

14

TOURISM

Introduction

Data in this chapter relate to tourism, a growth area in Australia throughout the past decade. The major topics covered include overseas visitors to Australia, interstate travel and tourist accommodation.

OVERVIEW

As a generator of economic activity, employment and foreign exchange earnings, tourism has become increasingly important and promises further growth as we move towards the twenty-first century.

International tourism to Australia generated export earnings of \$11.3 billion in 1994, accounting for 12.3% of Australia's total export earnings. This was an increase of 14% over 1993. It is estimated that at least 130,000 jobs in Victoria are generated by tourism.

Overseas visitors

In the Balance of Payments estimates, which relate to Australia's financial transactions with the rest of the world, the services account makes reference to travel credits and debits. Travel credits measure the value of goods and services acquired in Australia by non-resident travellers. Non-resident travellers include persons visiting Australia for reasons of business, study, health or recreation for less than one year. Foreign military personnel on rest and recreation leave in Australia are included as non-resident travellers. Foreign students studying in Australia are included in the figures even if their period in Australia exceeds one year.

The values of travel service credits for the six years to 1993-94 are shown in Table 14.1. The only year to show a real reduction was 1989-90 when the value of travel service credits at constant prices decreased by 5.4% over the previous year. This followed two major tourist events, namely, the Expo 88 World Trade Fair in Brisbane, and the 1788-1988 Bicentenary celebrations of European settlement in Australia.

TABLE 14.1 BALANCE OF PAYMENTS TRAVEL SERVICE CREDITS

	\$m					
At current prices	4 577	4 639	5 351	5 939	6 411	7 502
At 1989-90 prices	4 904	4 639	5 091	5 611	5 918	6 929
Annual percentage change at 1989-90 prices	12.8	-5.4	9.7	10.2	5.5	17.1

Source: *Balance of Payments, Australia* (5303.0)

Short-term overseas visitors

Short term overseas visitors are defined as travellers whose intended stay or actual period of stay is less than twelve months, except those who on arrival hold migrant visas.

In 1988 there were 2.2 million short-term overseas visitors to Australia. By 1994 the number had increased by 50% to 3.4 million with 55% arriving from Japan, New Zealand, the UK and Ireland, and the USA.

TABLE 14.2 SHORT-TERM OVERSEAS VISITOR ARRIVALS TO AUSTRALIA BY COUNTRY OF RESIDENCE, 1988 and 1994

	1988		1994	
	Number	%	Number	%
Japan	352 315	15.7	721 089	21.5
New Zealand	534 295	23.8	480 354	14.3
UK and Ireland	260 781	11.6	350 459	10.4
USA	322 046	14.3	289 683	8.6
Singapore	15 842	0.7	187 636	5.6
Taiwan	19 196	0.9	142 534	4.2
Other	744 808	33.1	1 189 966	52.9
All countries	2 249 283	100.0	3 361 721	100.0

Source: *Overseas Arrivals and Departures, Australia* (3401.0)

The number of short term overseas visitors to Australia in 1994 was 3,361,721, an increase of 49% over the 2,249,283 recorded in 1988. The main contributors to this increase were visitors from Singapore, Taiwan and Japan. The major source countries in 1994 were Japan (21.5% of total), New Zealand (14.3%), UK and Ireland (10.4%) and USA (8.6%). Each of these countries' percentage contribution to the total has decreased since 1988.

The Bureau of Tourism Research's 1993 International Visitor Survey revealed a more detailed profile of short term overseas visitors to Australia. The average length of stay in Australia in 1993 was 23 nights, with average expenditure of \$1,787 per visitor. Aggregate expenditure by overseas tourists in Australia was estimated to be \$5 billion in 1993.

Visitor profiles

The following section provides profiles of the largest nationality groups (aged 15 years and over) to visit Australia and Victoria, based on information from the 1993 Bureau of Tourism Research International Visitor Survey.

New Zealand visitors

In 1993, there were 463,400 New Zealand visitors to Australia, accounting for 17% of all international visitors. Of these, 121,500 or 26% visited Victoria. New Zealanders accounted for 15% of all overseas visitors who visited Victoria. A total of 7.8 million nights were spent in Australia by New Zealand tourists. The average duration of stay was 17 nights in Australia of which 9 nights were spent in Victoria.

