

DOMESTIC TRAVEL BY NEW ZEALAND RESIDENTS

NEW ZEALAND | SERIES D2 | NOVEMBER 2009



INTRODUCTION

This report provides an overview of domestic travel by New Zealand residents, including trends and characteristics for the period 2004-2008. Domestic travel refers to residents who travel within New Zealand for less than one year. This includes day and overnight trips for holiday, business, visiting friends and relatives (VFR) purposes and other reasons.

Importance of domestic travel

Domestic tourism generates significant economic activity and employment in New Zealand. For the year ended March 2009, the domestic tourism industry contributed \$12.4 billion or 57% of total tourism expenditure, whereas the international tourism industry contributed \$9.3 billion or 43%.¹ This figure includes household, commercial and government tourism spend and reflects the importance of the domestic tourism industry.

This report looks at household domestic tourism which is recorded in the Domestic Travel Survey. Domestic tourism involves people spending money on activities and accommodation outside of their normal routine and contributing to local economies.

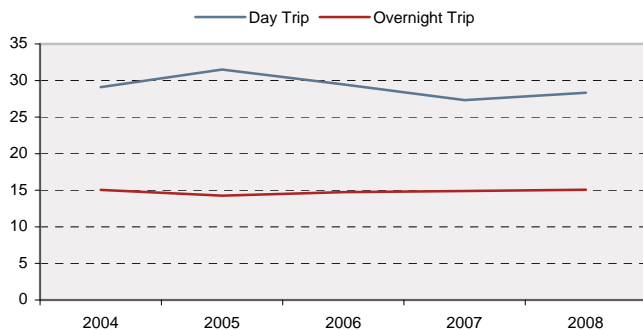
TRENDS IN DOMESTIC TRAVEL

How many domestic trips do New Zealanders take?

A New Zealander can take several domestic trips a year. In 2004, 44.1 million domestic trips were made by New Zealanders. By the end of 2008 this number had decreased by 1.7% (755,000) to 43.4 million trips.

In 2008, 28.3 million (or 65%) of domestic trips were day trips and 15.1 million (or 35%) were overnight trips (Figure 1). Of all day trips 40% were for holiday, 30% for VFR and 24% for business. This compares to overnight trips where 42% were for holiday, 38% for VFR and 16% for business.

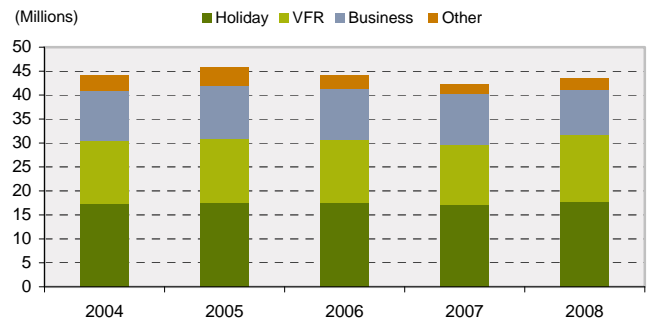
Figure 1: Domestic Day and Night Trips, 2004-2008 ^{*2}



From 2004-2008, domestic holiday trips increased by 2% (327,000) and VFR trips increased by 8% (983,000). The only decrease was in domestic business trips which decreased by 12% (1.3 million) over this period (Figure 2).

In 2008, 17.7 million trips (or 41% of domestic trips) were for holiday. This was followed by 14.1 million trips (or 33%) for VFR, 9.2 million trips (or 21%) for business and 515,000 trips (or 1%) for educational purposes.

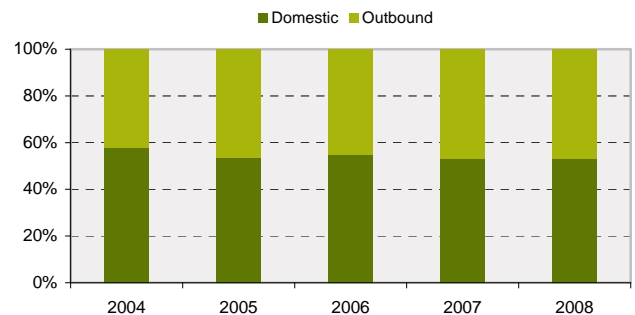
Figure 2: Domestic Trips by Main Purpose, 2004-2008 ^{*2}



What is the relationship between New Zealand domestic and international travel?

