

Year ended March 2011

Domestic Visitors to Australia

	Visitors	Annual change ¹	Avg stay ²	Annual change
Total	67,605,000	2% ▲	3.8	-3% ▼
Holiday	29,676,000	-1%	4.3	0%
VFR ³	22,356,000	3%	3.4	-6%
Business	12,926,000	4%	3.0	0%
Intrastate	45,971,000	3% ▲	3	-3% ▼
Holiday	21,407,000	0%	3.4	0%
VFR	15,205,000	3%	2.6	-4%
Business	6,942,000	5%	2.8	-3%
Interstate	23,003,000	3% ▲	5.1	-2% ▼
Holiday	8,951,000	-3%	6.0	0%
VFR	7,419,000	3%	5	-4%
Business	6,127,000	4%	3.2	7%

The recovery in domestic tourism continued in the year to March 2011, despite the adverse weather conditions that occurred in Australia's eastern mainland states.

Such weather events may have also served to boost domestic VFR and business visitation over the last year. Domestic business results continue to recover following declines during the Global Financial Crisis.

Consumer confidence has remained softer in light of a spate of price rises and the ongoing concern around future interest rate rises. As a consequence, the holiday sector eased at a national level and for all states, with only WA seeing growth.

Consumers remain budget conscious and continue to demand value from all purchases, with travel no exception. The nature of travel trends in Australia continued to reflect this consumer sentiment.

The number of short break holidays (3 nights or less) taken by Australians remained stable while the number of longer holidays taken of 4 or more nights declined in the year to March 2011.

Recent growth seen from day trip holidays has eased with only VFR day trips increasing over the last year. Many of these day trips may have been related to the weather events that occurred late in the year ending March 2011.

Outbound growth has continued unabated over the last year with the value proposition of such travel clearly resonating with consumers. Although international airfares have risen on some routes, the strong Australian Dollar still makes many overseas destinations very affordable relative to previous years.

Interstate holiday travel fell from all state capitals with the Melbourne holiday market being most heavily impacted, seeing declines of 14% over the last year. Much of the decline in holiday travel was driven by low to middle income households, with travel from higher income households being much more resilient.

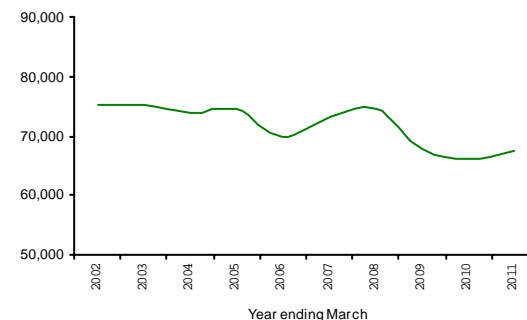
The reverse was true for regional parts of Australia with residents from these areas increasing their interstate holiday travel.

Other reasons for travel, apart from holiday, VFR or business, grew strongly, with the natural disasters contributing to these results.

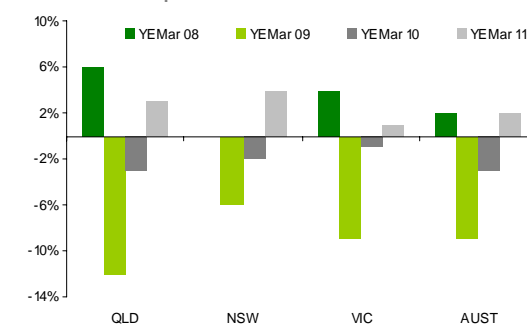
Forecasts for domestic tourism have been revised down slightly in the latest release from the Tourism Forecasting Committee. A decline of 0.3% in domestic visitor nights is predicted for 2011, allowing for the impact of floods and cyclones.

Domestic visitor nights are forecast to increase by 0.3% per annum to 2020, but will remain some 11% below peaks achieved in 2002⁵.

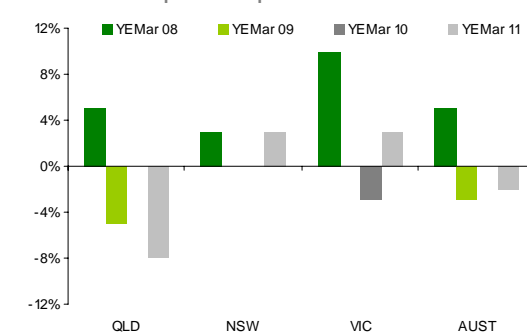
Domestic visitors to Australia ('000)



State comparison domestic visitors



State comparison expenditure



Expenditure⁴ in Australia

	\$ million	Annual change
Total	\$41,906	-2% ▼
Holiday	\$20,845	-4%
VFR	\$6,808	1%
Business	\$5,193	0%

Year ended March 2011

Domestic Visitors to Queensland

	Visitors	Annual change	Avg stay	Annual change
Total	16,037,000	3% ▲	4.2	-7% ▼
Holiday	6,914,000	-1%	4.9	-2%
VFR	5,055,000	0%	3.7	-8%
Business	3,322,000	11%	3.1	-11%
Intrastate	10,698,000	2% ▲	3.1	-11% ▼
Holiday	4,494,000	-2%	3.3	-8%
VFR	3,350,000	-2%	2.8	-15%
Business	2,229,000	14%	3	-9%
Interstate	5,340,000	5% ▲	6.3	-3% ▼
Holiday	2,420,000	1%	7.9	1%
VFR	1,705,000	6%	5.5	0%
Business	1,092,000	6%	3.3	-11%

Recent events in Queensland, including cyclones and floods across large parts of the state had a significant impact on domestic visitation in the March quarter of 2011. The impact of these events is only partially reflected in the year end results which also take into consideration visitation from the June, September and December quarters of 2011.