There was a fairly even distribution of New Zealand visitors across all age groups. The main reasons given as their purpose of visit were holidays (44%) and visiting relatives (27%). The average trip expenditure by New Zealanders was \$1,119, an average of \$67 per night. The average expenditure for food, drink and accommodation was \$412 and the average expenditure for shopping was \$411. The main attractions in Victoria for New Zealand visitors were Melbourne shopping and the Queen Victoria markets.

Japanese visitors

In 1993, there were 641,000 Japanese visitors, accounting for 23% of all international visitors to Australia. Of these, 95,400 or 15% visited Victoria. Japanese visitors accounted for 12% of all overseas visitors who visited Victoria. A total of 4.7 million nights were spent in Australia by Japanese tourists. The average duration of stay was 7 nights in Australia of which 3.5 nights were spent in Victoria. The largest proportion of Japanese visitors (40%) to Australia in 1993 were aged 20-29 years. The main reason given by Japanese visitors as their purpose of visit was holidays (92%). The average trip expenditure by Japanese visitors was \$1,388, with an average of \$188 per night. The average expenditure on shopping was \$1,018, well above the average of \$618 for all overseas visitors. However the average expenditure of \$206 for food, drink and accommodation by Japanese visitors was well below the average for all overseas visitors. In contrast to other major overseas country visitors, the greater proportion of nights spent (71%) in Australia by Japanese visitors was in hotels with facilities.

Of all Japanese visitors to Victoria, 63% visited the Queen Victoria Market, 51% visited Captain Cook's Cottage/Fitzroy Gardens and 46% travelled to Phillip Island.

UK and Ireland visitors

In 1993, there were 301,800 visitors from the UK and Ireland, accounting for 10.8% of all international visitors to Australia. Of these, 97,100 or 32% visited Victoria and they accounted for 12.3% of all overseas visitors who visited Victoria. A total of 12.3 million nights were spent in Australia by visitors from the UK and Ireland. The average duration of stay was 41 nights in Australia of which 15 nights were spent in Victoria. The largest number of UK and Irish tourists to Australia were from the 20-29 year age group (20%) and the over 60 year age group (24%). The main reasons given as their purpose of visit were holiday (44%) and visiting relatives (42%). Their average trip expenditure was \$1,914, with an average expenditure per night of \$47. UK and Ireland visitors, on average, spent \$861 on food, drink and accommodation (compared with an average of \$581 for all overseas country visitors) and \$446 on shopping. UK and Ireland visitors spent over 61% of their nights in Australia with friends or relatives.

Of all UK and Ireland visitors to Victoria, 85% visited Melbourne. While in Victoria, 38% visited the Royal Botanic Gardens, 24% visited the Queen Victoria Markets and 24% visited The Twelve Apostles/Great Ocean Road.

USA visitors

In 1993, there were 266,800 American tourists, accounting for 9.6% of all international visitors to Australia. Of these, 93,200 or 35% visited Victoria. These Americans accounted for 11.8% of all overseas visitors who visited Victoria. A total of 6.9 million nights were spent in Australia by visitors from the USA. The average duration of stay was 26 nights in Australia. The main reasons given as their purpose of visit were holidays (55%), business (17%) and visiting relatives (13%). The average trip expenditure by USA visitors was \$2,000, with an average of \$78 per night. The major proportion of expenditure (\$918) was on food, drink and accommodation.

Visitors from the USA spent 30% of their nights in Australia with friends or relatives and 26% in hotels with facilities.

Of all USA visitors to Victoria, 91% visited Melbourne. While in Victoria 38% visited the Queen Victoria Markets, the Royal Botanic Gardens (36%), Phillip Island (28%) and Captain Cook's Cottage/Fitzroy Gardens (25%).

TABLE 14.3 CHARACTERISTICS OF SHORT-TERM OVERSEAS VISITORS TO AUSTRALIA, 1993

	Japan	New Zealand	UK and Ireland	USA	All countries
Visitors to Australia (a) ('000)	641.0	463.4	301.8	266.8	2 783.4
Average stay (nights)	7	17	41	26	23
No. on group tours (%)	75	3	3	11	26
Accommodation (%) -					
hotels with facilities	95	40	45	70	62
friends or relatives	3	49	72	34	38
rented house/flat	2	13	7	6	6
backpackers	1	1	10	5	5
motels with facilities	1	15	17	11	10
Age distribution (%) -					
Under 20 years	9	11	9	9	11
20-29 years	40	16	20	13	23
30-39 years	17	20	15	19	19
40-49 years	12	21	15	19	18
59-59 years	12	15	16	17	14
60 years or over	10	16	24	22	15
Average expenditure in Australia (\$) -					
Food, drink and accommodation	206	412	861	918	581
Shopping	1 018	411	446	370	618
Transport (b)	28	76	192	221	130
Tours	55	18	125	108	74
Entertainment	24	45	83	61	54
Other	56	156	208	323	329
Per capita spending (\$)	1 388	1 119	1 914	2 000	1 787
Aggregate spending (\$m)	890	519	578	534	4 974

(a) Visitors aged 15 years and over

(b) Self drive cars, vans, domestic airfares, taxis, limousines, train, coach fares

Estimates are based on a sample and are subject to sampling error.

