

## Regional Leisure Tourism

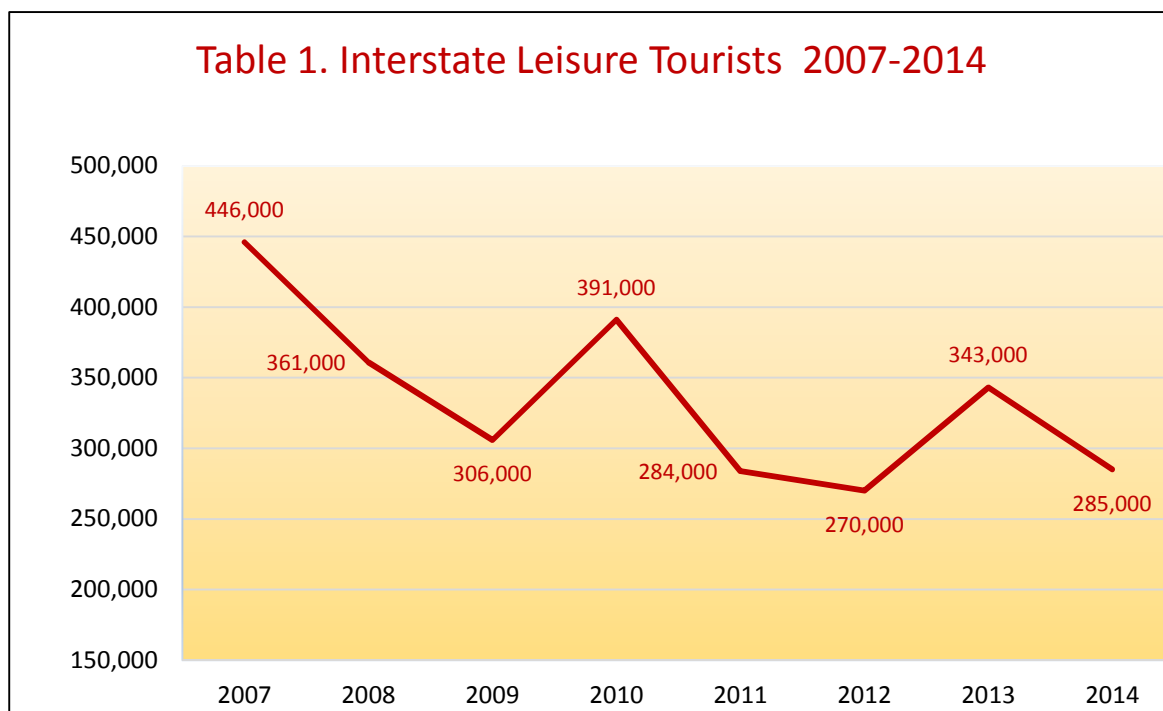
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### Overview

- Holidaymakers & leisure tourists are the critical visitor market for regional WA. Regional WA attracts 308,000 leisure tourists spending \$417 million in regional WA per annum.
- Interstate tourists are the top market, with 51% regional dispersal and high daily spend.
- Traditional western countries (UK, NZ, USA & Western Europe) are currently the top international markets for regional WA. See Table 1 for ranking of current regional leisure tourism markets.
- Mature Asian markets (e.g. Singapore) have good regional dispersal, but new growth Asian markets are Perth focused (e.g. China).
- Unlike business travellers, leisure tourism can be boosted by marketing & events. Leisure tourists are also more price sensitive to exchange rates, airfares, hotel room rates and hospitality costs.

### Challenges and Opportunities

- Leisure tourism has struggled since 2007 due to high exchange rates and travel costs driven by the resources boom. However, market conditions have changed dramatically in 2015 with a significantly lower Australian dollar and hotel room rates making WA a more competitive leisure destination.
- Interstate leisure tourism has collapsed 36% from 2007 to 2014. However, marketing campaigns in 2009-10 (extraordinary taxi ride) and 2012-13 (marketing boost from election commitment funding) significantly increased leisure tourism while funding continued (see Graph 1).
- Now that WA has become more price competitive for leisure tourism, increased investment in tourism marketing will significantly increase tourism to regional WA.



