

Australia

Tourism in the economy and outlook for recovery

Tourism plays a significant part in Australia's economy, contributing to both GDP and employment. In 2020-21, tourism directly contributed AUD 32.4 billion to GDP, representing 1.6% of total GDP. This was a decline of almost 50% compared with 2018-19, when tourism represented 3.1% of total GDP. The tourism sector comprised 507 000 jobs at the end of 2020-21, down 167 400 jobs compared to 2018-19. In the same time period, tourism exports fell 96% to AUD 1.7 billion in 2020-21.

The number of international visitors declined by over 97%, from 9.5 million in 2019 to 246 200 in 2021. Border closures led to declines across all international markets. Stringent travel restrictions saw China fall out of the top two markets in 2021 for the first time since 2011.

The number of domestic overnight trips declined by 30% to 82.1 million between 2019 and 2021. This relatively smaller decline in domestic trips saw domestic tourism consumption increase from 74% of total consumption in 2018-19 to 98% in 2020-21.

Domestic tourism is forecast to return to the average pre-pandemic level in 2022-23 and to surpass its 2018-19 peak the following year. A more moderate growth trajectory is forecast for the period through to 2025-26. The international tourism recovery is expected to take some time.

Tourism governance and funding

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

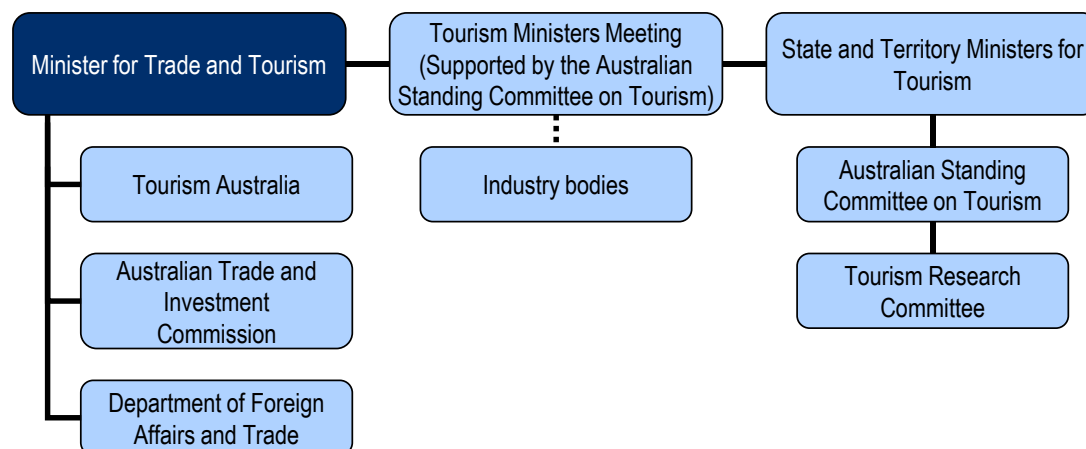
Tourism Australia is the government agency responsible for attracting international visitors to the country. While international border measures were closed, Tourism Australia's focus shifted to stimulating domestic demand, working closely with the sector, state and territory tourism organisations and key partners to roll out targeted domestic campaign activity. Tourism Australia was allocated AUD 155.3 million in 2021-22.

The Department of Foreign Affairs and Trade works to strengthen bilateral tourism relationships and 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 sector development.

The Tourism Ministers' Meetings (TMM) bring together tourism ministers from the Federal state and territory governments to discuss tourism policy matters of mutual interest. This work is supported by the Australian Standing Committee on Tourism (ASCOT), which is chaired by Austrade and includes representatives from Tourism Australia, state and territory tourism organisations, and relevant state

departments with responsibility for tourism policy. Representatives from the tourism sector and other relevant federal and state departments can be invited to attend ASCOT and TMM meetings as necessary.

Australia: Organisational chart of tourism bodies



Source: OECD, adapted from the Australian Government, 2022.

Tourism policies and programmes

Australia's long-term national visitor economy strategy, THRIVE 2030, was released in March 2022. Industry-led and government-enabled, THRIVE 2030 aims to help the visitor economy rebuild and return to long-term sustainable growth. It sets a target to return to pre-pandemic visitor expenditure of AUD 166 billion by 2024 and to grow it to AUD 230 billion by 2030. Regional destinations comprise approximately 40% of this goal. The strategy's action plan is focused on the initial recovery phase to 2024. It has seven priority areas with 66 actions for governments and the tourism sector. There are 21 federal government agencies involved in the delivery of THRIVE 2030.

In May 2022, the Federal Government committed AUD 48 million to tourism-related measures. This package will provide support for quality tourism products, infrastructure upgrades, training and upskilling of workers and assistance for businesses in attracting international visitors.

Australia's immediate focus during the COVID-19 pandemic was to provide support to heavily impacted areas of tourism. Since March 2020, the Australian Government has provided more than AUD 20 billion in assistance to the tourism and hospitality sector through targeted and non-targeted support, including wage subsidies (e.g. JobKeeper) and sectoral assistance programmes. This included partnering with states and territories to deliver business support programmes.

