

Australia

Tourism in the economy

Tourism contributed AUD 60.8 billion to Australia's GDP in 2018-19 – representing 3.1% of total GDP. The sector directly employed around 666 000 people or 5.2% of total employment, more than the agricultural and mining industries combined. Travel exports accounted for 65.5% of total service exports in 2018.

International tourist arrivals were up 3% to 9.3 million for the year ending June 2019. These international visitors spent a record AUD 44.6 billion, representing a 5% growth on the previous year. Domestic overnight visitor spend also reached a record high of AUD 77.5 billion over the same period, up by 15%.

Australia's top inbound market by spending is China, followed by the United States and the United Kingdom. Chinese visitors spent AUD 11.9 billion in the year ending June 2019, which is up 5.9 % on the previous year and account for 27% of total visitor spending by international visitors in Australia. This share has increased strongly over the last decade, and is up from 10% in 2008–09. Tourism Research Australia forecasts that by 2028–29, 2.6 million Chinese will visit Australia annually and spend AUD 27.4 billion.

Domestic tourism experienced significant growth in 2018-19, with Australians taking a total of 340.1 million trips over this period (up 12% compared to 2017-18), of which 33.3% were overnight visits and 66.7% were same-day trips.

Tourism governance and funding

The Australian Trade and Investment Commission (Austrade) works closely with Tourism Australia, the Department of Foreign Affairs and Trade, and state and territory governments to co-ordinate the delivery of whole-of-government tourism objectives. Austrade is responsible for tourism policy, projects, programmes and research. Within Austrade, Tourism Research Australia provides international and domestic tourism intelligence, including statistics and analysis.

Tourism Australia is the Government agency responsible for attracting international visitors to the country. Formed under the Tourism Australia Act of 2004, it delivers partnership marketing to targeted global consumers in key markets to grow demand and foster a competitive and sustainable Australian tourism industry. The Department of Foreign Affairs and Trade works to strengthen bilateral tourism relationships and to leverage key multilateral tourism bodies. All state and territory governments in Australia incorporate tourism into their portfolios to ensure effective international and domestic tourism promotion and industry development.

Tourism Ministers' Meetings (TMM) bring together tourism ministers from the Australian, state and territory governments to discuss tourism policy matters of mutual interest. Chaired by the Australian Government Minister for Trade, Tourism and Investment, the Tourism Ministers' Meetings has collective responsibility for implementing the national tourism strategy, Tourism 2020. Its work is supported by the Australian Standing Committee on Tourism (ASCOT), which is chaired by Austrade and includes representatives from Tourism Australia, the Department of Foreign Affairs and Trade and each state and territory tourism

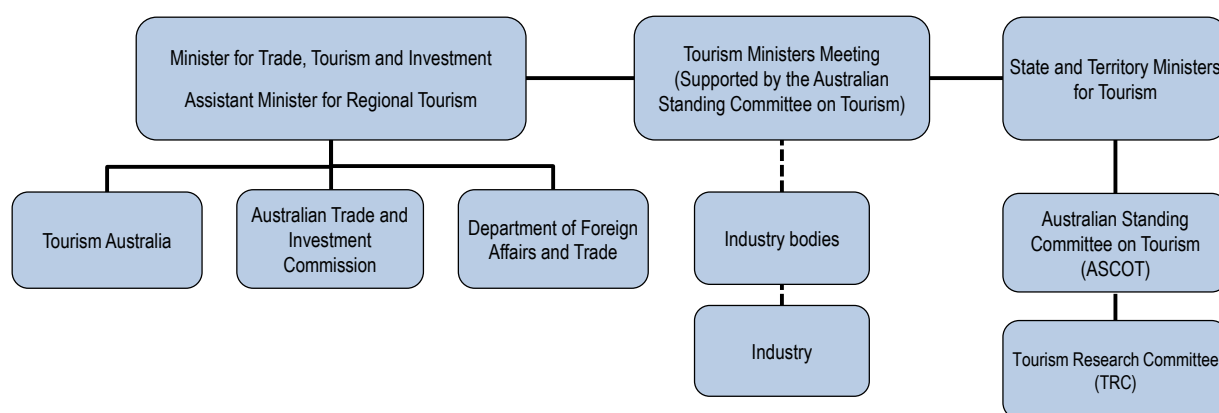
organisation, and relevant state departments with responsibility for tourism policy. Representatives from the tourism industry can be invited to attend ASCOT and TMM meetings as requested.

In 2019-20, Tourism Australia was allocated a budget of AUD 154.1 million. This includes AUD 14 million for the Asian Marketing Fund, AUD 2.5 million for the Working Holiday Maker campaign, and AUD 2 million for promotion of the T20 World Cup cricket in India.

