



## A Study of Health and Wellness Tourism in Australia - Project Summary

A team of academic researchers led by Professor Graham Brown from the University of South Australia and Professor Betty Weiler of Monash University has received funding from the Sustainable Tourism Cooperative Research Centre to undertake a scoping study of health and wellness tourism in Australia.

Recently, there has been a substantial interest in so called wellness services, covering everything from health food, physical exercise and lifestyle changes to alternative health therapies and spiritual health. Allied to this is the growth in medical tourism, involving travel to take advantage of health care services, such as medical or dental treatments and surgical care. While wellness and medical tourism products and services have evolved in response to this demand, the overall structure of this tourism market from both a supply and demand perspective is poorly understood.

This study is therefore timely and will address a range of important questions identified by government, industry bodies and private tourism businesses. The outcomes will support product development, marketing and strategic planning for health and wellness tourism in Australia, including medical tourism, into the future.

The project has industry linkage through an Industry Reference Group (IRG) which is assisting the team to ensure that outcomes will be actionable and industry relevant. The IRG consists of representatives of the Australian Spa Association, the Australian Tourism Export Council, Tourism Australia and the Cypress Lakes Group.

The project methodology incorporates a range of activities including:

- review of existing literature and secondary sources;
- interviews with a range of stakeholders and industry representatives;
- analysis of the data from the Tourism Research Australia demand surveys – the National Visitor Survey (NVS) and the International Visitor Survey (IVS) and the Roy Morgan Research Holiday Tracking Survey (HTS);
- a total of five in-depth case studies focusing on various aspects of the health and wellness tourism including destination and product branding; product development; marketing and distribution; and medical tourism.
- an in-depth survey of suppliers of health and wellness and medical tourism services in Australia.

Progress to date includes a literature review, stakeholder consultations, analysis of secondary data and the survey of service providers.

The research team is currently in the process of analyzing and synthesising the results of the various components of the research and a comprehensive report will be presented to the STCRC by the end of 2009 with publication and extension activities to occur in 2010.

Some of the findings from the analysis of secondary data are attached.

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## Tourism Demand

On the basis of the NVS data it is estimated that, on average, between 2006 – 2008 there were 229,000 overnight domestic trips per annum in which the visitors participated in ‘health and wellness’ activities as a component of their trip. This represents 0.3% of all overnight trips during this period.

The Roy Morgan Research Holiday Tracking Survey uses a slightly broader definition and includes holidays in which travellers participate in ‘health resort / spa holiday’ activities. Roy Morgan Research estimates there were 497,000 Australians who engaged in these activities as a component of their last trip in 2008 which was 1.3% of all holiday / leisure purpose trips.

Roy Morgan Research also report that in 2008 there were 170,000 outbound trips by Australians who included a ‘health resort / spa holiday’ as an activity.

From the NVS the average length of stay for domestic trips involving health and wellness activities was 8 nights, on average, giving an estimate of 1.7 million nights per annum for these visitors.

Based on average destination expenditure of \$114 per night for intrastate travel and \$132 per night for interstate travel<sup>1</sup> this represents a total expenditure of around \$217 million per annum<sup>2</sup>.

Roy Morgan Research estimate domestic expenditure on ‘health resort / spa’ holidays in Australia was \$461 million in 2008. Outbound expenditure is estimated to be \$791 million.

For day trip visitors the National Visitor Survey includes an activity category which is ‘visit a health spa or sanctuary / well being centre’. It is estimated that over a three year period from 2006 to 2008 there was an average of 148,000 qualifying day trips per annum that included a visit to a health spa or well-being centre.

Average day trip expenditure in 2007 was \$99<sup>3</sup>. Applying this figure to the estimate of health and wellness day trips provides an expenditure estimate of \$15 million per annum.

The International Visitor Survey includes ‘health spa’ as an activity category and over the three year period 2006 – 2008, it was estimated that there were, on average, 152,000 international visitors to Australia per annum who included this activity as a component of their trip. In the great majority of these cases it is unlikely that health and wellness services would have been the primary trip motivation.

The NVS and IVS include some information relating to travel for medical procedures. The NVS includes a purpose of visit category which is ‘health related’ while the IVS includes a purpose of visit category ‘medical reasons’.

The NVS suggests that over a three period 2006 – 2008 there was an average of 1.04 million domestic overnight trips per annum that were health related while the IVS provides an estimate of 7,000 inbound trips per annum on average over this period which were for medical reasons.

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<sup>1</sup> Tourism Research Australia. Regional expenditure 2007 - Domestic overnight trips.

<sup>2</sup> This expenditure occurs across a range of expenditure categories including accommodation, food and beverage, transport, personal services and other expenditure. Furthermore this figure does not represent an estimate of the ‘economic impact’ associated with health and wellness tourism as health and wellness activities may be ancillary rather than the core focus for the trip.

<sup>3</sup> Tourism Research Australia. Regional expenditure 2007 – Domestic day trips.

## **Consumer Profile**

From the NVS overnight domestic travellers participating in health and wellness activities were most likely to be aged between 25 and 44 years (45%). Around two thirds (68%) of all health and wellness travellers were female.

When compared on the basis of life-stage domestic health and wellness travellers are more likely to be mid-life parents (38%) or younger mid-life couple without children (19%).

In most cases domestic health and wellness visitors were travelling as an adult couple (36%) or with friends / relatives (23%). One fifth (20%) were travelling as a family with children and 10% were travelling alone.

Domestic health and wellness travellers come from more affluent households with more than half (53%) reporting annual household income of \$78,000 per annum or more and 18% reporting household income of \$150,000 per annum or more.

International visitor who included a spa activity were most likely to come from the UK (17%), New Zealand (14%), China (14%) and the United States of America (11%).

In contrast to the domestic market more than half (54%) of the international travellers who visited a health spa were travelling on their own in Australia. Around one quarter (23%) were travelling as an adult couple while a minority (8%) were travelling as a family group.