Between 2004 and 2008, total domestic nights have fallen by 6% to 45 million nights while outbound nights have increased by 13% to 39 million nights. The total number of nights New Zealanders spend away from home on domestic and overseas trips has remained relatively constant over this time period, so each additional night spent overseas is one less night spent domestically. There is evidence that outbound tourism is being substituted for domestic tourism (Figure 3).

Figure 3: Share of New Zealander's Domestic and Outbound Nights, 2004-2008 ^{*2*3}



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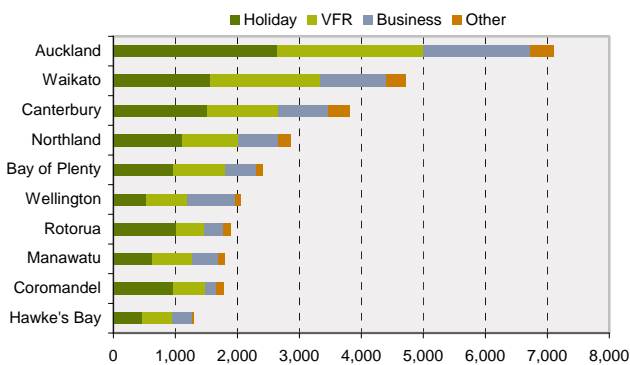
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What regions do domestic tourists visit?

In 2008, over 50% of domestic trips were to the top six Regional Tourism Organisation (RTO) areas. Sixteen percent of domestic trips were to the Auckland RTO, followed by 11% of trips to Waikato, 9% to Canterbury, 7% to Northland, 6% to the Bay of Plenty and 5% to Wellington (Figure 4).

This pattern is similar for holiday travellers with 15% of holiday trips to the Auckland RTO, 9% to Waikato, 9% to Canterbury, 6% to Northland, 6% to Rotorua and 5% to the Bay of Plenty. This is a similar pattern for VFR travellers. This pattern differs for business trips, with 48% of trips to four main business centres. Nineteen percent of business trips were to the Auckland RTO region, 12% to the Waikato, 9% to Canterbury and 8% to Wellington.

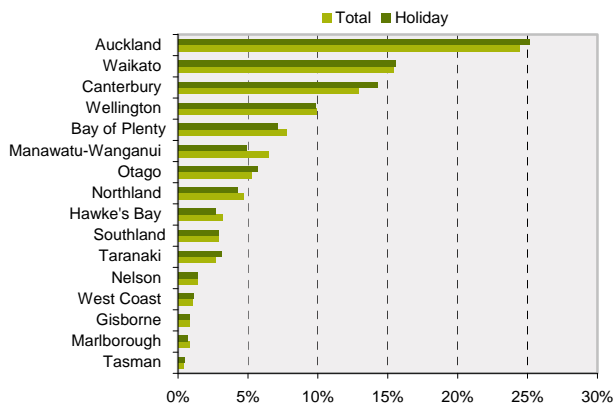
Figure 4: Domestic Trips to Main RTOs, 2008 ^{*2}



Where do domestic tourists come from?

In 2008, 24% of domestic tourists were from the Auckland region. This was followed by Waikato (15%), Canterbury (13%), Wellington (10%) and the Bay of Plenty (8%). This reflects New Zealand's population distribution. This pattern is similar for domestic holiday, VFR and business trips (Figure 5).

Figure 5: Region of Origin, 2008 ^{*2}



Most domestic trips are taken within the region where they live or to neighbouring regions.