As part of this assistance, short-term measures funded by the AUD 1 billion COVID-19 Relief and Recovery Fund included: Regional Airlines Funding Assistance (AUD 100 million), Regional Air Network Assistance (AUD 198 million), the COVID-19 Consumer Travel Support (AUD 258 million), Regional Recovery Partnerships (AUD 100 million), the Business Events Grant programme (AUD 56 million) and the Supporting Australia's Zoos and Aquariums programme (AUD 139.6 million) (see box below).

Medium-term measures to support a return to growth for the sector include an AUD 1.2 billion tourism and aviation package as part of the National Economic Recovery Plan, the Tourism Aviation Network Support programme (AUD 204 million), the Recovery for Regional Tourism programme (AUD 50 million), and the expansion of the SME Loan Guarantee Scheme. Associated funding was also provided through

AUD 233 million for tourism and other infrastructure in Commonwealth National Parks and additional support to strengthen Australia's cultural and creative sector (approximately AUD 800 million).

While Australia's international borders were closed, recovery was driven by Australians holidaying at home. Tourism Australia implemented a domestic recovery campaign, “Holiday Here This Year,” urging Australians to support the tourism sector by taking a domestic holiday. Elements included the “Epic Journeys” and “the gift of travel” campaigns. In addition, Tourism Australia launched its National Experience Content Initiative, an AUD 12 million programme which subsidises new marketing materials and assets that tourism experience operators can use to better market and promote themselves.

Tourism Australia continued to focus on keeping Australia top of mind in international markets, generating long-term demand for travel and priming audiences to book travel to Australia as soon as it was practical to do so. As international borders reopened, Tourism Australia launched a global consumer campaign to drive conversion in key markets that offer the best potential to build Australia's tourism recovery.

To promote long-term recovery and prepare for future shocks, in April 2021 Austrade announced the appointment of the Reimagining the Visitor Economy Expert Panel to advise the government on how to chart a course for sustainable long-term growth over the next ten years. The report developed by this Expert Panel, *Reimagining the Visitor Economy*, informed the development of *THRIVE 2030*.

Supporting exhibiting zoos and aquariums in Australia

Zoos and aquariums are one of Australia's top tourism attractions, hosting over 22 million visitors annually, employing more than 7 000 people, and supported by 10 000 volunteers. COVID-19 severely impacted these attractions' ability to maintain their animal populations and retain essential capabilities.

This programme provided a total of AUD 139.6 million to eligible zoos and aquariums to cover the costs of maintaining animal populations whilst COVID-19 restrictions and international border closures were in place. It was designed in consultation with key stakeholders, including the Zoo and Aquarium Association, the Department of Agriculture, Water and the Environment and state and territory tourism organisations. The intended outcome was to help these businesses remain viable and ensure readiness to welcome visitors when travel restrictions were lifted.

Eligible applicants were unique attractions that met relevant animal welfare standards, contributed to the conservation and presentation of animals and drove interstate and international visitation. Applicants had to demonstrate that their business usually derived income from tourism and had experienced a reduction in revenue of at least 30% due to COVID-19 restrictions.

When the programme closed on 30 June 2022, over AUD 127.7 million had been paid to 145 eligible zoos and aquariums in nine payment rounds. The programme received an overwhelmingly positive response from the sector, which had struggled due to prolonged COVID-19 restrictions.

Statistical Profile

Australia: Domestic, inbound and outbound tourism

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|---------|---------|---------|----------|----------|
| TOURISM FLOWS, THOUSAND | | | | | |
| Domestic tourism | | | | | |
| Total domestic trips | 291 797 | 310 166 | 365 797 | 236 706 | 242 543 |
| Overnight visitors (tourists) | 98 484 | 104 822 | 117 448 | 72 514 | 82 074 |
| Same-day visitors (excursionists) | 193 313 | 205 344 | 248 349 | 164 192 | 160 469 |
| Nights in all types of accommodation | 352 085 | 371 528 | 417 907 | 275 404 | 321 109 |
| Hotels and similar establishments | 87 519 | 95 298 | 101 047 | 51 589 | 67 162 |
| Other collective establishments | 94 045 | 94 416 | 111 905 | 79 557 | 90 006 |
| Private accommodation | 170 521 | 181 814 | 204 955 | 144 258 | 163 940 |
| Inbound tourism | | | | | |
| Total international arrivals | 8 815 | 9 246 | 9 466 | 1 828 | 246 |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top markets | | | | | |
| New Zealand | 1 360 | 1 385 | 1 434 | 243 | 97 |
| United Kingdom | 733 | 733 | 716 | 201 | 22 |
| United States | 781 | 789 | 818 | 189 | 17 |
| Singapore | 433 | 448 | 479 | 58 | 16 |
| India | 303 | 358 | 399 | 84 | 13 |
| Nights in all types of accommodation | 263 797 | 273 793 | 274 477 | 68 973 e | 16 779 e |
| Hotels and similar establishments | 28 805 | 29 232 | 28 840 | .. | .. |
| Other collective establishments | 126 744 | 135 269 | 138 774 | .. | .. |
| Private accommodation | 108 247 | 109 293 | 106 863 | .. | .. |
| Outbound tourism | | | | | |
| Total international departures | 10 535 | 11 061 | 11 309 | 2 832 | 301 |
| Overnight visitors (tourists) | .. | .. | .. | .. | .. |
| Same-day visitors (excursionists) | .. | .. | .. | .. | .. |
| Top destinations | | | | | |
| New Zealand | 1 436 | 1 437 | 1 463 | 439 | 160 |
| United States | 1 075 | 1 096 | 1 056 | 236 | 17 |
| United Kingdom | 629 | 663 | 663 | 147 | 15 |
| Singapore | 403 | 415 | 417 | 88 | 6 |
| China (People's Republic of) | 541 | 594 | 608 | 122 | 5 |
| TOURISM RECEIPTS AND EXPENDITURE, MILLION AUD | | | | | |
| Inbound tourism | | | | | |
| Total international receipts | 57 376 | 63 253 | 68 949 | 38 382 | .. |
| International travel receipts | 54 470 | 60 276 | 65 752 | 37 521 | .. |
| International passenger transport receipts | 2 906 | 2 977 | 3 197 | 861 | .. |
| Outbound tourism | | | | | |
| Total international expenditure | 51 727 | 56 853 | 59 507 | 11 573 | .. |
| International travel expenditure | 44 896 | 49 514 | 51 770 | 9 831 | .. |
| International passenger transport expenditure | 6 831 | 7 339 | 7 737 | 1 742 | .. |

