



INTERNATIONAL VISITORS IN AUSTRALIA

YEAR ENDING MARCH 2020

VISITORS ▼6%
8.1 MILLION

NIGHTS ▼5%
257 MILLION

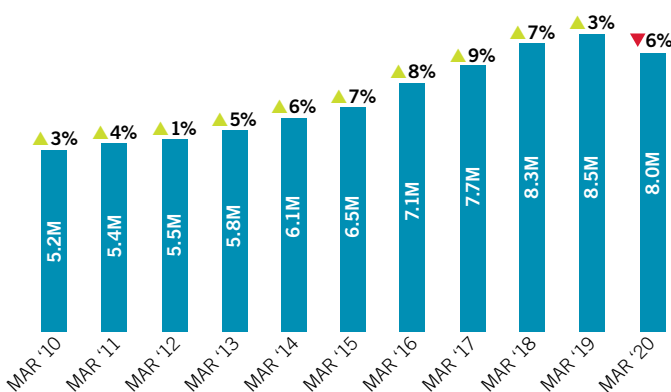
SPEND ▼6%
\$41.5 BILLION

The COVID-19 outbreak has had a significant effect on the number of international visitors to Australia aged 15 years or more. With the effects of COVID-19 emerging in February 2020 and taking hold in March, international visitors for the year ending March 2020 fell by 6% to 8.1 million. Spend by international visitors also fell 6% to \$41.5 billion, while visitor nights fell 5% to 257 million. The last time international visitors and spend both fell was in the year ending September 2011.

Growth in international visitation had been steadily slowing when the initial impact from COVID-19 hit hard in the March quarter 2020. This was reflected in the visitor numbers, which fell by 28% to 1.7 million, while nights (down 22% to 65.2 million) and spend (down 27% to \$10.6 billion) also declined for the quarter.

New monthly estimates show there was a drop of 25% in visitors in February 2020 followed by a 60% fall in March. The rates of decline were also high for spend (39% in February and 49% in March) and nights (30% in February and 42% in March).

FIGURE 1: INTERNATIONAL VISITORS, YEAR ENDING MARCH 2010 TO 2020



PURPOSE OF TRAVEL

The decline in visitors during the year ending March 2020 cut across most travel purposes. Business visitors declined the most – down 8% to 925,000, while spend fell by 15% to \$3.6 billion. Business travel was well down for a number of key markets, including the United States (US), New Zealand, the United Kingdom (UK), China and Singapore.

Education visitors also fell significantly – down 8% to 537,000, while spend fell 5% to \$12.1 billion. This was driven primarily by China – our most lucrative education market – with an 18% decline in visitors and a 13% decline in spend across the year.

Holiday visitors also fell by 7% to 3.6 million and spend by 7% to \$15.6 billion. In addition to China, the US, Taiwan and Korea contributed most to the decline in holiday spend.

Travel to visit friends and relatives (VFR) was more resilient, with visitors down 2% to 2.5 million, while spend fell 3% to \$7.3 billion. This can be attributed to strong growth in VFR travel from India and Hong Kong that partially offset falls for China, the UK, New Zealand and the US.

MARKETS

Australia's top 5 international markets all recorded a decline in visitor numbers and spend in the year ending March 2020. Most flights from China were suspended from February due to COVID-19, resulting in the largest visitor fall – down 19% to 1.1 million, while Chinese spend fell 15% to \$10.2 billion.

The US and UK both experienced a 5% decline in visitors to 714,000 and 637,000 respectively, while spend fell 7% to \$3.7 billion for the US and 5% to \$3.2 billion for the UK. Visitor numbers from Japan were down 3% to 425,000, while New Zealand's visitor numbers fell 2% to 1.2 million. With a more modest drop in arrivals, New Zealand replaced China as our number 1 visitor market for the year.

Outside of our top 5 markets, India's visitor numbers and spend grew despite the COVID-19 effect in the March quarter – up 7% to 25,000 and spend up 5% to \$1.8 million. Indonesia was the only other market to see an increase in visitors (up 2% to 190,000) and spend (up 6% to \$852 million). Korea, Taiwan and Malaysia experienced similar results to China, with sizeable falls in visitors and spend (Table 1).

TABLE 1: CHANGE IN VISITORS AND SPEND FOR SELECTED MARKETS, YEAR ENDING MARCH 2020

MARKET	VISITORS (%)	SPEND (%)
CHINA	-19	-15
KOREA	-15	-10
TAIWAN	-12	-12
MALAYSIA	-9	-10
UK	-5	-5
US	-5	-7
JAPAN	-3	0
NEW ZEALAND	-2	-3
SINGAPORE	-1	-7
HONG KONG	-1	5
INDONESIA	2	6
INDIA	7	5



IMPACT OF THE BUSHFIRES

During Australia's summer, many regions were devastated by bushfires while others were affected by poor air quality due to heavy smoke. Around 14% or 241,000 international visitors were impacted in some way by the bushfires during the March quarter 2020:

- 160,000 visitors (66%) were affected by poor air quality
- 81,000 visitors (34%) changed their trip itinerary, accommodation bookings, flight details and/or shortened their trip duration
- 80,000 visitors (33%) cancelled or postponed activities.

