

Year ended September 2011

## Domestic Visitors to Australia

|                   | Visitors   | Annual change <sup>1</sup> | Avg stay <sup>2</sup> | Annual change |
|-------------------|------------|----------------------------|-----------------------|---------------|
| <b>Total</b>      | 69,648,000 | 4% ▲                       | 3.8                   | -3% ▼         |
| Holiday           | 29,928,000 | 0%                         | 4.2                   | 0%            |
| VFR <sup>3</sup>  | 23,073,000 | 5%                         | 3.4                   | -6%           |
| Business          | 13,953,000 | 9%                         | 2.9                   | -6%           |
| <b>Intrastate</b> | 47,768,000 | 6% ▲                       | 3.1                   | 0%            |
| Holiday           | 21,792,000 | 2%                         | 3.4                   | 3%            |
| VFR               | 15,931,000 | 7%                         | 2.6                   | -7%           |
| Business          | 7,496,000  | 10%                        | 2.7                   | -7%           |
| <b>Interstate</b> | 23,335,000 | 1% ▲                       | 5.0                   | -4% ▼         |
| Holiday           | 8,861,000  | -4%                        | 5.9                   | -2%           |
| VFR               | 7,432,000  | 2%                         | 5                     | -4%           |
| Business          | 6,607,000  | 7%                         | 3.1                   | -3%           |

Australia's economy slowed during the year ending September 2011, with declines in car sales, building approvals and consumer confidence. Business confidence was also subdued as global uncertainty impacted on Australia's equity and financial markets<sup>6</sup>.

Despite this, domestic tourism in Australia continued to rebound during the period boosted by a strong mining sector, recovery efforts following the east-coast floods and stronger business confidence in early 2011.

Business and VFR (visiting friends or relatives) travel underpinned much of the growth in intrastate travel. Intrastate holiday travel also increased as budget conscious Australian's sought more affordable holidays in destinations close to home.

Short breaks to capital cities also helped support the growth in intrastate holiday visitation across Australia. Short break (1-3 nights) intrastate holidays to capital cities grew by 10% in the year to September 2011.

In contrast, the number of traditionally longer stay interstate holidays taken by Australians continued to decline, down by 4% over the last year. This was due to reduced interstate travel by residents of Sydney, Melbourne and Brisbane, with mortgage stress and the rising costs of living impacting travel.

Although interstate holiday travel declined in Australia, other forms of interstate travel increased, driven by strong growth in business travel, likely associated with the mining boom in WA and QLD. Interstate VFR travel may also be being substituted for holiday travel as visitors attempt to reduce travel costs.

The number of Australian's travelling for 3 nights or less increased 7%, while trips of 4 nights or more declined by 1%. This reflects a shift towards business and VFR travel away from holidays, as well as the shortening of holidays to reduce their overall cost.

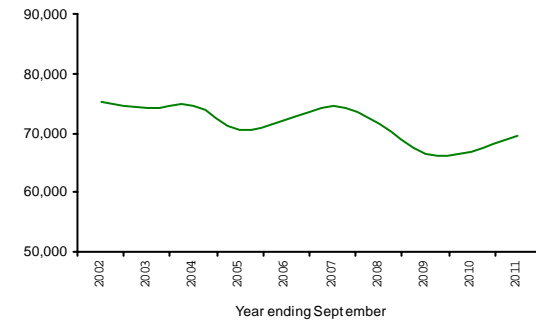
Low to middle income households, with household income of less than \$100,000, continued to reduce their domestic travel over the year to September 2011, with high income households (household income over \$100,000) seemingly more confident about their finances and continuing to increase their domestic travel.

High income households also increased their outbound travel and account for 44% of all outbound travel by Australian residents.

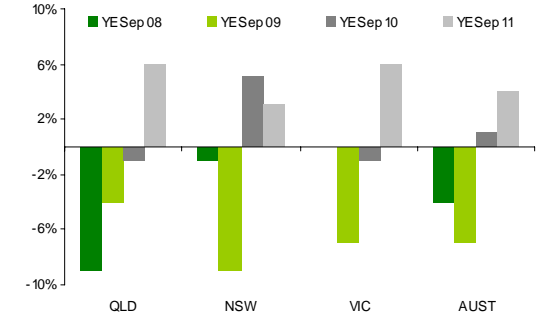
Overall outbound travel by Australian residents increased by 11% over the last year, however the rate of growth was lower than that achieved in 2010, reflecting increased global uncertainty, rising costs of international flights and a weaker Australian economy.

While domestic tourism is forecast to increase by 0.3% between 2010 and 2015, the year ending September 2011 has seen growth of around 4%, indicating a more positive outlook for domestic tourism. While domestic holiday travel is forecast to remain flat, outbound travel is expected to increase by 5% between 2010 and 2015<sup>8</sup>.