.. Not available; e Estimated value

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/oefvlu>

Australia: Enterprises and employment in tourism

| | Number of establishments ¹ | Number of persons employed | | | | |
|---|---------------------------------------|----------------------------|----------------|----------------|----------------|------|
| | 2020 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Total | .. | 651 800 | 674 400 | 636 200 | 507 000 | .. |
| Tourism industries | 334 511 | 631 000 | 653 600 | 615 500 | 486 000 | .. |
| Accommodation services for visitors | 13 303 | 85 600 | 83 400 | 74 700 | 62 700 | .. |
| Hotels and similar establishments | .. | .. | .. | .. | .. | .. |
| Food and beverage serving industry | 91 533 | 212 700 | 216 100 | 205 800 | 198 400 | .. |
| Passenger transport | 42 201 | 69 100 | 73 200 | 71 100 | 56 000 | .. |
| Air passenger transport | 5 377 | 41 600 | 43 900 | 43 500 | 27 900 | .. |
| Railways passenger transport | 97 | 2 800 | 3 300 | 3 100 | 2 800 | .. |
| Road passenger transport | 36 727 | 24 700 | 26 000 | 24 500 | 25 300 | .. |
| Water passenger transport | .. | .. | .. | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. | .. | .. | .. |
| Transport equipment rental | .. | .. | .. | .. | .. | .. |
| Travel agencies and other reservation services industry | 8 872 | 43 700 | 45 000 | 42 600 | 31 300 | .. |
| Cultural industry | 17 390 | 16 600 | 19 600 | 19 400 | 17 000 | .. |
| Sports and recreation industry | 16 106 | 29 900 | 32 500 | 27 500 | 27 900 | .. |
| Retail trade of country-specific tourism characteristic goods | 145 106 | 109 400 | 113 700 | 110 900 | 92 100 | .. |
| Other country-specific tourism industries | .. | 63 800 | 69 900 | 63 600 | 500 | .. |
| Other industries | .. | 20 800 | 20 800 | 20 700 | 21 000 | .. |

.. Not available

1. Data refer to number of enterprises.

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/igk6po>

Australia: Internal tourism consumption

Million AUD

| | 2020 | | |
|---|------------------------------|-----------------------------|------------------------------|
| | Domestic tourism expenditure | Inbound tourism expenditure | Internal tourism consumption |
| Total | .. | .. | .. |
| Consumption products | 81 707 | 1 692 | .. |
| Tourism characteristic products | 45 897 | 1 300 | .. |
| Accommodation services for visitors | 12 715 | 1 002 | .. |
| Food and beverage serving services | 15 283 | 104 | .. |
| Passenger transport services | 6 512 | 78 | .. |
| Air passenger transport services | .. | .. | .. |
| Railways passenger transport services | .. | .. | .. |
| Road passenger transport services | .. | .. | .. |
| Water passenger transport services | .. | .. | .. |
| Passenger transport supporting services | .. | .. | .. |
| Transport equipment rental services | 1 077 | 12 | .. |
| Travel agencies and other reservation services industry | 5 422 | 71 | .. |
| Cultural services | .. | .. | .. |
| Sports and recreation services | 4 889 | 34 | .. |
| Country-specific tourism characteristic goods | .. | .. | .. |
| Country-specific tourism characteristic services | .. | .. | .. |
| Other consumption products | 35 809 | 391 | .. |
| Tourism connected products | 34 705 | 359 | .. |
| Non-tourism related consumption products | 1 104 | 32 | .. |
| Non-consumption products | .. | .. | .. |

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <https://stat.link/4nvm7k>



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