At the beginning of 2019, the Australian Government announced a number of new funding initiatives to support tourism, including:

- AUD 50 million over three years for Tourism Icons projects in five locations to help drive tourism demand into regional Australia.
- AUD 40 million over four years for an Indigenous Tourism Fund to further develop this important sector of the Australian tourism industry.
- AUD 11 million over four years to attract more Chinese tour group tourists to Australia.

Australia: Organisational chart of tourism bodies



Source: OECD, adapted from the Australian Government, 2020.

Tourism policies and programmes

Tourism 2020 is the long-term strategy to build the resilience and competitiveness of Australia's tourism industry and grow its economic contribution. Launched in December 2011 and running until December 2020, it was the first time that national, state and territorial strategies to drive tourism demand and policies to grow the supply side were brought together in a co-ordinated manner. In terms of roles at the federal level:

- Austrade co-ordinates at the federal level to ensure policy settings support the supply side.
- Tourism Australia drives international demand through marketing and industry development activities.
- Department of Foreign Affairs and Trade leads and manages Australia's bilateral and multilateral tourism relationships.
- Tourism Research Australia underpins the strategy with data and insight.

Tourism 2020 set the ambitious target of doubling overnight visitor spend to between AUD 115 billion and AUD 140 billion by 2020. Thanks to strong co-operation between industry and all levels of government,

overnight visitor spend reached AUD 122.1 billion in 2018-19, and is on track to achieve AUD 134 billion by the end of 2020.

Since 2009, total overnight spend has increased by AUD 51.1 billion (up 72%) and an additional 40 400 rooms have been added to the accommodation stock in Australia's top ten tourism cities. International aviation capacity has grown by 67%, while domestic capacity has grown by 21%. Linked with this, 159 500 additional employees have joined the tourism workforce. Tourism 2020 has been an unifying force within the sector, with states and territories setting their own targets for overnight expenditure, with the strategy continuing through multiple changes of federal government. The development and ongoing industry ownership of Tourism 2020 has been recognised as policy best practice, and Australia is looking to re-create this as the next strategy is developed to come into force at the beginning of 2021.

The challenges facing Australia's tourism sector are to continue to drive sustainable growth of increased visitation and yield from a balanced portfolio of markets while at the same time managing key supply side issues such as increasing investment in tourism infrastructure, building the capacity and capability of the tourism workforce, and appropriately growing air connectivity:

- Growing demand for visitation to and within Australia is vital to reaching the upper range of the Tourism 2020 spend targets. To achieve this, Tourism Australia maintains a balanced portfolio approach in its international marketing, with investment in 15 core markets reflecting the greatest opportunities for sustained growth.
- Since making tourism a national investment priority, Australia has achieved record levels of international investment in tourism infrastructure. The Government has in recent times shifted its focus from investment attraction to project facilitation to ensure the pipeline of tourism infrastructure comes to fruition.
- In 2015, there were 38 000 unfilled tourism positions across Australia, which restricted the sector's ability to meet growing demand for Australia's tourism products, services and experiences. This is being tackled by: working with the industry-led Tourism and Hospitality Labour and Skills Roundtable; establishing a Skilling Australians Fund, which provides funding to states and territories to grow the number of apprentices and trainees to support Australia's future productivity, jobs and growth; and delivering the Tourism Employment Plans (TEPS) in partnership with states and territories. These TEPS are three-year plans that outline tailored strategies for a region to meet its specific labour and skills needs.
- A key pillar of the Tourism 2020 strategy is the goal of increasing international aviation capacity to Australia by 50% to 26 million annual inbound seats in total. This target was met four years early, however work has continued to ensure aviation capacity increases ahead of demand. In June 2019 there were around 58 international airlines and 1 954 international flights into Australia per week, which equates to a capacity of 26.9 million seats per annum.

Improving regional dispersal is a focus to grow the Australian tourism industry. While 44 cents in every tourism dollar is spent in regional Australia, regional dispersal remains challenging, particularly for international visitors. To this purpose the Government appointed an Assistant Minister for Regional Tourism in May 2019, and is providing funding for regional tourism infrastructure through the Building Better Regions Fund (Box 1.10).

In 2018, the Government commenced the process of developing its next 10 year tourism strategy, which is being progressed under the working title of Tourism 2030. An industry steering committee was established, which reported to Government in December 2018 on its vision for the future of the tourism industry. Challenges highlighted by the steering committee included: maintaining Australia's competitiveness, the sharing economy, technology, ultra-long haul travel, emerging markets, international education, and social licence. Priorities included: drive visitor demand through marketing, aggregated and segmented data analytics capability, addressing capacity constraints, technology, providing a suitably skilled and available workforce, and building a sustainable tourism industry. Building on the work of the

steering committee's report, it was identified that further consultation and opportunities for direct input by state and territory governments and the broader tourism industry would help build shared ownership of the strategy. This will also ensure that the national strategy aligns with individual state and territory strategies. Development work is continuing with the intention that the strategy is considered by Ministers during 2020 with a commencement date of 1 January 2021.

