

Snapshot

Value of tourism to the Inner Melbourne Region

Tourism - A Thriving Inner Melbourne Industry

The tourism industry plays a vital role in the Inner Melbourne Region¹: it contributes significantly to our local economy, provides employment opportunities, contributes to the region's cultural vibrancy and has a positive impact on residents and businesses.

The Value of Tourism to the Inner Melbourne Region Report² provides statistical insight into the economic benefits of tourism.

This fact-sheet provides a summary of the Report, including account of tourism expenditure, employment and visitor numbers for inner Melbourne.

The report data confirms tourism is a thriving industry in our region of which we can all be proud, and should strive to grow.

Tourism and Our Economy

Tourism contributes more to the Victorian (and therefore inner Melbourne) economy than many traditional industries including; agriculture, electricity, gas and water supply and mining.

In 2006, 12 million visitors spent \$5.6 billion in the region (41.6% of total expenditure in the state). This means that four out of every ten tourist dollars spent in Victoria in 2006 were spent in the inner Melbourne region!

Tourism and Employment

Nearly one-fifth (18.9%) of all Victorians employed in the tourism industry work in the inner Melbourne region. Over 29,100 people were estimated to be employed in the tourism industry in the region in 2001.

People were employed in accommodation (7,400 employees in hotels, motels etc), cafés, restaurants and take-away food outlets (5,700 serving hungry and thirsty visitors), and retail trade businesses (3,300 employees selling everything from clothes to closets).

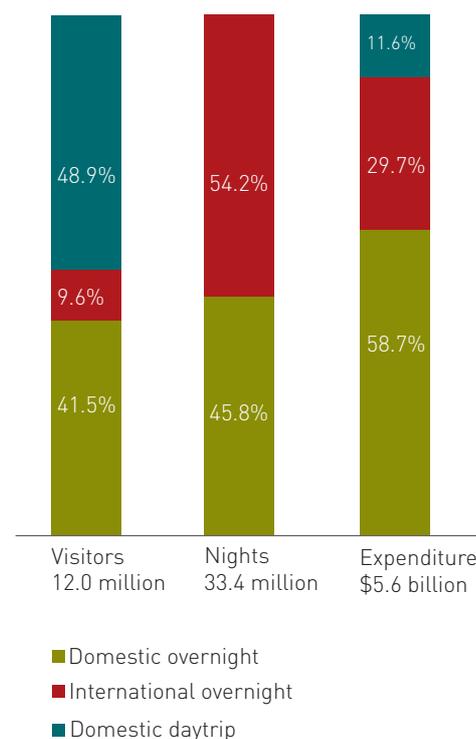
Interestingly, over 5% of people working in our tourism industry are locals (residents of the inner Melbourne area.)

Who is Visiting Inner Melbourne?

The data on visitors to the region divides people into three markets: International Overnights, Domestic Overnights or Day Trippers.

Figure A shows how many visitors came to inner Melbourne in 2006 (column 1), how many nights they stayed (column 2), and how much money they spent (column 3).

Figure A: Visitors, Nights and Expenditure



As Figure A shows, the Domestic Daytrippers make up almost half the visitors to the inner Melbourne Region (48.9% or 5 million), however it is the International Overnight Visitors (1.2 million) who stay more nights (54.2% of all nights spent in the region). Interestingly, it is the Domestic Overnight Visitors (5.9 million) who spend the most money (58.7%) of total expenditure.

Each visitor market is a very important part of our tourism industry.

In 2006, the average length of overnight stay in the region was 2.8 nights.

¹Cities of Melbourne, Port Phillip, Stonnington and Yarra.

²An analysis of 2006 National Tourism Data prepared by Datainsights for the Cities of Melbourne, Port Phillip, Stonnington and Yarra

Purpose of Visitation

Holiday or leisure is the main reason people visit the inner Melbourne region.