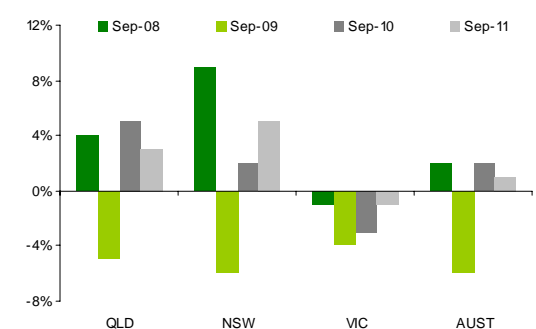
Domestic visitors to Australia ('000)



State comparison domestic visitors (percentage change)



State comparison expenditure (percentage change)



## Expenditure in Australia

|                          | \$ million | Annual change |
|--------------------------|------------|---------------|
| <b>Total<sup>4</sup></b> | \$43,261   | 1% ▲          |
| Holiday <sup>5</sup>     | \$20,774   | -2%           |
| VFR <sup>5</sup>         | \$7,044    | 6%            |
| Business <sup>5</sup>    | \$5,636    | 6%            |

## Year ended September 2011

### Domestic Visitors to Queensland

|                   | Visitors   | Annual change | Avg stay | Annual change |
|-------------------|------------|---------------|----------|---------------|
| <b>Total</b>      | 16,838,000 | 6% ▲          | 4.1      | -7% ▼         |
| Holiday           | 6,979,000  | 0%            | 4.8      | -2%           |
| VFR               | 5,365,000  | 5%            | 3.7      | -10%          |
| Business          | 3,769,000  | 17%           | 3.0      | -14%          |
| <b>Intrastate</b> | 11,428,000 | 8% ▲          | 3.1      | -11% ▼        |
| Holiday           | 4,684,000  | 3%            | 3.5      | 3%            |
| VFR               | 3,659,000  | 5%            | 2.8      | -18%          |
| Business          | 2,446,000  | 20%           | 2.9      | -15%          |
| <b>Interstate</b> | 5,410,000  | 1% ▲          | 6.1      | -3% ▼         |
| Holiday           | 2,295,000  | -6%           | 7.5      | -3%           |
| VFR               | 1,706,000  | 3%            | 5.7      | 4%            |
| Business          | 1,323,000  | 13%           | 3.2      | -11%          |

Domestic visitation to QLD strengthened in the year ended September 2011, with increases from both intrastate and interstate markets. Growth in domestic visitation in both the June and September quarters negated much of the impact of the weather events that occurred in 2010/11.

QLD achieved growth in intrastate travel from both holiday and VFR with the strongest growth in business visitation. This again reflects the resources boom currently underway and also the re-building phase that has been in progress since the 2010/2011 floods and cyclones.

Increased intrastate holiday visitation in QLD came entirely from higher income households (household income over \$100,000), with declines from intrastate holiday visitation by low and middle income households.

While interstate travel to QLD also increased slightly, declines were evident in the holiday market, particularly from the Sydney and Melbourne markets. Interstate holiday travel from these source markets has continued to decline nationally with consumers remaining cautious about their discretionary expenditure.

Adding to the declines in interstate holiday travel was the continued growth in outbound travel from higher income households from Sydney and Melbourne.

However, QLD did enjoy increased holiday visitation from its largest non-metropolitan source of visitors, regional NSW. These visitors also reflected the current consumer mindset shortening the length of their holidays in Queensland.

The current budget conscious mindset of consumers saw visitor expenditure in Queensland decline slightly, driven by holiday visitors spending less on their trips. Most of the declines in expenditure in QLD were driven by interstate markets, particularly NSW and VIC.

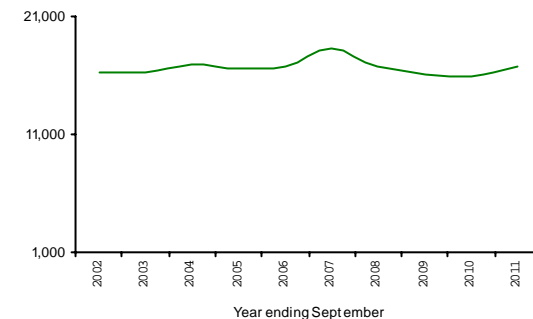
Despite declines in holiday expenditure, there was growth in expenditure by VFR and business visitors to QLD. Business visitors also increased their spend per night while in Queensland.

The Tourism Forecasting Committee predicts domestic visitor nights in QLD to decline by 4.1% in 2011. Forecast growth between 2010 and 2015 is expected to also decline by 0.2% per annum<sup>9</sup>.