Statistical Profile

Australia: Domestic, inbound and outbound tourism

	2014	2015	2016	2017	2018
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	251 611	261 132	277 269	280 432	303 348
Overnight visitors (tourists)	80 332	85 317	89 071	93 362	101 487
Same-day visitors (excursionists)	171 279	175 815	188 198	187 070	201 861
Nights in all types of accommodation	296 189	312 136	325 711	336 054	362 533
Hotels and similar establishments	76 085	80 795	80 371	85 052	92 128
Other collective establishments	70 014	73 614	89 488	88 159	94 414
Private accommodation	150 129	157 727	155 852	162 843	175 991
Inbound tourism					
Total international arrivals	6 725	7 138	7 853	8 558	9 072
Overnight visitors (tourists)	..	..	..	..	..
Same-day visitors (excursionists)	..	..	..	..	..
Top markets					
China	774	936	1 146	1 259	1 422
New Zealand	1 227	1 271	1 325	1 353	1 371
United States	538	585	665	759	788
United Kingdom	671	667	704	726	742
Japan	331	333	380	429	442
Nights in all types of accommodation	217 921	235 483	247 157	264 515	269 272
Hotels and similar establishments	22 561	24 482	26 683	28 655	28 822
Other collective establishments	105 164	113 671	116 972	126 879	132 244
Private accommodation	90 196	97 330	103 501	108 981	108 207
Outbound tourism					
Total international departures	8 987	9 263	9 665	10 297	10 759
Overnight visitors (tourists)	..	..	..	..	..
Same-day visitors (excursionists)	..	..	..	..	..
Top destinations					
New Zealand	1 186	1 225	1 293	1 412	1 419
Indonesia	1 016	1 126	1 148	1 223	1 211
United States	970	999	1 062	1 086	1 084
United Kingdom	564	571	601	611	644
Thailand	616	565	558	558	581
TOURISM RECEIPTS AND EXPENDITURE, MILLION AUD					
Inbound tourism					
Total international receipts	42 209	48 220	52 574	57 356	63 253
International travel receipts	39 802	45 585	49 827	54 450	60 276
International passenger transport receipts	2 407	2 635	2 747	2 906	2 977
Outbound tourism					
Total international expenditure	43 015	45 394	47 990	51 727	56 597
International travel expenditure	36 869	38 897	41 437	44 896	49 258
International passenger transport expenditure	6 146	6 497	6 553	6 831	7 339

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Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934076267>

Australia: Enterprises and employment in tourism

	Number of establishments ¹	Number of persons employed				
	2016	2014	2015	2016	2017	2018
Total	..	575 900	593 300	617 600	646 000	..
Tourism industries	288 907	556 200	573 100	597 100	625 100	..
Accommodation services for visitors	12 868	84 300	83 600	85 000	86 000	..
Hotels and similar establishments	..	..	..	..	..	..
Food and beverage serving industry	79 878	181 400	191 300	203 100	212 900	..
Passenger transport	31 860	62 000	62 600	66 000	70 500	..
Air passenger transport	4 855	37 400	36 300	38 900	40 200	..
Railways passenger transport	78	2 200	2 600	2 700	2 700	..
Road passenger transport	26 927	22 400	23 700	24 400	27 600	..
Water passenger transport	..	..	..	..	..	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	..	..	..	..	..	..
Travel agencies and other reservation services industry	6 666	40 400	38 400	42 600	43 500	..
Cultural industry	14 191	15 100	14 900	14 600	16 500	..
Sports and recreation industry	13 060	26 900	28 000	27 100	30 700	..
Retail trade of country-specific tourism characteristic goods	130 384	100 300	104 500	103 300	107 200	..
Other country-specific tourism industries	..	45 800	49 900	55 500	57 900	..
Other industries	..	19 700	20 200	20 500	20 900	..

.. Not available

1. Data refer to number of enterprises.

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934076286>

Australia: Internal tourism consumption

Million AUD

	2017		
	Domestic tourism expenditure	Inbound tourism expenditure	Internal tourism consumption
Total	..	..	..
Consumption products	105 982	37 391	143 372
Tourism characteristic products	66 501	17 541	84 042
Accommodation services for visitors	13 433	5 730	19 163
Food and beverage serving services	17 748	3 752	21 501
Passenger transport services	19 978	4 745	24 723
Air passenger transport services	..	..	..
Railways passenger transport services	..	..	..
Road passenger transport services	..	..	..
Water passenger transport services	..	..	..
Passenger transport supporting services	..	..	..
Transport equipment rental services	1 380	542	1 922
Travel agencies and other reservation services industry	7 002	1 596	8 598
Cultural services	..	..	..
Sports and recreation services	6 959	1 176	8 135
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	39 481	19 850	59 331
Tourism connected products	38 255	18 427	56 682
Non-tourism related consumption products	1 226	1 423	2 649
Non-consumption products	..	..	..

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934076305>



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