## Regional Leisure Tourism – Future Growth

With lower Australian dollar, hotel and travel costs - the leisure tourism market can now be significantly expanded to create additional tourism dollars, exports and jobs. The future growth markets are:

Horizon	Market	Target
Short Term	Recovering interstate leisure tourism markets with increased marketing. Dispersing visitors to regional WA using tourism packages, events, nature-based and food & wine tourism.	NSW, VIC & QLD
Short - Medium	Expanding traditional western international markets with high regional dispersal as their economies recover from the GFC.	UK, USA & Western Europe
Medium - Long	Drive growth markets from Asia into Perth in the short term while developing regional tourism product to attract and disperse tourists as the Asian markets mature.	Indonesia China

## Regional Leisure Tourism - Top Policy Priorities

1. Increased consumer marketing in interstate markets, especially NSW, VIC and QLD.
2. Increased trade marketing into traditional international markets, especially UK, USA & Europe.
3. Development of regional tourism businesses including: training, accreditation, export readiness, China readiness, digital distribution and inclusion in tourism packaging.
4. Reserving discount seats on intrastate aviation services for inclusion in leisure tourism packages.
5. Developing low cost interstate aviation routes to Margaret River (Busselton) and Broome using airline marketing partnerships or chartering new services.
6. Regulatory reform to reduce business costs and red tape preventing new tourism product, including liquor licencing, transport licencing, planning approvals, penalty rates and retail trading.
7. Consolidate and develop regional tourism structures to enhance destination promotion including: Visitor Centres, Local Tourism Organisations and Regional Tourism Organisations.
8. Expanding Perth event calendar - combined with pre/post event regional tourism packaging.
9. Refocus current spending on Perth and regional events which can demonstrate interstate and international spectators and participants, rather than events with local appeal or “media value”.
10. Targeted investment in regional destination infrastructure gaps e.g. airport upgrades, National Park facilities, Albany room stock.

## Regional Leisure Tourism - R4R Funding Priority 2015

The key priority for tourism is \$11 million R4R funding in the 2015 budget for regional tourism marketing.

Investing \$11 million in interstate marketing would attract at least \$209 million additional tourism spend in WA (at current marketing ROI of \$19:\$1) creating 1,400 jobs (at the current rate of 1 full time job per \$149,000 tourism spend).

At current regional dispersal of 51% for leisure tourism, this additional tourism would inject at least \$107 million into the regional economy and create 718 regional jobs.

## Regional Leisure Tourism – Current Top Markets

Rank	Market	Regional Visitors	WA Visitors	Regional Dispersal	Regional Spend
1	New South Wales	64,000	114,000	56%	\$67,398,000
2	Victoria	45,000	88,000	51%	\$59,361,000
3	United Kingdom	35,000	69,000	51%	\$38,130,000
4	Queensland	18,000	35,000	51%	\$19,176,000
5	New Zealand	15,000	24,000	63%	\$10,660,000
6	Singapore	15,000	44,000	34%	\$5,576,000
7	Germany	15,000	25,000	60%	\$30,504,000
8	USA	13,000	21,000	62%	\$13,530,000
9	Other Europe	10,000	18,000	56%	\$26,486,000
10	France	7,000	13,000	54%	\$27,880,000
11	South Australia	6,000	23,000	26%	\$11,985,000
12	Northern Territory	6,000	12,000	50%	\$6,768,000
13	Malaysia	6,000	35,000	17%	\$2,132,000
14	Switzerland	6,000	8,000	75%	\$5,494,000
15	Tasmania	5,000	7,000	71%	\$3,807,000
16	Japan	4,000	14,000	29%	\$5,412,000
17	Canada	4,000	7,000	57%	\$6,560,000
18	Italy	4,000	7,000	57%	\$15,252,000
19	Korea	3,000	6,000	50%	\$17,138,000
20	Scandinavia	3,000	7,000	43%	\$5,904,000
21	Netherlands	3,000	5,000	60%	\$5,084,000
22	Hong Kong	2,000	6,000	33%	\$6,642,000
23	Taiwan	2,000	6,000	33%	\$12,956,000
24	China	2,000	11,000	18%	\$738,000
25	Other Asia	2,000	5,000	40%	\$5,822,000
26	Indonesia	1,000	9,000	11%	\$492,000
27	Thailand	1,000	3,000	33%	\$2,296,000
28	India	1,000	2,000	50%	\$164,000
29	Other Countries	6,000	13,000	46%	\$4,018,000
<b>Total</b>		<b>308,000</b>	<b>642,000</b>	<b>48%</b>	<b>\$417,224,000</b>

- All figures are estimates only, from the most recent Tourism Research Australia *International and National Visitor Surveys* for year-end September 2014.
- Markets are ranked by regional visitor numbers (i.e. not ranked by visitor nights, % dispersal or spend).
- Expenditure is modelled on average interstate spend of \$141 per night and average international spend of \$82 per night. Visitor spend differs by individual country and purpose of visit (e.g. leisure vs business). The spend estimates in this table do not include these target market variations.

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