Intrastate travel was hampered by the weather events more-so than interstate. Flooding in numerous parts of the state reduced the ability of many Queenslanders to travel within their own region or to neighbouring regions.

Although intrastate travel within Queensland rose 2% over the year to March 2011, it declined by 20% in the March quarter of 2011.

Interstate travel to Queensland increased over the year but declined by 6% in the March quarter of 2011. Growth in interstate travel to Queensland was not driven by the largest sources of interstate holiday visitors, Sydney and Melbourne.

While the Sydney market stabilised for Queensland, following declines after the onset of the GFC, visitation from Melbourne declined sharply.

Interstate holiday travel by Melburnians within Australia declined by 14% in the year to March 2011. Declines from Melbourne were experienced by all states, with NSW the exception, with Sydney seeing an increased number of Melbournians on holiday.

The recent growth in Queenslanders travelling interstate for a holiday eased in the year to March 2011, driven by fewer Brisbane residents travelling interstate, perhaps preferring local destinations in the wake of the floods.

Despite seeing fewer holiday visitors from key source markets such as Melbourne, Queensland benefitted from increased interstate holiday travel from regional NSW and regional Victoria.

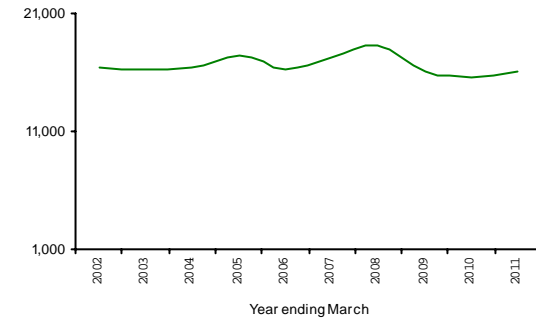
Queensland as with other parts of Australia also continued to benefit from a stronger business travel sector, despite seeing a significant downturn in the March quarter due to the severe weather events.

The resources sector, while also impacted by the weather events, continued to boost the business results for much of the year to March 2011.

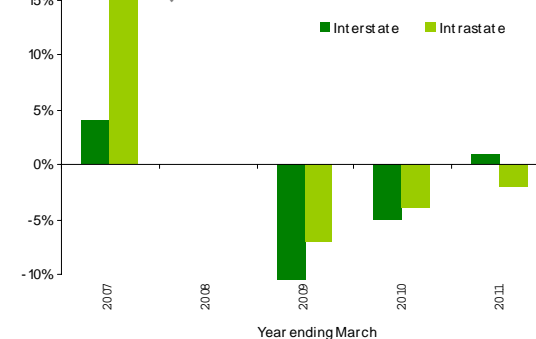
The benefits from stronger business results were lessened by reduced length of stay from business visitors. This fuelled a decline in expenditure from this sector for Queensland.

Queensland's decline in overall visitor expenditure was primarily driven by the holiday sector. The state saw a significant decline in the length of stay by intrastate visitors and also reduced spend per night from interstate visitors.

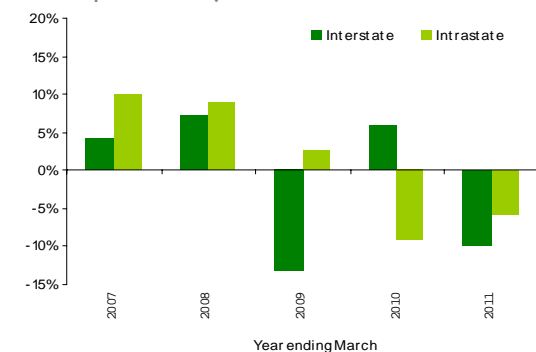
Domestic visitors to Queensland ('000)



Annual change in interstate and intrastate holiday visitors to Queensland



Expenditure in Queensland



Expenditure in Queensland

	\$ million	Annual change
Total	\$10,757	-8% ▼
Holiday	\$5,701	-11%
VFR	\$1,548	-8%
Business	\$1,174	-4%

Year ended March 2011

Domestic visitor expenditure in Australia by state

	Expenditure		Expenditure share	
	\$ million	Annual change	Share of expenditure	Change in share (percentage points)
Queensland	\$10,757	-8%	25.7%	-1.7
NSW	\$12,631	3%	30.1%	1.6
VIC	\$8,663	3%	20.7%	1.0
Other	\$9,854	-6%	23.5%	-0.9
Total Australia	\$41,906	-2%	-	-

IMPORTANT MESSAGE:

Tourism region data from the National Visitor Survey (NVS) will not be published in Tourism Queensland's Domestic Tourism Snapshot for the year ended March 2011.

During the floods and cyclones that recently impacted Queensland and other parts of Australia, the research company commissioned by Tourism Research Australia (TRA) to conduct the NVS, ceased surveying in a number of areas. This has had an impact on the data for a number of regions in Queensland.

TRA has advised that some aspects of the NVS should be viewed with caution as a consequence of the problems that were encountered due to the severe weather events.

Given the disruption to the data collection, Tourism Queensland has decided to err on the side of caution and not publish the domestic results at a tourism region level for the year ended March 2011 in the Domestic Tourism Snapshot publication.

National and State Overviews will still be published as normal.

If you have any concerns or comments please email research@tq.com.au

1. Annual change refers to the percentage change between the year ending March 2011 vs. year ending March 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 includes airfares and long distance transport costs.

5. Tourism Forecasting Committee, Tourism Research Australia, Forecast 2011, Issue 1.

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 data for each year ended quarterly. This removes seasonality from the data allowing the measurement of real growth/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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