



# CHANGING VISITOR SPEND REPORTING

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## NEED FOR CHANGE

Historically, Tourism WA has reported visitor spend figures using a different definition to that reported by Tourism Research Australia, Tourism Australia and the other State Tourism Organisations. This leads to confusion when comparing results provided by Tourism WA with those provided by other sources.

For this reason, on 22 December 2021, Tourism WA amended the definition of visitor spend to align with Tourism Research Australia reporting. All historic spend figures on [www.tourism.wa.gov.au](http://www.tourism.wa.gov.au) and within publications have been updated with the new spend definition and will differ to previously published results.

## WHAT IS THE CHANGE

Figure 1 below summarises the difference between the previous and the new spend definitions.

**Figure 1: Spend Definition Changes**

	Previous spend definition (More conservative)	New spend definition (More inclusive)
<b>Domestic Visitor Spend (daytrips and overnight)</b>	<p><b>Destination Expenditure:</b></p> <p>Destination expenditure is expenditure at stopovers on the actual trip. The data <u>excludes</u> expenditure assigned to a person's home location. For domestic overnight travellers, it also <u>excludes</u> airfares and other long distance transport expenditure.</p>	<p><b>Regional Expenditure:</b></p> <p>Regional expenditure is modelled to allocate expenditure across tourism regions.</p> <p>The model excludes all motor vehicle purchases, capital expenditure, and major equipment. Expenditure allocated to a person's home location is <u>included</u>. Airfares and other long distance transport expenditure is <u>included</u>.</p>
<b>International Visitor Spend (overnight)</b>	<p><b>Regional Expenditure <u>excluding</u> 100% of pre-paid package expenditure:</b></p> <p>Regional expenditure is modelled to allocate expenditure across tourism regions. The model excludes all motor vehicle purchases, capital expenditure, major equipment, any pre-purchased international airfares, and 100% of pre-purchased package expenditure.</p>	<p><b>Regional Expenditure:</b></p> <p>Regional expenditure is modelled to allocate expenditure across tourism regions. The model excludes all motor vehicle purchases, capital expenditure, major equipment, any pre-purchased international airfares, and 70 per cent of pre-purchased packages (as 70% is assumed to remain outside Australia, while 30% is assumed to come to Australia).</p>

## IMPACT OF THE CHANGE

Tourism WA's previous definition of trip spend as 'destination expenditure' resulted in figures around 20 per cent less than the Tourism Research Australia definition of trip spend. The largest difference in these two numbers is airfares.

Figure 2 compares spend for the year ending September 2021 under the previous and the new spend definitions

**Figure 2: Year Ending September 2021 Spend Results Comparison**

	Previous spend definition (\$M)	New spend definition (\$M)	Increase in spend
International	68	68	0%
Interstate	796	1,037	30%
Intrastate	5724	6,802	19%
Daytrips	1,847	1,930	4%
<b>TOTAL</b>	<b>8435</b>	<b>9837</b>	<b>17%</b>

In the year ending September 2021, expenditure reporting increased by 30% for interstate, 19% for intrastate overnight, and 0% for international.

The new spend definition impacts domestic more than international spend for the following reasons:

- higher spend on airfares, petrol and groceries bought pre-trip in home location,
- shorter average trip length equates to disproportionately less time in destination.

Further analysis on how the change in definition has affected Tourism WA's historic reporting of spend is provided in Figure 3.

**Figure 3: Increase in Spend resulting from the change in definition**

	Interstate	Intrastate	Daytrips	International	Total
Year ending December 2017	30.2%	30.2%	4.9%	2.6%	18.2%
Year ending March 2018	30.4%	30.7%	5.7%	2.6%	18.6%
Year ending June 2018	30.3%	31.2%	6.1%	2.4%	18.9%
Year ending September 2018	30.1%	31.9%	6.7%	2.2%	19.5%
Year ending December 2018	31.7%	32.2%	7.2%	1.9%	20.0%
Year ending March 2019	31.7%	33.6%	7.9%	1.9%	21.0%
Year ending June 2019	32.8%	34.7%	7.8%	2.1%	21.9%
Year ending September 2019	32.3%	34.9%	7.4%	2.0%	21.9%
Year ending December 2019	34.2%	36.7%	6.7%	2.7%	22.5%
Year ending March 2020	33.1%	36.0%	5.9%	2.8%	22.3%
Year ending June 2020	32.2%	33.7%	5.4%	3.1%	21.1%
Year ending September 2020	34.2%	26.8%	5.5%	3.8%	18.9%
Year ending December 2020	26.8%	20.8%	4.9%	2.0%	15.7%
Year ending March 2021	30.8%	17.8%	4.6%	0.0%	14.6%
Year ending June 2021	31.9%	19.0%	4.5%	0.0%	16.2%
Year ending September 2021	30.3%	18.8%	4.5%	0.0%	16.6%

Note that the 'additional' spend has dropped considerably for intrastate when comparing year ending September 2021 to year ending December (pre-COVID). There are potentially a number of reasons for this;

- average trip length has grown by 12%, so proportionately more spend has been at the destination rather than at home. Examples of pre-trip spends are airfares, petrol, provisions etc

- The proportion of 'self-drive' trips has increase by 2% with a decline in the proportion of air travel and bus/coach travel.
- Air travel and bus/coach travel incur much higher cost at home pre-trip than self-drive.
- Airfare travel to the Perth region has fallen.

## PUBLICATIONS AND REPORTS

On 22 December 2021, Tourism WA updated all historic spend figures on [www.tourism.wa.gov.au](http://www.tourism.wa.gov.au) and within publications, with the new spend definition.

Spend figures from publications and reports, including custom reports provided prior to 22 December 2021 should no longer be used. Please contact [research@westernaustralia.com](mailto:research@westernaustralia.com) who will be able to amend historic reporting with the new spend definition.

If you have any other further questions about the change in spend definition, please contact [research@westernaustralia.com](mailto:research@westernaustralia.com)