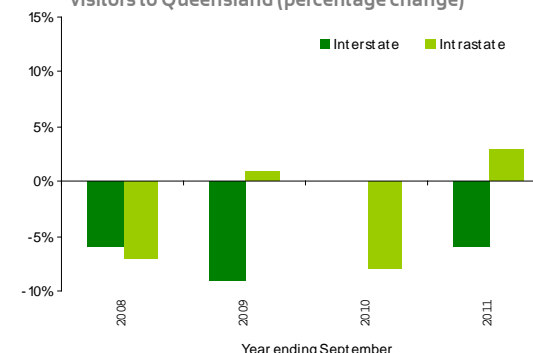
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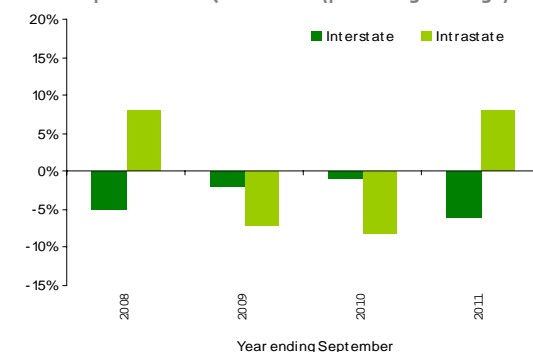
Domestic visitors to Queensland ('000)



Annual change in interstate and intrastate holiday visitors to Queensland (percentage change)



Expenditure in Queensland (percentage change)



### Expenditure in Queensland

|                          | \$ million | Annual change |
|--------------------------|------------|---------------|
| <b>Total<sup>4</sup></b> | \$11,335   | -1%           |
| Holiday <sup>5</sup>     | \$5,755    | -5%           |
| VFR <sup>5</sup>         | \$1,715    | 6%            |
| Business <sup>5</sup>    | \$1,429    | 12%           |

# Domestic Tourism Snapshot

Year ended September 2011

## Domestic visitors by region

|              | Visitors  | Annual change             | Holiday Visitors | Annual change |
|--------------|-----------|---------------------------|------------------|---------------|
| Brisbane     | 5,199,000 | 21%                       | 1,438,000        | 22%           |
| Gold Coast   | 3,224,000 | -3%                       | 1,799,000        | -11%          |
| Sunshine Cst | 2,700,000 | 6%                        | 1,460,000        | -6%           |
| TNQ          | 1,302,000 | -5%                       | 698,000          | -11%          |
| Toowoomba    | 1,279,000 | 0%                        | 392,000          | -3%           |
| Capricorn    | 814,000   | -2%                       | 302,000          | 6%            |
| Townsville   | 827,000   | 1%                        | 256,000          | 10%           |
| Mackay       | 580,000   | -14%                      | 161,000          | 15%           |
| Bundaberg    | 468,000   | -16%                      | 186,000          | -3%           |
| Fraser Coast | 576,000   | 5%                        | 282,000          | -1%           |
| Whitsundays  | 496,000   | 0%                        | 285,000          | -19%          |
|              | Visitors  | Trend change <sup>6</sup> | Holiday Visitors | Trend change  |
| Gladstone    | 499,000   | 24%                       | 217,000          | 26%           |
| Outback      | 403,000   | -4%                       | 153,000          | -2%           |

For more insights and data specific to any of the Queensland regions listed above, please refer to the **Regional Snapshots** which are released quarterly and can be found on our website at [www.tq.com.au/research](http://www.tq.com.au/research)

Brisbane saw strong growth in domestic visitation over the last year driven by residents of regional QLD. This growth can be linked to resources boom and recovery efforts following the QLD floods, in addition to the growing maturity of Brisbane as a holiday destination. Cultural events held in Brisbane are continuing to grow in popularity and contribute to growth in holiday visitation.

The Gold Coast had declines in domestic visitation, driven by holiday. As with many other destinations the Gold Coast was impacted by the downturn in holiday travel from Sydney and Melbourne. However, the region did see growth in VFR and business visitation.

The Sunshine Coast had growth in domestic visitation, supported by residents of regional QLD. Both business and VFR travel increased, offsetting declines in holiday. The Brisbane, Melbourne and Sydney markets were softer, contributing to the declines in holiday.

Domestic visitation to TNQ declined, driven by soft VFR and holiday markets. Interstate holiday travel to TNQ declined over the last year, influenced by reduced interstate holiday travel from residents of Sydney and Melbourne. Although intrastate travel declined for TNQ, residents of TNQ increased their travel within the region. TNQ's for the year ended September 2011 continue to be impacted by weather events that occurred earlier 2011.

The Whitsundays was also impacted by weather events and also the downturn in interstate travel from Sydney and Melbourne.

The Whitsundays, TNQ and Gold Coast are more reliant on source markets such as Sydney and Melbourne than other regions in QLD and are therefore more heavily impacted by the current downturn.

Toowoomba recorded stable domestic visitation in the year ended September 2011. Growth in business travel offset some of the declines in holiday and VFR travel. Residents of regional QLD increased their travel to Toowoomba, while Brisbane residents reduced their travel to the region.