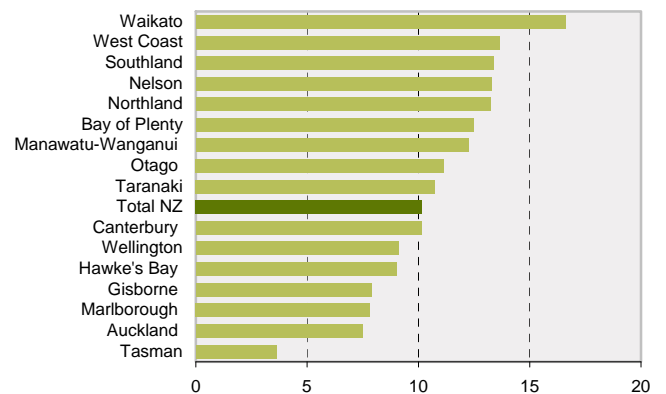
In 2008, 62% of Northland residents took trips within the Northland region and 28% to the Auckland region. Thirty three percent of Auckland residents took trips within the Auckland region, 29% to Waikato and 13% to Northland. Seventy percent of Canterbury residents took trips within Canterbury and 12% took trips to Otago.

For smaller regions most trips are taken to neighbouring urban areas. Thirty two percent of trips by Nelson residents were to Marlborough and 28% to Tasman, compared to 1% within the Nelson region. Forty three percent of trips by Marlborough residents were to Canterbury compared to 13% within Marlborough.

Which New Zealanders are more likely to travel domestically?

In 2008, the New Zealand propensity for domestic tourism was 10 trips per person. This has decreased from 2004 where the propensity for domestic travel was 11 trips per person. In 2008, the Waikato region had the highest propensity for domestic travel at 17 trips per person. This was followed by the West Coast at 14 trips per person, Southland, Nelson and Northland equally at 13 trips per person (Figure 6).

Figure 6: Propensity of Domestic Tourism by Region, 2008 ^{*2*3}



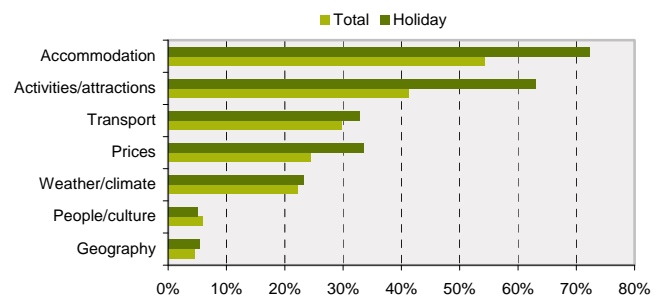
How long do they travel for?

In 2008, the average overnight trip length was 3.0 nights. The average length for holiday trips was slightly higher at 3.2 nights, while the average for VFR trips was 2.9 nights and the average for business trips was 2.3 nights.

What information do domestic tourists seek before they arrive?

Domestic tourists seek a variety of information about a region before they arrive (Figure 7). In 2008, domestic tourists searched for information on accommodation (54% of all domestic tourists), activities/attractions (41%), local transport (30%), prices (24%) and weather/climate (22%). Holiday visitors searched for information on accommodation (72%), activities/attractions (63%), prices (34%) and transport (33%).

Figure 7: Information Domestic Tourists Sought Prior to Arriving in Region, 2008 ^{*4}



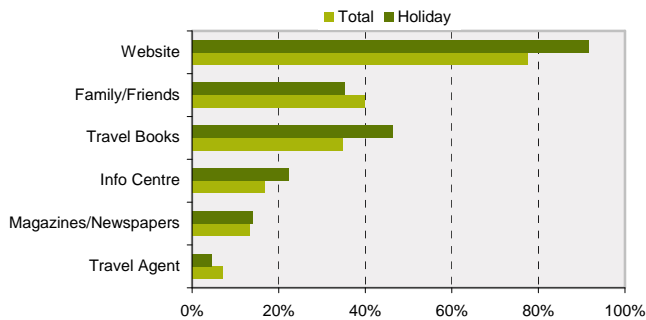
What sources did domestic tourists use to find information?