Source: Bureau of Tourism Research, International Visitor Survey.

TABLE 14.4 VISITORS TO AUSTRALIA (a), BY PLACES VISITED - VICTORIA, 1993

Places visited	Country of residence											Total		
	United States	Japan	Other Asia	Hong Kong	Malaysia	Singapore	Canada	New Zealand	UK & Ireland	Other Europe	Germany		Scandinavia	
	% (b)													
Melbourne	91	99	97	97	97	98	93	91	85	89	86	92	89	92
Royal Botanic Gardens	36	20	29	20	33	24	23	10	38	35	32	31	30	28
Queen Victoria Market	38	63	52	42	52	62	37	37	24	41	42	44	40	43
Phillip Island	28	46	35	32	28	39	24	12	22	25	29	22	19	28
Captain Cook's Cottage/ Fitzroy Gardens	25	51	30	25	19	19	14	15	21	21	21	16	16	26
Victorian Arts Centre/Theatre/ Concert Hall	18	13	16	15	23	13	13	15	17	15	16	15	17	16
National Gallery of Victoria	16	15	14	13	20	7	13	7	18	15	15	14	10	14
Melbourne Zoo	20	23	20	19	21	7	19	15	13	18	16	17	27	19
Museum of Victoria	19	18	17	17	20	11	12	7	10	17	17	13	15	15
Old Melbourne Gaol	3	3	5	8	4	3	1	8	6	6	6	5	2	5
Sovereign Hill at Ballarat	8	6	17	32	28	23	16	11	15	16	14	17	10	13
Healesville Sanctuary The Twelve Apostles/ Great Ocean Road	18	2	8	3	14	9	12	5	15	10	7	12	7	9
Dandenong Ranges	18	8	12	19	21	22	17	5	24	27	35	22	10	15
The Grampians National Park	16	1	14	14	21	24	19	18	20	14	17	8	12	14
	5	1	3	3	5	4	7	3	8	9	11	10	3	5

(a) All visitors aged 15 and over.

(b) Percentages may add to more than 100% as visitors may have visited more than one attraction.

Source: Bureau of Tourism Research, International Visitors Survey.

**Victoria as a
tourist destination**

In 1994, 438,621 or 13% of the 3.4 million short term visitors to Australia nominated Victoria as their State of intended stay. This percentage has decreased from 15.9% in 1989.

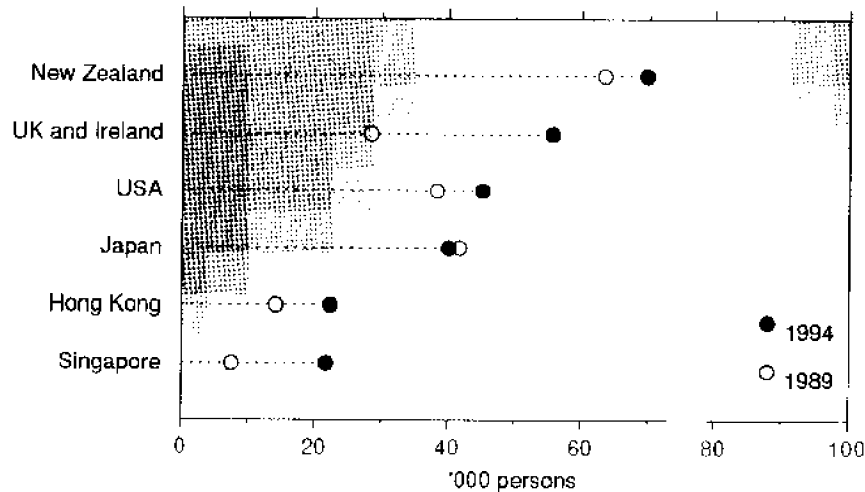
Victoria, in 1994, was the primary State of intended stay for 69,672 visitors from New Zealand, 55,553 visitors from the UK and Ireland, 45,099 visitors from USA and 38,958 visitors from Japan. Between 1989 and 1994 the number of visitors from Japan decreased, while the number of visitors from the three other countries showed an increase.