Capricorn saw a small decline in domestic visitation, driven by interstate markets, however, the region enjoyed healthy increases in intrastate holiday travel from residents of regional QLD.

Townsville had a slight increase in domestic visitation, driven by VFR travel. Holiday increased, while business travel declined. Brisbane residents increased their travel, while NSW residents decreased their travel to Townsville.

Mackay saw reduced domestic visitation, a consequence of declines from VFR and business visitation. The region did see increased intrastate holiday visitation.

Bundaberg recorded declines in domestic visitation, the result of a soft regional QLD market (which represents 45% of all visitors to the region). In contrast, Bundaberg had growth in Brisbane residents visiting the region.

Fraser Coast had an overall increase in domestic visitation. Intrastate holiday visitation the regions largest source of visitors remained stable with VFR and business fuelling growth for the region.

## Intrastate visitors by region

|                | Visitors  | Annual change |
|----------------|-----------|---------------|
| Brisbane       | 2,966,000 | 27%           |
| Gold Coast     | 1,533,000 | -1%           |
| Sunshine Coast | 1,984,000 | 10%           |
| TNQ            | 740,000   | -8%           |
| Toowoomba      | 1,017,000 | -1%           |
| Capricorn      | 698,000   | 4%            |
| Townsville     | 658,000   | 6%            |
| Mackay         | 492,000   | -16%          |
| Bundaberg      | 401,000   | -15%          |
| Fraser Coast   | 471,000   | 6%            |
| Whitsundays    | 335,000   | 13%           |

## Interstate visitors by region

|                | Visitors  | Annual change |
|----------------|-----------|---------------|
| Brisbane       | 2,233,000 | 13%           |
| Gold Coast     | 1,691,000 | -5%           |
| Sunshine Coast | 716,000   | -3%           |
| TNQ            | 562,000   | 0%            |
| Whitsundays    | 162,000   | -19%          |
| Toowoomba      | 262,000   | 5%            |
| Capricorn      | 116,000   | n/p           |
| Townsville     | 169,000   | -12%          |
| Mackay         | 88,000    | 1%            |
| Bundaberg      | 67,000    | -18%          |
| Fraser Coast   | 104,000   | 1%            |

Year ended September 2011

## Domestic visitor expenditure<sup>4</sup> in Australia by state

|                 | Expenditure |               | Expenditure share    |                                     |
|-----------------|-------------|---------------|----------------------|-------------------------------------|
|                 | \$ million  | Annual change | Share of expenditure | Change in share (percentage points) |
| Queensland      | \$11,335    | -1%           | 26.2%                | -0.4                                |
| NSW             | \$12,883    | 3%            | 29.8%                | 0.5                                 |
| VIC             | \$9,019     | 5%            | 20.8%                | 0.8                                 |
| Other           | \$10,017    | -3%           | 23.2%                | -0.9                                |
| Total Australia | \$43,261    | 1%            | -                    | -                                   |

## Domestic visitor expenditure in Queensland by region

|                  | Expenditure |               | Expenditure share    |                                     |
|------------------|-------------|---------------|----------------------|-------------------------------------|
|                  | \$ million  | Annual change | Share of expenditure | Change in share (percentage points) |
| Gold Coast       | \$2,629     | -7%           | 23.2%                | -1.7                                |
| Brisbane         | \$2,620     | 15%           | 23.0%                | 3.3                                 |
| Sunshine Coast   | \$1,652     | -1%           | 15.6%                | -0.1                                |
| TNQ              | \$1,448     | -7%           | 13.0%                | -0.8                                |
| Total Queensland | \$11,335    | -1%           | -                    | -                                   |

1. Annual change refers to the percentage change between the year ending September 2011 vs. year ending September 2010.

2. Avg stay: Average length of stay.

3. VFR: Visiting friends or relatives. Please note: The figures for regional visitation include VFR visitors. These visitors typically stay with friends or family and as such their impact on the tourism industry can be minimal.

4. Expenditure including airfares and long distance transport costs.

5. Expenditure excluding airfares and long distance transport costs.

6. National Australia Bank, Quarterly Business Survey, September 2011

7. Includes the Australian capital cities and the Gold Coast

8. Tourism Forecasting Committee, Tourism Research Australia, Forecast 2011, Issue. 2.

n/p Not published

### Data Source:

The information included in this report is overnight visitor data extracted from the National Visitor Survey, managed by Tourism Research Australia. Approximately 120,000 Australian residents aged 15 and over comprise the annual national sample. The statistics included in this report depict rolling annual data for each quarter of the year. This removes seasonality from the data allowing the measurement of real growth and decline.

For this publication data has been adjusted to conform to Tourism Queensland destinations, which may differ slightly from ABS Tourism Regions.

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