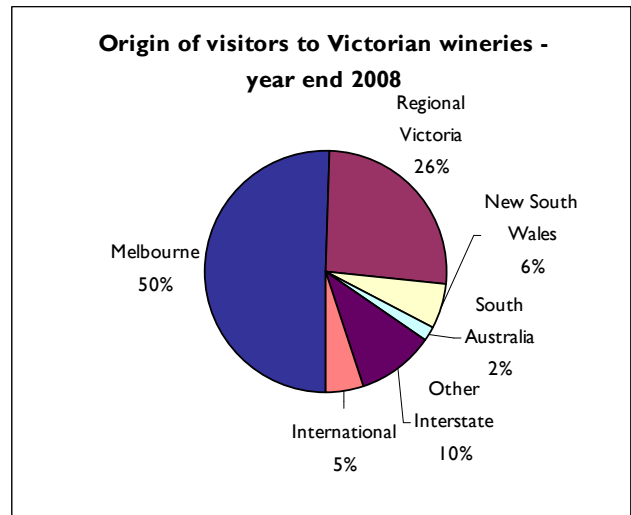
Visitation to Victorian wineries

There has been a decrease in estimated visitation to Victorian wineries from 3.60 million visitors in 2006, to 3.42 million visitors in 2008. In terms of seasonality, visitation is highest over summer, followed by autumn.



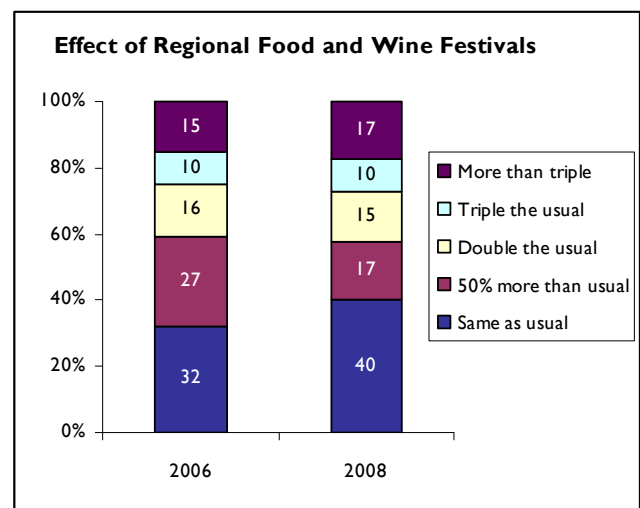
Origin of visitors to Victorian wineries

The majority of visitors to Victorian wineries were from Melbourne (50%), followed by Regional Victoria (26%) and interstate visitors (18%). New South Wales was the major source of interstate visitors (6%) and international visitors accounted for 5% of visitors.



Effect of festivals and public holidays

Regional food and wine festivals are estimated to have at least doubled usual visitation levels for over 40% of wineries, similar to levels in 2006. There was however an increase in respondents suggesting that the festivals had no impact on visitation levels (up 8 percentage points to 40%).



In relation to public holidays, Easter remains one of the most important of long weekends for wineries in terms of its impact on visitation. Nearly half the wineries reported that visitation during Easter was either double or triple the usual and a further 10% reported that visitation was more than triple the usual. At least 30% of respondents also noted that visitation was at double the usual on Queen's Birthday, Labour Day and Australia Day public holidays.

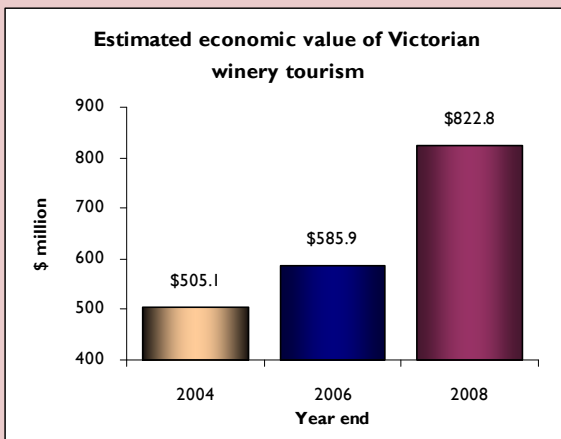
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Economic value of Victorian winery tourism

Economic value is an estimate of total dollars spent on **all travel expenses** in Victoria by visitors whose trip included at least a visit to one winery. It is calculated from an independent data source to this survey.¹

The estimated economic value of Victorian winery tourism for 2008 is \$822.8 million, an increase of 40% from 2006.

