

Domestic Tourism Snapshot

Year ended March 2010

National Overview

Domestic Visitors to Australia

| | Visitors | Annual change ¹ | Avg Stay ² | Annual change |
|------------------|-------------------|----------------------------|-----------------------|---------------|
| Total | 65,997,000 | -3% ▼ | 3.9 | 3% ▲ |
| Holiday | 29,912,000 | -1% | 4.3 | 2% |
| VFR ³ | 21,810,000 | -3% | 3.6 | 0% |
| Business | 12,390,000 | -6% | 3.0 | 3% |

| Intrastate | 44,844,000 | -3% ▼ | 3.1 | 0% |
|-------------------|-------------------|--------------|------------|-----------|
| Holiday | 21,396,000 | -2% | 3.4 | 3% |
| VFR | 14,831,000 | -4% | 2.7 | -4% |
| Business | 6,613,000 | -3% | 2.9 | 12% |

| Interstate | 22,431,000 | -3% ▼ | 5.2 | 2% ▲ |
|-------------------|-------------------|--------------|------------|-------------|
| Holiday | 9,194,000 | 2% | 6.0 | 0% |
| VFR | 7,219,000 | -2% | 5.2 | 2% |
| Business | 5,896,000 | -10% | 3.0 | -3% |

| EXPENDITURE | \$ Million | Annual change |
|--------------------|-------------------|----------------------|
| Australia | \$42,853 | 0% |



A number of key factors continue to constrain the recovery in domestic tourism in Australia. Rising interest rates and the withdrawal of government stimulus payments have quelled consumer confidence and spending. Similarly, a favourable exchange rate, affordable air travel and preference to travel internationally continue to lure Aussies offshore.

Australians took 66 million domestic overnight trips in the year ended March 2010, down 3% over the year.

Holiday travel declined nationally, although an increase in interstate holiday visitors was recorded for the first time since the end of 2007. New South Wales and Victoria's holiday markets fared better than Queensland over the year.

Queensland's holiday decline (-4%) was driven by interstate and intrastate holiday markets. Victoria's growth in holiday visitation (up 1%) was driven by the interstate market (particularly from Brisbane). Whilst, New South Wales' stable holiday result was underpinned by Sydneysiders resuming their travel within NSW itself.

Nationally, the interstate **VFR** trend that buoyed domestic travel in 2009 seems to be easing as recovery from the holiday market gains momentum.

Share of domestic visitors has remained relatively stable over the year, with NSW seeing the majority of domestic visitors (34%), followed by VIC (24%) then QLD (24%).

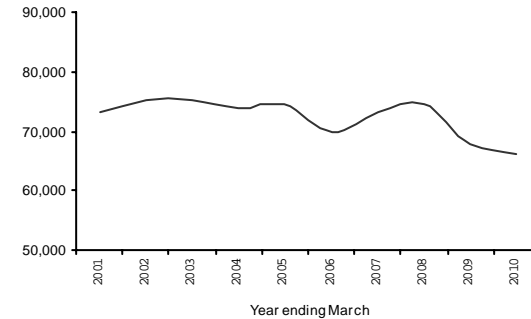
Average length of stay increased 3% nationally, driven by the increase in holiday nights in Queensland (up 1%), Victoria (up 5%) and South Australia (up 15%). Queensland and South Australia consequently saw an increase in holiday expenditure.

Nationally it was the growth in **holiday expenditure** which offset the declines in business and VFR expenditure. QLD and NSW saw stable expenditure results over the year, whilst VIC declined.

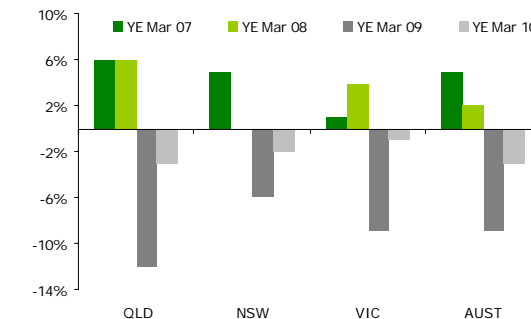
Australians **preference** to take a domestic holiday has declined over the last few years, as preference to travel overseas continued to increase. However, Queensland remains the preferred state for a holiday or leisure trip. Victoria has increased (due to popularity for short break holidays); whilst NSW has seen the largest decline in preference when compared to other states⁴.