TABLE 14.5 SHORT-TERM VISITOR ARRIVALS BY SELECTED COUNTRY OF RESIDENCE, AND WHERE PRIMARY STATE OF INTENDED STAY IS VICTORIA

New Zealand	63 400	62 200	99 000	78 200	83 211	69 672
UK and Ireland	28 300	47 400	45 800	48 300	48 874	55 553
USA	38 200	39 200	36 900	39 700	43 404	45 099
Japan	41 600	43 300	38 900	37 000	37 973	38 958
Hong Kong	14 100	14 600	17 100	17 900	18 734	22 349
Singapore	7 500	10 100	11 300	12 300	16 210	21 670
Germany, Fed Rep	13 400	12 800	13 200	14 300	15 320	19 919
Malaysia	11 600	11 200	10 500	12 700	14 452	18 194
Taiwan	6 100	7 200	9 600	12 700	16 178	17 824
Indonesia	4 000	5 700	5 800	7 500	11 416	1 529
Canada	8 100	8 200	8 100	7 600	8 649	9 003
Italy	6 000	6 000	6 100	6 500	6 846	8 107
Netherlands	4 600	5 000	5 200	5 200	5 410	6 351
All countries	330 900	336 800	366 600	360 800	397 914	438 621

Source: *Overseas Arrivals and Departures* (3401.0)

SHORT-TERM VISITOR ARRIVALS TO VICTORIA BY COUNTRY OF RESIDENCE



Source: *Overseas Arrivals and Departures* (3401.0)

In 1994 the main reasons for short term overseas visitor staying in Victoria were visiting friends/relatives (46%), holidays (27.4%) and business/employment/attending conventions (19%).

TABLE 14.6 SHORT-TERM VISITOR ARRIVALS BY COUNTRY OF RESIDENCE, REASON FOR STAY, AND WHERE STATE OF INTENDED STAY IS VICTORIA, 1994

Country of residence	Reason for journey				Total
	Visiting friends/relatives	Holiday	Business employment, attending convention	Other and not stated	
New Zealand	22 584	22 801	19 804	4 483	69 672
UK and Ireland	27 425	18 078	8 175	1 875	55 553
USA	10 961	18 360	13 863	1 915	45 099
Japan	1 685	30 286	5 303	1 684	38 958
Hong Kong	5 624	11 747	2 665	2 313	22 349
Germany	3 903	12 775	2 330	911	19 919
Malaysia	5 410	7 135	2 315	3 334	18 194
Taiwan	1 312	14 408	1 054	1 050	17 824
Singapore	3 928	11 678	3 990	2 074	21 670
Canada	3 289	3 905	1 513	296	9 003
Indonesia	2 265	10 137	1 380	2 747	16 529
Italy	3 056	3 230	1 397	424	8 107
Netherlands	2 870	2 328	878	275	6 351
All countries	120 049	201 568	83 812	33 192	438 621

Source: *Overseas Arrivals and Departures, Australia* (3401.0)

Departures by Australian residents

Travel services debits measure the value of goods and services acquired by Australians while they are abroad and represent a withdrawal from Australia's overseas financial reserves. After a strong increase in travel service debits in 1988-89, the growth slowed before declining between 1990-91 and 1992-93, reflecting the impact of the recession in Australia on resident tourist expenditure overseas. In 1993-94 travel service debits increased marginally by 0.7%.

TABLE 14.7 BALANCE OF PAYMENTS TRAVEL SERVICE DEBITS

	\$m					
At current prices	4 059	4 799	4 827	4 626	4 985	5 157
At 1989-90 prices	4 454	4 799	4 431	4 097	3 946	3 973
Percentage change at 1989-90 prices	17.0	7.7	-7.7	-7.5	-3.7	0.7

Source: *Balance of Payments, Australia* (5303.0)