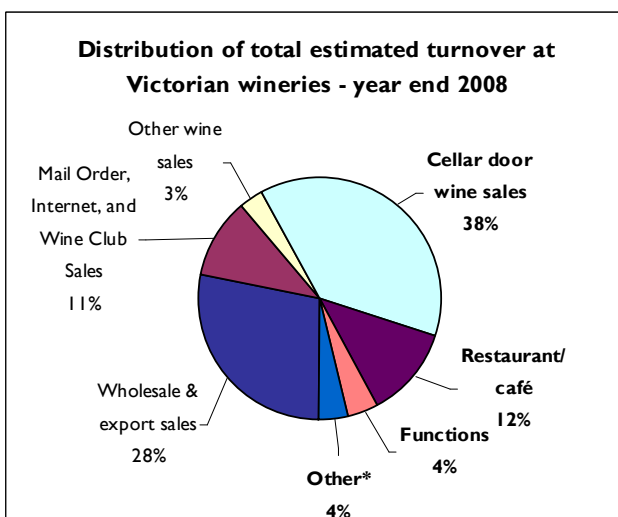


The 'Around Melbourne' zone has grown its share of total economic value of Victorian wineries (up 14 percentage points from 56% to 70%), which could be a result of the change in type of trips being made to wineries, which in turn is being influenced by low cost airlines and increases in city-based short breaks.

¹Sources: International Visitor Survey, National Visitor Survey, International Visitor expenditure in Australia's tourism regions and Domestic overnight visitor expenditure in Australia's tourism regions; year ending December 2006-2008, Tourism Research Australia

Estimation of total turnover at Victorian wineries

Total estimated turnover at Victorian wineries from all channels was estimated at \$417 million for 2008, which was an 11% decrease on the 2006 estimate of \$471 million.



* - 'Other' includes local produce sales, merchandise sales, accommodation and other.

Over half of winery respondents stated 'mail order, internet and wine club sales' are 'extremely important/very important' (54%) and 25% that they are 'somewhat important'.

Total Expenditure by visitors on site at the wineries represents 58% of total turnover at wineries, with categories highlighted in bold in the previous chart.

Estimation of tourism expenditure at Victorian wineries

Total tourism expenditure by visitors at Victorian wineries was estimated at just over \$181 million for 2008, which was a 37% decrease on the 2006 estimate of \$289 million.



Total employment at Victorian wineries

Almost 6,250 people are estimated to be currently employed within the wine industry. Over 40% are estimated to be employed in the tourism-related areas (highlighted in bold in the following chart).



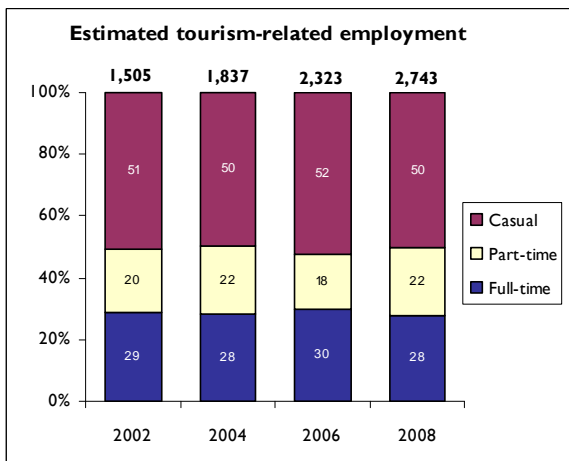
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Nature of tourism-related employment at Victorian wineries

In 2008 an estimated 2,743 people are employed in tourism-related positions within the wine industry, including cellar door, restaurant and food services, tourism marketing and accommodation.

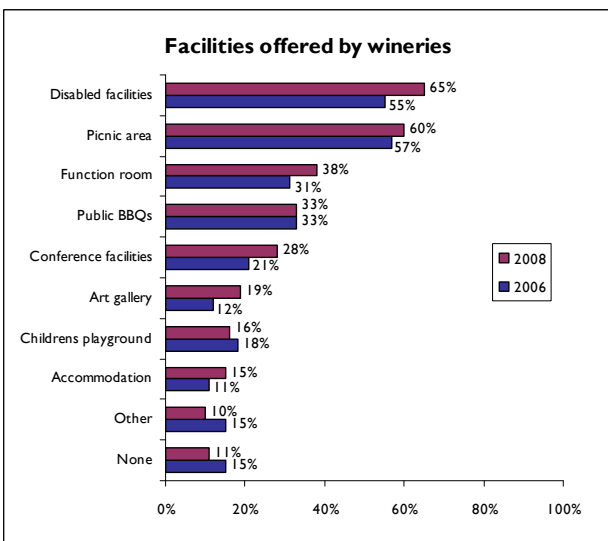
This estimate represented an increase of approximately 18% in total tourism-related employment since last measured in 2006 (an estimated 2,323). Growth was across all categories of employment, full-time, part-time and casual.



