



Opportunities for the Visitor Economy Research Report Insight summary: Diversification

This document provides a summary of key insights on **diversification** from the Research Report on *Opportunities for the Visitor Economy*.

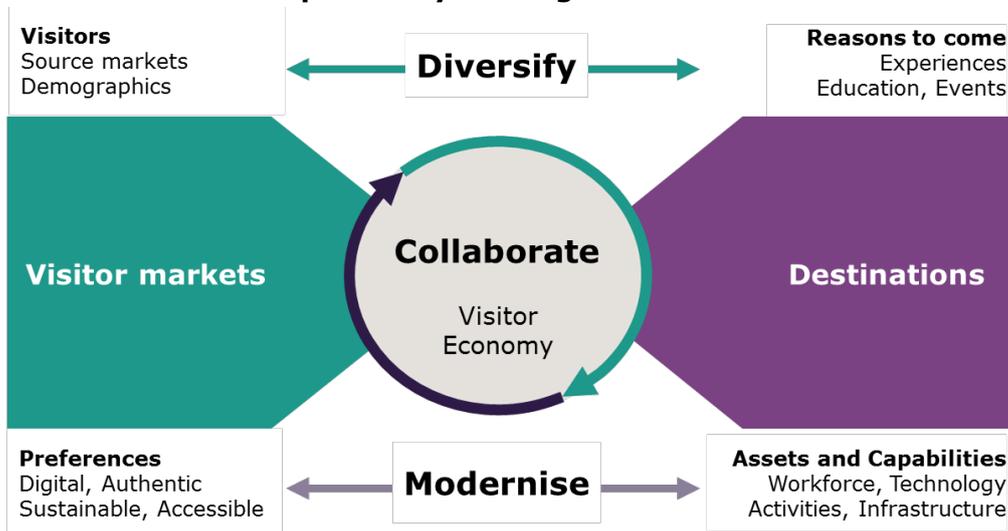
What is the visitor economy?

The visitor economy includes international and domestic leisure travellers, business travel, international students studying in Australia, business and major events, people visiting friends and relatives, and those working as part of a short term stay in Australia. The visitor economy takes in all businesses who provides goods and services to this variety of different visitors.

Diversifying the visitor economy

Diversification is one of three key pillars identified in the research report as integral to the future success of the visitor economy. The report suggests that Australia should diversify its **source markets** of visitors and the **destinations and experiences** it offers them to generate greater yield and manage risk.

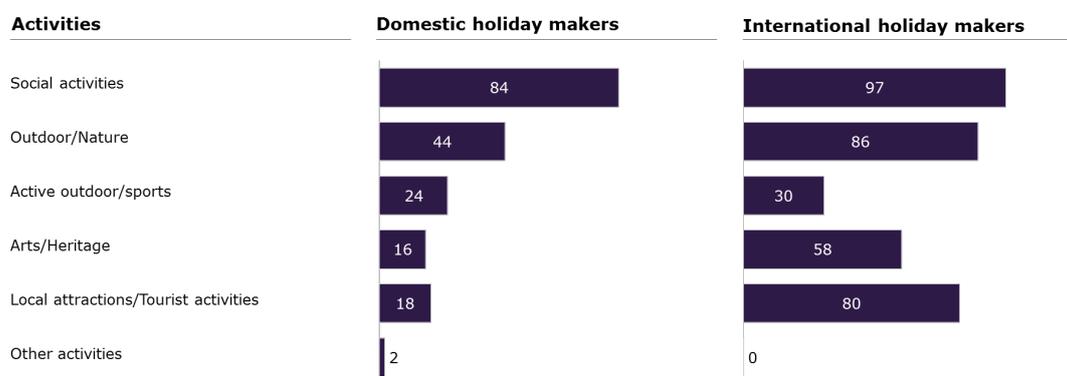
Figure 1: Elements of the report’s key message



Source Markets: The research report highlights opportunities for the visitor economy to diversify its source markets, both domestic and international. For the **domestic market**, it notes the opportunity to grow the market by convincing Australians to increase their spending on domestic travel. This means encouraging Australians to holiday and spend in Australia the way they do when travelling overseas – for example by taking longer trips and undertaking more activities. Figure 2 below highlights the low level of visitation to local attractions by domestic holiday makers (18 per cent of trips) compared to international holiday makers (80 per cent of trips).

Figure 2: Activities undertaken by holiday makers in Australia

Activities undertaken whilst in Australia
2019, % all trips



Source: TRA National and International Visitor Surveys, team analysis

For the **international market**, the research report highlights opportunities, once international borders re-open, to ride the growth momentum of fast growing emerging Asian and Indian markets for both leisure and education visitors. Emerging Asian markets include Indonesia, Malaysia, Thailand, Vietnam and the Philippines. These markets have large populations and growing middle classes whose travel preferences align well with what Australia offers.

Destinations and Experiences: The research report suggests there are significant opportunities to grow the visitor economy by increasing the number of visitor destinations and growing the diversity of experiences.

Potential diversification opportunities include:

- Grow **capital city** visitation through collaborative visitor economy strategies focussed on improving infrastructure, creating new attractions, events and experiences, and driving promotion and branding strategies that emphasise a city's strengths and personality.
- Increasing the number of **regional destinations** with visitation potential through development of more 'anchor attractions', ecosystems of unique itineraries, luxury accommodation options, quality physical and digital infrastructure, and strong marketing and value propositions.
- Capitalise on the fast-growing **luxury market** by developing destinations and experiences that cater to this high yielding segment.
- Revive the **business travel** market by focussing on business relationships and encouraging 'multi-modal' trips that combine business and leisure experiences.
- Drive more **education visitors** by enhancing our quality reputation including through incorporation of innovative online and remote technologies.
- Grow the **event market** through diverse event programs that are a key part of long-term national, city and regional strategies.
- Grow **Indigenous tourism** by embedding the Indigenous experience into the mainstream visitor economy and visitor experience.

Further Information

For further information please visit the [Reimagining the Visitor Economy webpage](#) or contact visitoreconomy@austrade.gov.au