The **outlook** for domestic tourism remains uncertain with the recent retail spending figures and commercial accommodation choices indicating that consumers are remaining budget conscious. The TFC⁵ forecasts a modest 2% growth in domestic visitor nights in 2010.

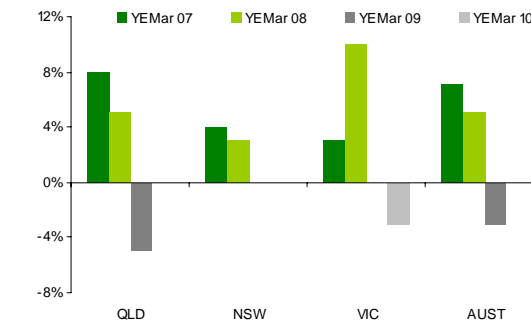
Domestic visitors to Australia ('000)



State Comparison Domestic Visitors



State Comparison expenditure



Domestic Tourism Snapshot

Year ended March 2010

Queensland Overview

Domestic Visitors to Queensland

| | Visitors | Annual change | Avg Stay | Annual change |
|--------------|------------|---------------|----------|---------------|
| Total | 15,531,000 | -3% ▼ | 4.5 | 5% ▲ |
| Holiday | 6,974,000 | -4% | 5.0 | 6% |
| VFR | 5,030,000 | -2% | 4.0 | -2% |
| Business | 2,995,000 | -4% | 3.5 | 21% |

| Intrastate | 10,438,000 | -4% ▼ | 3.5 | 3% ▲ |
|-------------------|-------------------|--------------|------------|-------------|
| Holiday | 4,583,000 | -4% | 3.6 | 3% |
| VFR | 3,418,000 | -5% | 3.3 | -3% |
| Business | 1,962,000 | -2% | 3.3 | 27% |

| Interstate | 5,093,000 | -3% ▼ | 6.5 | 7% ▲ |
|-------------------|------------------|--------------|------------|-------------|
| Holiday | 2,391,000 | -5% | 7.8 | 10% |
| VFR | 1,612,000 | 5% | 5.5 | -4% |
| Business | 1,033,000 | -9% | 3.7 | 6% |

| EXPENDITURE | \$ Million | Annual change |
|--------------------|-------------------|----------------------|
| Queensland | \$11,736 | 0% |



The **pattern** of domestic travel in Queensland has shifted over the year, with the intrastate market's resilience seen throughout 2009 showing signs of slowing. Queensland residents are increasingly opting to take an interstate trip.

Holiday visitor increases from Melbourne remain a positive for Queensland. In contrast, Sydney interstate travel continued to remain weaker (however all interstate holiday travel out of Sydney declined over the year), with Sydneysiders choosing a short break (2-3 night) destination in lieu of a longer stay holiday destination.

VFR travel from both Melbourne and Sydney have started to rebound over the year, with the regions that benefitted from the increase being Brisbane, the Gold Coast and Sunshine Coast.

Business declines remain the largest across all forms of travel as business confidence remains variable, a more gradual recovery is expected.

Average stay in Queensland increased 5 percent over the year, driven by interstate holiday visitors. Queensland recorded the highest national average for average stay (at 5 nights) relative to other states, for the year ended March 2010.

Expenditure remained stable at \$11.7 billion overall to Queensland. Holiday expenditure increased 5 percent boosted by the interstate holiday night increases. However, this positive result was offset by declines from the VFR and business markets.

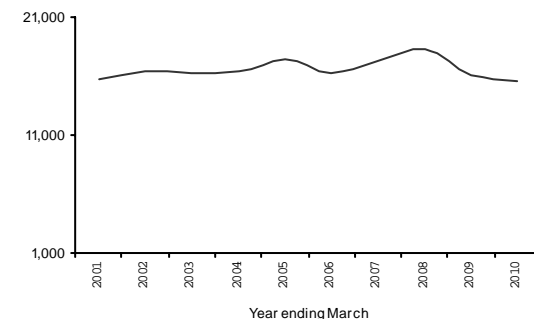
Intrastate travel declines continued in Queensland, due to Brisbane residents reducing their holiday travel within Queensland. The regions that were most impacted by the decline were Brisbane itself and the Sunshine Coast.