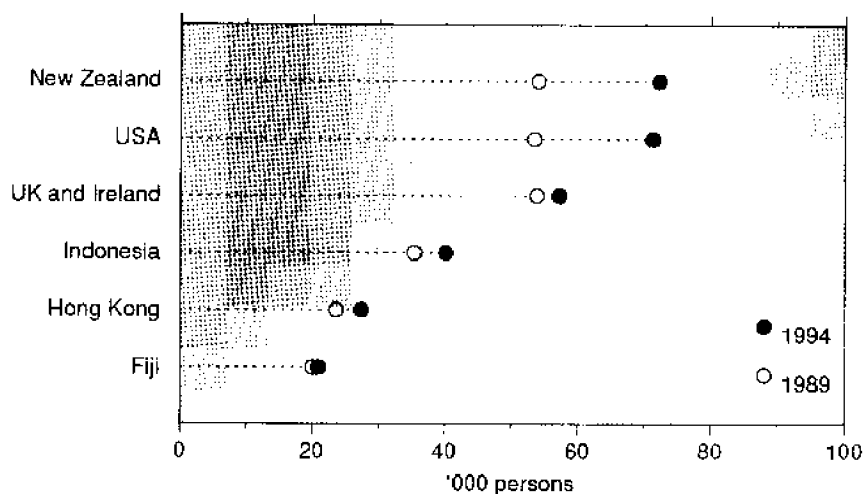
Table 14.8 VICTORIAN RESIDENTS - SHORT TERM OVERSEAS DEPARTURES BY COUNTRY OF STAY, 1989 TO 1994

USA	65 400	72 600	78 500	85 400	76 128	71 199
New Zealand	60 800	65 100	63 800	70 000	69 364	72 162
UK and Ireland	57 600	62 700	52 300	58 800	59 612	57 112
Indonesia	39 000	36 600	37 300	37 100	41 105	40 061
Hong Kong	27 400	28 300	28 400	31 300	29 157	27 315
Fiji	25 800	30 900	24 400	22 800	19 844	20 882
Malaysia	16 000	20 600	17 300	19 500	21 308	21 239
Thailand	22 600	23 800	16 900	17 200	17 535	16 832
Singapore	19 100	17 500	16 700	18 400	17 529	17 285
Other	157 700	167 100	150 900	126 100	177 718	268 653
Total	491 400	525 300	486 400	534 000	529 300	541 541

Source: *Overseas Arrivals and Departures, Australia* (3401.0)

The main reasons for short term departures of Victorian residents in 1994 were holidays, (46.8%) and visiting friends/relatives (24%).

SHORT-TERM DEPARTURES OF VICTORIAN RESIDENTS



Source: *Overseas Arrivals and Departures, Australia* (3401.0)

Interstate travel

An indication of tourist activity by Victorian residents can be gauged by their mobility on Population Census night, 6 August 1991. On that night about 108,000 Victorian residents were counted at locations throughout Victoria other than their usual residence. Another 77,000 Victorian residents were counted at interstate locations. In contrast, there were 52,000 interstate visitors in Victoria on Census night.

In 1993-94, there were 35.8 million intrastate trips undertaken within Australia compared with 36.2 million in 1992-93. Victorian residents accounted for 8.1 million (23%) of the national total compared with 7.5 million trips in 1992-93 (21%).

As a source of interstate travellers, Victoria accounted for 25% of the national total in 1993-94, compared with 26% in 1992-93. The number of trips taken by Victorian residents increased from 3 million in 1992-93 to 3.1 million in 1993-94.

The most recent Household Expenditure Survey, conducted in 1993-94, estimated that the average Victorian household spent \$15.70 per week (2.0% of total weekly household expenditure) on holidays within Australia. Victorians holidaying in Australia spent about 32.0% of their holiday money on accommodation, 26.6% on package tours, 30.0% on air fares, and 8.4% on petrol.

Tourist accommodation

At 30 June 1995, 17% of bed spaces in hotels, motels and guest houses with facilities in Australia were available in Victoria, and 16% of takings (\$493 million) were collected from such accommodation.

TABLE 14.9 HOTELS, MOTELS AND GUEST HOUSES WITH FACILITIES: OPERATIONAL DETAILS

Victoria				
Establishments	no.	1 051	1 018	1 016
Guest rooms	no.	30 278	29 968	29 543
Bed spaces	no.	83 594	82 583	82 111
Guest nights	'000	8 498.3	8 737.5	9 370.3
Takings	\$'000	417 855	432 438	493 276
Victoria as a percentage of Australia				
Establishments	%	21.2	21.0	21.0
Guest rooms	%	18.1	18.0	17.6
Bed spaces	%	17.5	17.2	17.0
Guest nights	%	15.4	14.8	15.2
Takings	%	16.6	15.7	16.0

(a) Number of establishments, guest rooms and bed spaces as at 30 June 1995.