In 2008, 77% of domestic tourists used websites as a source of information about a region. This was followed by friends/family

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(40%), travel guides/books (35%), information centres/i-SITES (17%), magazines/newspapers (13%) and travel agents (7%). Holiday visitors looked for information from websites (92%), travel guides/books (46%) and friends/family (35%) (Figure 8).

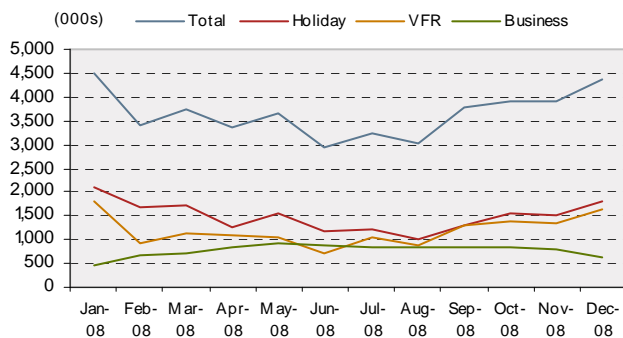
Figure 8: Source of Information Domestic Tourists Use Prior to Arriving in Region, 2008 *4



What is the seasonal pattern of domestic tourism?

December and January are the most popular months for domestic travel, with 20% of all domestic trips taken in these months (Figure 9). June-August are the less popular months. This pattern is similar for holiday and VFR. Business travel is lowest in January and December and relatively consistent throughout the rest of the year.

Figure 9: Domestic Trips by Month & Purpose of Travel, 2008 *2

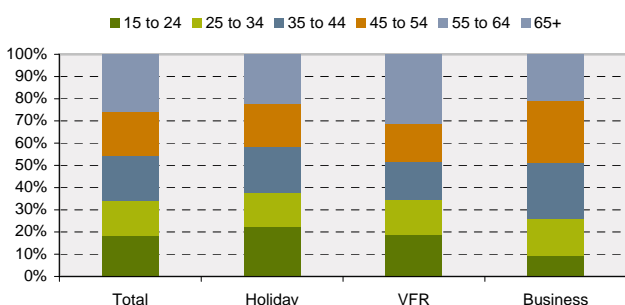


CHARACTERISTICS OF DOMESTIC TRAVEL

What is the age and sex profile of domestic travellers?

In 2008, 20% of New Zealanders taking a domestic trip were aged 35 to 44 years and 20% were aged 45 to 54 years. This was followed by 18% aged 15 to 24 years, 16% aged 25 to 34 years, 14% aged 55 to 64 years and 12% aged 65 years and over. This pattern is very similar for holiday and VFR trips. In comparison, 53% of domestic business travellers were aged 35 to 54 years (Figure 10).

Figure 10: Domestic Trips by Age, 2008 *2

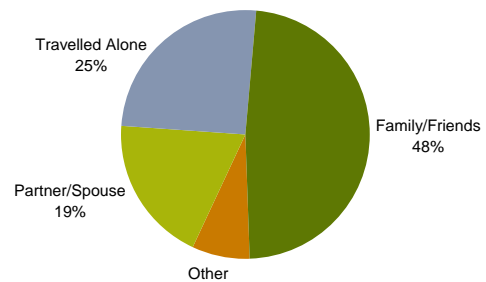


In 2008, 51% of New Zealanders taking a domestic trip were male and 49% taking a trip were female. This is similar to the holiday market. Sixty five percent of business travellers were male whereas 58% of VFR travellers were female.

Who do domestic tourists travel with?

In 2008, 48% of domestic tourists travelled with family/friends. This was followed by 25% alone and 19% with a partner/spouse (Figure 11). Smaller numbers of trips were taken with a business associate (5%), as a part of a tour/special interest group (2%) and with a school/student group (1%).