Facilities offered by Victorian wineries

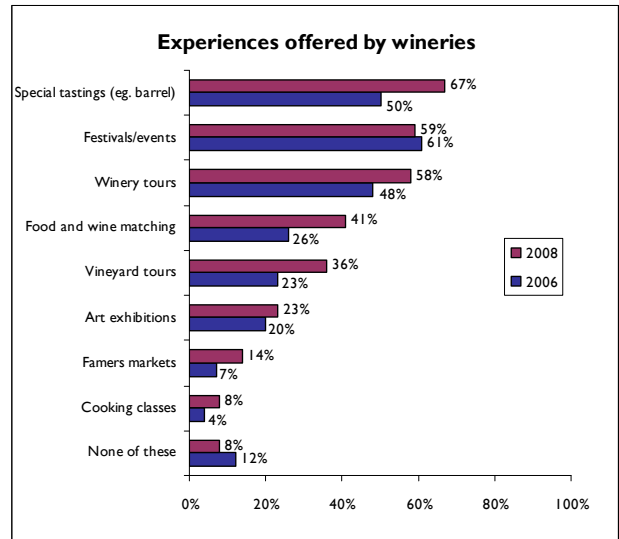
With respect to the provision of facilities other than food services, 2008 results show a steady or increased proportion of wineries providing most types of facilities compared to 2006. In particular, the proportion of wineries with disabled facilities has increased (up from 55% to 65%), and there are also a greater proportion of wineries offering function rooms (up from 31% to 38%), conference facilities (up from 21% to 28%), and art galleries (up from 12% to 19%).

Disabled facilities, picnic areas and function rooms now constitute the top three most common types of facilities provided by wineries.



Experiences offered by Victorian wineries

92% of wineries offer other types of experiences to visitors as well – the most common being special tastings (67%), festivals or events (59%), and winery tours (58%). The proportion of wineries offering all of the experiences shown in the chart has increased, with the exception of festivals/events and additional experiences not specified.

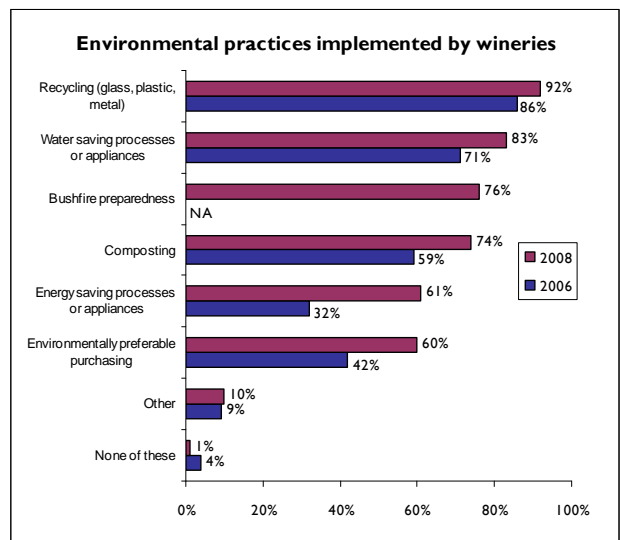


Environmental practices implemented by Victorian wineries

The majority of wineries Victoria-wide engage in recycling (92%, up 6% pts from 2006), and over 80% have water saving processes or appliances installed (83%). Almost three-quarters compost organic waste (74%).

For the first time in 2008 bushfire preparedness was included in the survey, with 76% of wineries indicating this as being implemented.

60% of wineries engage in environmentally preferable purchasing, and a similar proportion (61%) has energy-saving processes or appliances.