Interstate travel to Queensland is starting to recover, driven by Melbourne holiday growth. However, a recovery from the Sydney market is needed to further assist Queensland's recovery.

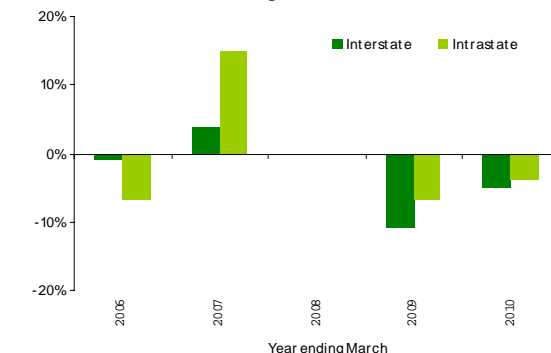
The **family market** remains the more resilient market for Queensland, with interstate family groups increasing their holiday trips and nights spent in the state (particularly from Melbourne). It was the couples market reducing travel that underpinned the domestic decline in Queensland.

The commercial accommodation sector was boosted by interstate holiday visitor increasing their stay, however it was the 'luxury accommodation' sector that saw much of this growth.

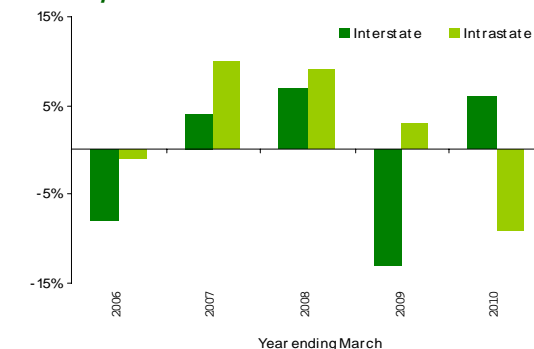
Domestic visitors to Queensland ('000)



Annual change in interstate and intrastate holiday visitors to Queensland



Expenditure to Queensland



Domestic Tourism Snapshot

Year ended March 2010

Region Overview

Domestic Visitors – by region

| | Visitors | Annual change | Holiday Visitors | Annual change |
|----------------|-----------|---------------------------|------------------|---------------|
| Brisbane | 4,128,000 | -11% | 1,099,000 | -20% |
| Gold Coast | 3,148,000 | -2% | 1,959,000 | -2% |
| Sunshine Coast | 2,468,000 | -8% | 1,559,000 | -6% |
| TNQ | 1,499,000 | 4% | 813,000 | 3% |
| Central QLD | 1,172,000 | 24% | 406,000 | 9% |
| Toowoomba | 1,039,000 | 8% | 313,000 | 10% |
| Townsville | 766,000 | -9% | 312,000 | 30% |
| Fraser Coast | 734,000 | -12% | 343,000 | -5% |
| | Visitors | Trend change ⁶ | Holiday Visitors | Trend change |
| Capricorn | 927,000 | 3% | 303,000 | -5% |
| Mackay | 590,000 | -2% | 142,000 | 0% |
| Bundaberg | 489,000 | 0% | 163,000 | -5% |
| Whitsundays | 449,000 | -8% | 311,000 | -6% |
| Outback | 378,000 | -7% | 156,000 | -1% |
| Gladstone | 284,000 | -3% | 124,000 | 2% |

The **regional** results for year ended March 2010 continues to be mixed. A rebound in interstate holiday travel has buoyed visitation to some regions; whilst a contraction in intrastate travel offset the positive result.

Brisbane recorded an increase in visitors from its largest domestic market (VFR) driven by both interstate and intrastate visitors. This positive result was offset by a decline in holiday visitors - particularly from Brisbane residents reducing their travel within Brisbane and Queensland itself. A result of Brisbane residents opting for an interstate holiday, predominately to Melbourne over the year. Brisbane's domestic expenditure decline was a result of these lost intrastate holiday nights.