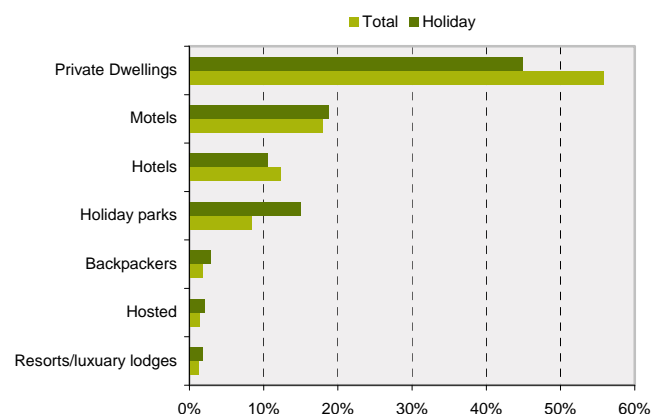
Figure 11: Travel Parties of Domestic Tourists, 2008 *2



What accommodation types do they use?

In 2008, 56% of domestic tourists stayed in private homes at some point during their trip (Figure 12). This is partially due to the influence of the VFR segment (81% stayed in private homes). This was followed by use of motels (18%), hotels (12%), holiday parks (8%) and backpackers (2%). Holiday visitors predominately used private homes (45%), motels (19%), holiday parks (15%), hotels (11%) and backpackers (3%). Business travellers mainly used hotels (36%), motels (29%) and private homes (29%).

Figure 12: Accommodation Types used in Domestic Trips, 2008 *2



How much do domestic travellers spend?

For the year ended March 2009, total domestic tourism industry expenditure, which includes business and government expenditure, was \$12.4 billion.¹ Domestic travellers spent a total of \$8.06 billion in New Zealand during 2008. This is an increase of \$851 million or 12% from 2004.

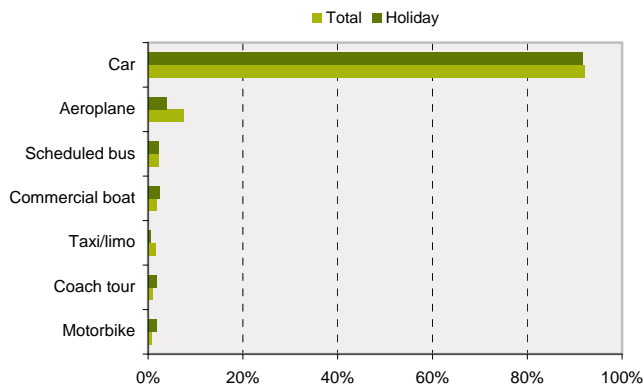
Average expenditure was \$181 per domestic trip.² The averages spend for business trips was slightly higher at \$221, compared with \$176 for holiday and \$170 for VFR trips.

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What transport types are used?

In 2008, car travel was the most common form of domestic tourism transport (92% used a car at some point on their trip), followed by air travel (7%). A smaller number used scheduled bus services (2%), commercial boats (2%) and taxi/limos (2%). This pattern was similar to holiday travellers with cars used in 92% trips, followed by airplanes (4%). VFR travellers used cars in 95% of trips and airplanes in 6%. This pattern was slightly different for business travellers with cars used in 89% of trips and airplanes in 18% (Figure 13).

Figure 13: Transport Types Used for Domestic Trips, 2008 ^{*2}



What are the popular activities and attractions?

In 2008, domestic visitors participated in a wide range of attractions and activities while travelling in New Zealand. The most popular trip activities were sightseeing, walking/trekking, fishing, swimming, volcanic/geothermal activities and museums and galleries. They also did more urban activities such as dining, shopping, museums/galleries and performing arts.

How satisfied are domestic tourists?

In 2008, domestic tourists were highly satisfied with their travel experience (8.1 out of 10). Satisfaction levels were 8.1 for transport, 7.9 for accommodation, 7.9 for scenery, 7.3 for the urban atmosphere and unspoilt landscape (Figure 14).