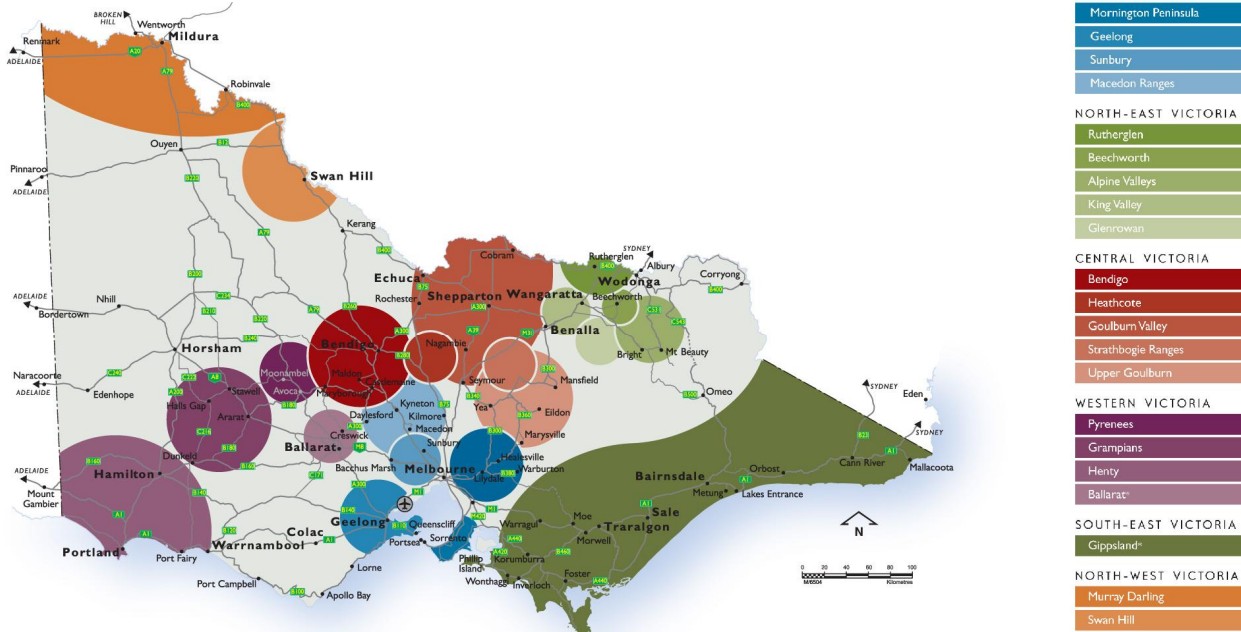


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Visitation and economic value by wine zone

The Victorian wine zones are represented in the following map.



Victoria's 420 wineries with cellar door facilities that are open regularly are divided into six wine zones. In 2008 the Around Melbourne region had 184 wineries with an estimated 2.2 million visitors. The Around Melbourne region accounted for 66% of visitors and 70% of the estimated economic value wine tourism brings to Victoria which equates to approximately \$575 million.

Wine Zone (regions)	Number of wineries	Estimated Visitors in 2008	Share of visitors in 2008	Estimated Economic Value (\$m) 2008	Share of Economic Value in 2008
Around Melbourne (Yarra Valley, Mornington Peninsula, Geelong, Sunbury, Macedon Ranges)	184	2,238,544	66%	575.3	70%
North-East Victoria (Rutherglen, Beechworth, Alpine Valleys, King Valley, Glenrowan)	64	464,832	14%	68.3	8%
Central Victoria (Bendigo, Heathcote, Goulburn Valley, Strathbogies Ranges, Upper Goulburn)	74	426,610	12%	89.6	11%
Western Victoria (Ballarat, Pyrenees, Grampians, Henty)	52	115,648	3%	23.4	3%
South-East Victoria (Gippsland)	32	130,208	4%	41.2	5%
North-West Victoria (Murray Valley/Mildura, Swan Hill)	14	39,354	1%	25	3%
Total	420	3,415,196	100%	822.8	100%

Forty six percent of respondents of the 2008 survey also completed the 2006 survey. Due to varied levels of overlap in respondents with previous surveys, estimations should to be interpreted with caution and taken as indicative only.

Small sample sizes should be read with caution. Typically, a minimum threshold of n=30 is set per zone to ensure sufficient representation. While this threshold level has not always been achievable, this information has been provided to allow some comparison. Analysis at the GI regional level (e.g. Yarra Valley) cannot be undertaken due to small sample size and confidentiality issues.

Figures may not add up due to rounding.

Source: Victorian Wineries Tourism Activity Survey 2009; prepared by the Research team at Tourism Victoria