Source: *Tourist Accommodation, Australia* (8635.0), *Tourist Accommodation, Victoria* (8635.2)

TABLE 14.10 ROOM OCCUPANCY RATES, VICTORIA

				%
September	44.2	43.2		48.2
December	46.6	47.6		53.2
March	48.3	50.9		55.9
June	44.9	48.1		51.1

Source: *Tourist Accommodation, Victoria* (8635.2)

Regional tourist accommodation

Of the nearly 30,000 guest rooms with facilities in Victoria at 30 June 1995, 48.5% were within the MSD. Room occupancy rates in the MSD for each quarter in 1994-95 were at least ten percentage points above the State average and takings from accommodation accounted for 71.6% of the Victorian total in 1994-95.

Outside the MSD, the Statistical Divisions of Goulburn and Ovens-Murray, both within reach of the snowfields, had the greatest number of rooms, and with the Barwon Statistical Division, the highest level of accommodation takings. The Barwon Statistical Division, which encompasses Geelong and the beach resorts of Point Lonsdale, Apollo Bay, Ocean Grove, Bells Beach, and Lorne, experienced a strong seasonal peak in the March quarter, which is the peak for beach resort activities.

TABLE 14.11 HOTELS, MOTELS, AND GUEST HOUSES WITH FACILITIES: OPERATIONAL DETAILS BY STATISTICAL DIVISION, 1994-95 (a)

Statistical Division	Establishments	Guest rooms	Room occupancy rates (Quarterly)				Takings from accommodation
			September	December	March	June	
	no.	no.	%				\$'000
Melbourne	242	14 315	58.6	65.9	67.6	62.9	351 186
Barwon	78	1 644	36.6	38.5	59.3	41.5	20 014
Western District	77	1 364	34.2	42.5	57.3	42.8	12 895
Central Highlands	58	1 183	45.3	48.0	51.8	46.7	14 069
Wimmera	51	877	38.0	38.6	41.4	43.1	7 464
Mallee	67	1 562	45.1	46.6	38.0	44.5	12 866
Loddon-Campaspe	85	1 544	42.3	45.9	46.5	45.7	15 875
Goulburn	114	2 201	38.6	34.7	36.2	36.2	19 719
Ovens-Murray	104	2 093	37.9	29.1	33.1	36.2	16 850
East Gippsland	69	1 321	32.8	38.2	47.8	36.3	10 795
Gippsland	71	1 439	28.9	33.8	40.9	31.6	9 544
Victoria	1 016	29 543	48.2	53.2	55.9	51.1	493 276

(a) Number of establishments, guest rooms and bed spaces as at 30 June 1995.

Source: *Tourist Accommodation, Victoria* (8635.2)

Five star accommodation

In Victoria the nine five-star establishments provided 6.4% of bed spaces and accounted for 20.9% of accommodation takings in 1994-95.

TABLE 14.12 HOTELS, MOTELS AND GUEST HOUSES BY STAR GRADING, 1994-95(a)

Item	Star grading					Total
	1	2	3 and 4	5	Ungraded	
Victoria						
Establishments	15	354	589	9	49	1 016
Guest rooms	184	6 452	19 457	2 485	965	29 543
Bed spaces	470	18 406	55 241	5 255	2 739	82 111
Room nights	20 700	1 685 000	6 399 500	993 200	271 500	9 370 200
Takings (\$'000)	477	49 271	329 073	102 961	11 493	493 276
Australia						
Establishments	123	1 582	2 548	52	534	4 839
Guest rooms	2 105	31 713	107 224	14 602	12 108	167 752
Bed spaces	5 741	92 439	314 879	35 779	34 538	483 376
Room nights	435 800	10 335 800	40 453 300	6 882 300	3 614 700	61 721 600
Takings (\$'000)	10 825	297 399	1 958 637	656 977	165 753	3 089 587
Victoria as a percentage of Australia						
Establishments	12.2	22.4	23.5	17.3	9.2	21.0
Guest rooms	8.7	20.3	18.1	17.0	8.0	17.6
Bed spaces	8.2	19.9	17.5	14.7	7.9	17.0
Room nights	4.7	16.3	15.8	14.4	7.5	15.2
Takings	4.4	16.6	16.8	15.7	6.9	16.0

(a) Establishments, guest rooms, bed spaces as at 30 June 1995.

Source: *Tourist Accommodation, Australia* (8635.0), *Tourist Accommodation, Victoria* (8635.2)