Over half the International Visitors in 2006 nominated holiday/leisure (55.8%) as the main reason for coming, followed by visiting friends/relatives (18.9%) and business (18.7%). Holiday/leisure (35.6%) was also the key reason for Domestic Overnight Visitors coming to inner Melbourne, followed by business (29.7%) and visiting friends/relatives (29.6%). Similarly, over six in ten Daytrippers (61.3%) nominated holiday/leisure as their reason for visiting.

Where Do Our Visitors Come From?

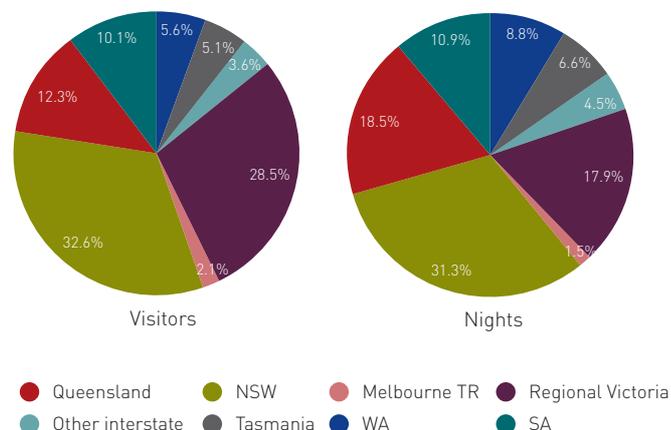
In 2006, visitors to the region came from over 20 different countries! As Figure B shows, the United Kingdom (16.2%), New Zealand (14.5%), China (10.5%) and the USA (9.1%) provided over half of our visitors (50.3%). The Chinese market has grown annually by 17.9% from 1999 to 2006.

Figure B: International Visitors to Inner Melbourne

No.	Market	Share
1.	United Kingdom	16.2%
2.	New Zealand	14.6%
3.	China	10.5%
4.	USA	9.1%
5.	Japan	4.9%
6.	Singapore	4.4%
7.	Germany	4.2%
8.	Korea	3.4%
9.	Malaysia	3.0%
10.	Hong Kong	2.7%
11.	Canada	2.4%
12.	Scandinavia	1.9%
13.	Taiwan	1.8%
14.	India	1.7%
15.	Italy	1.6%
16.	France	1.5%
17.	Indonesia	1.4%
18.	Thailand	1.3%
19.	Neitherlands	1.3%
20.	Switzerland	1.1%
	Other Asia	1.7%
	Other Europe	4.2%
	Other Countries	5.0%

Domestically, Overnight Visitors were more likely to be from NSW (32.6%), regional Victoria (28.5%) and Queensland (12.3%). The Queensland market had the largest growth in Overnight Visitors from 1999 to 2006, up 69.8%. As Figure C shows, when it came to staying overnight, NSW visitors stayed the most nights (31.3% of all nights), followed by Queensland (18.5%) and than regional Victoria visitors (17.9%).

Figure C: Domestic Overnight Visitors to Inner Melbourne



Where Do Our Visitors Stay?

Four out of ten (40.3%) International Overnight visitors in 2006 stayed in rented accommodation (eg: house/apartment/flat), whilst nearly one-fifth (18.6%) stayed at the home of a friend/relative. 14.3% stayed in motels/resorts etc. In contrast, Domestic Overnight Visitors were more likely to stay with friends or relatives (46.8%) or a motel/resort (34.1%).

Tourism - An Industry Which will Continue to Grow

Between 2006 - 2016 International travel to the inner Melbourne Region is forecast to grow by 73.7% - to a total of 2 million visitors. This represents an annual growth rate of 5.7%.

The inner Melbourne tourism industry will need to continue developing and expanding in order to service these additional visitors, and ensure that our region remains a great visitor destination.

Further information

The Inner Melbourne Value of Tourism Report and Fact-sheet is an initiative of the Inner Melbourne Action Plan (IMAP): a collaborative project of the Cities of Melbourne, Port Phillip, Stonnington and Yarra.

For further information or to produce the report or fact-sheet in any format, please contact the City of Stonnington, Economic Development Unit on (03) 8290 1225 or email: council@stonnington.vic.gov.au.