The **Gold Coast** continued to feel the affect of Sydneysiders reducing domestic travel; although the magnitude of declines seen in previous periods is easing. Conversely, Melbournian holiday visitors increased their travel to the region; as did visitors from Brisbane and Sunshine Coast. The Gold Coast recorded an increase in domestic expenditure, with this result influenced by the increase in holiday nights.

The **Sunshine Coast** witnessed a downturn in holiday and VFR visitors (perhaps attributed to the adverse weather in the March quarter 2010) to record a year ended decline. Positively, visitor expenditure remained stable, driven by an increase in average length of stay.

Tropical North Queensland's positive result was underpinned by the increase in interstate holiday visitors from Melbourne. Business visitation also increased from local and surrounding regions and assisted the regions domestic visitor upswing. However, it was Melbourne holiday night increases that drove the positive expenditure result.

The **Whitsundays** benefitted from the increase in Victorian visitors heading to the region for a holiday; although this positive result was offset by the decline in holiday visitors from Brisbane and surrounding regions (a trend seen across Queensland's).

Intrastate Visitors – by region

| | Visitors | Annual change |
|--------------------|-----------|---------------|
| Brisbane | 2,244,000 | -15% |
| Gold Coast | 1,467,000 | 3% |
| Sunshine Coast | 1,779,000 | -10% |
| TNQ | 956,000 | -1% |
| Toowoomba | 844,000 | 12% |
| Fraser Coast | 627,000 | -9% |
| Townsville | 585,000 | -16% |
| Central Queensland | 956,000 | 19% |

Interstate Visitors – by region

| | Visitors | Annual change |
|--------------------|-----------|---------------|
| Brisbane | 1,884,000 | -6% |
| Gold Coast | 1,681,000 | -5% |
| Sunshine Coast | 689,000 | -4% |
| TNQ | 544,000 | 14% |
| Whitsundays | 191,000 | 18% |
| Toowoomba | 195,000 | -5% |
| Fraser Coast | 106,000 | -28% |
| Townsville | 181,000 | 26% |
| Central Queensland | 216,000 | n/p |

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

Expenditure Overview

Domestic Visitor Expenditure in Australia – by state

| | Total Expenditure ⁷ | | Expenditure Share | |
|------------------------|--------------------------------|---------------|-------------------|--|
| | \$ Million YE March 10 | Annual change | (%) YE March 10 | Change in share (percentage points) |
| QLD | \$11,736 | 0% | 27.4% | 0.0 |
| NSW | \$12,215 | 0% | 28.5% | -0.1 |
| VIC | \$8,418 | -3% | 19.6% | -0.7 |
| Other | \$10,481 | 3% | 24.5% | 0.8 |
| Total Australia | \$42,853 | 0% | - | - |

Domestic Visitor Expenditure to Queensland – by region

| | | | | |
|----------------|----------|------|-------|------|
| Brisbane | \$2,183 | -21% | 18.6% | -5.0 |
| TNQ | \$1,791 | 34% | 15.3% | 3.9 |
| Gold Coast | \$2,879 | 3% | 24.5% | 0.8 |
| Sunshine Coast | \$1,724 | 0% | 14.7% | 0.1 |
| Fitzroy | \$636 | 31% | 5.4% | 1.3 |
| Total QLD | \$11,736 | 0% | - | - |

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.

Important Regional Data Information

From 2005, Tourism Research Australia increased the sample size of the National Visitors Survey. The nature of tourism is such that there tends to be an incredibly vast number of different trips taken by travellers. With an increased sample a broader spread of trip types is captured. Some trips can involve extended lengths of stay, particularly those for VFR, business or education. Such trips represent valid information but may produce seemingly large variations between years for tourism regions. This must be considered when viewing variances, in particular, year on year comparisons.

For Further Information:

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1. Annual change refers to the percentage change between the year ending March 2010 vs. year ending March 2009.
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. Roy Morgan Research, Travel Preference March Quarter 2010
5. Tourism Forecasting Committee, Forecast 2009 Issue 2
6. Trend change refers to change between the three years to March 2010 vs. three years to March 2009.
7. Expenditure includes airfares and long distance transport costs.