Figure 14: Satisfaction of Domestic Tourists, 2008 ^{*4}

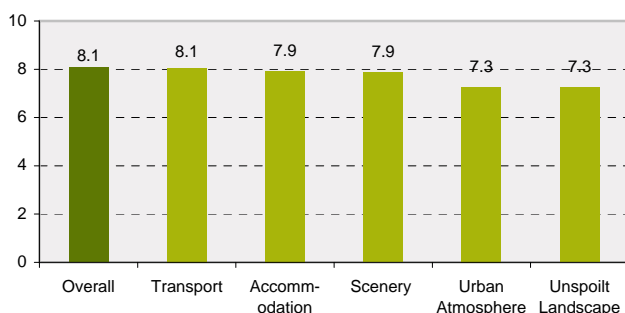


Table 1: New Zealand Domestic Travel Trends, 2004-2008 ^{*2}

Domestic Trips	2004	2005	2006	2007	2008
Total	44,142,000	45,762,000	44,210,000	42,229,000	43,387,000
Holiday	17,396,000	17,641,000	17,526,000	16,995,000	17,723,000
VFR	13,152,000	13,167,000	13,144,000	12,706,000	14,135,000
Business	10,473,000	11,130,000	10,722,000	10,624,000	9,175,000
Other	3,121,000	3,824,000	2,818,000	1,903,000	2,354,000
Day Trips	29,087,000	31,500,000	29,471,000	27,333,000	28,322,000
Overnight Trips	15,055,000	14,263,000	14,739,000	14,896,000	15,064,000

Table 2: Main RTO Destinations, 2008 ^{*2}

RTO Destinations 2008	Total*	Holiday	VFR	Business
Auckland	7,101,000	2,634,000	2,371,000	1,720,000
Waikato	4,719,000	1,565,000	1,770,000	1,067,000
Canterbury	3,813,000	1,517,000	1,139,000	805,000
Northland	2,867,000	1,108,000	909,000	654,000
Bay of Plenty	2,406,000	971,000	832,000	502,000
Wellington	2,055,000	520,000	675,000	774,000
Rotorua	1,893,000	1,013,000	451,000	314,000
Manawatu	1,794,000	629,000	633,000	434,000
Coromandel	1,771,000	962,000	526,000	164,000
Hawke's Bay	1,294,000	469,000	484,000	313,000
Taranaki	1,246,000	649,000	321,000	194,000
Kapiti-Horowhenua	1,244,000	468,000	502,000	240,000
Lake Taupo	1,229,000	457,000	511,000	221,000
Dunedin	917,000	223,000	373,000	198,000
Wairarapa	828,000	467,000	282,000	63,000

Table 3: Region of Origin, 2008 ^{*2}

Region of Origin 2008	Total	Holiday	VFR	Business
Northland	2,046,000	748,000	553,000	521,000
Auckland	10,614,000	4,456,000	3,692,000	2,086,000
Waikato	6,685,000	2,763,000	2,040,000	1,396,000
Bay of Plenty	3,370,000	1,262,000	1,164,000	728,000
Gisborne	363,000	147,000	106,000	100,000
Hawke's Bay	1,375,000	478,000	461,000	385,000
Taranaki	1,155,000	555,000	336,000	214,000
Manawatu-Wanganui	2,811,000	871,000	1,073,000	761,000
Wellington	4,307,000	1,744,000	1,490,000	927,000
West Coast	442,000	198,000	73,000	93,000
Canterbury	5,598,000	2,529,000	1,621,000	1,061,000
Otago	2,268,000	1,007,000	800,000	374,000
Southland	1,243,000	507,000	379,000	244,000
Tasman	169,000	88,000	39,000	31,000
Nelson	594,000	247,000	146,000	197,000
Marlborough	348,000	124,000	164,000	58,000

Table 4: Domestic Travel Expenditure, 2004-2008 ^{*2}

Expenditure	2004	2005	2006	2007	2008
Total Spend (millions)	7207	6834	7468	7587	8058
Average per Trip	157	143	159	173	181

DATA SOURCES

^{*1} TSA: Tourism Satellite Account (Statistics New Zealand)

^{*2} DTS: Domestic Tourism Survey (Ministry of Tourism)

^{*3} ITM: International Travel and Migration (Statistics New Zealand)

^{*4} RVM: Regional Visitor Monitor

IMAGE CREDITS

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Lake Taupo Lodge – www.laketaupolodge.co.nz