Most visitors¹ indicated that the bushfires had not negatively impacted their perception of Australia as a holiday destination (89%). For the minority of visitors who reported that their perceptions were adversely affected, just 14% stated they would be less likely to return to Australia. However, all of these visitors said they would be less likely to travel to regional Australia again.

Many of the tourism regions most impacted by the bushfires had much larger declines in international visitors relative to the national average (-28%) in the March quarter 2020. The Lakes in Victoria had 69% less visitors, while there were 55% fewer to Kangaroo Island and drops of 57% for the Snowy Mountains and 47% for South Coast NSW.

New South Wales and Victoria – where the bushfire impacts were most widespread – saw drops of 2% and 3% in international visitors respectively during January 2020. Nationally, visitor numbers were up 4% for the month.

IMPACT FROM COVID-19

New monthly estimates produced by TRA show that the effects of COVID-19 started to take hold in February 2020 as some travel routes were suspended. With entry restrictions placed on travellers coming through/from mainland China, the biggest impact on visitor numbers was for states more dependent on the Chinese market and/or international education.

The impact then escalated in March 2020 as Australia moved to close its borders from the 20th of March. Nationally, international visitors were down 25% and spend down 39% in February, with March bringing 60% fewer visitors and 49% less in spend (Figure 2). All states and territories were hit hard (Tables 2 and 3).

FIGURE 2: PERCENTAGE CHANGE IN VISITORS, NIGHTS AND SPEND

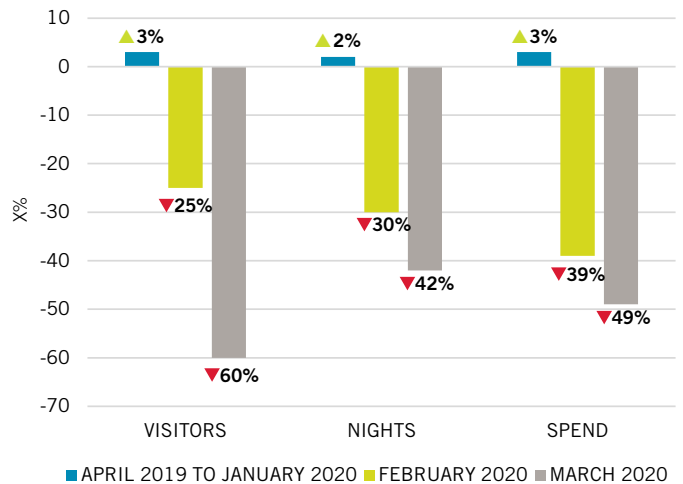


TABLE 2: INTERNATIONAL VISITORS BY STATE²

STATE	APRIL 2019 TO JANUARY 2020		FEBRUARY 2020		MARCH 2020	
	(000')	% CHG	(000')	% CHG	(000')	% CHG
NSW	3,503	1	308	-31	137	-65
VIC	2,484	2	222	-33	118	-60
QLD	2,309	3	173	-31	83	-64
SA	381	11	35	-34	22	-56
WA	820	6	88	-8	42	-50
TAS	205	-8	29	-31	15	-53
NT	252	0	17	-24	9	-62
ACT	205	-3	15	-42	7	-69
AUST	7,083	3	652	-25	315	-60

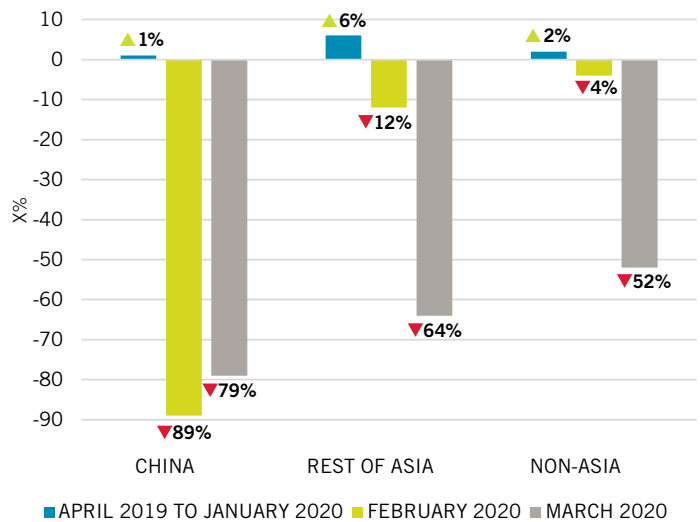


TABLE 3: INTERNATIONAL SPEND BY STATE²

STATE	APRIL 2019 TO JANUARY 2020		FEBRUARY 2020		MARCH 2020	
	\$M	% CHG	\$M	% CHG	\$M	% CHG
NSW	8,524	2%	876	-49%	400	-56%
VIC	6,595	4%	809	-36%	525	-29%
QLD	4,905	3%	403	-49%	219	-38%
SA	923	20%	69	-53%	57	-40%
WA	1,861	7%	194	-43%	103	-37%
TAS	436	12%	52	-35%	28	-30%
NT	400	0%	22	-4%	8	-70%
ACT	458	-7%	23	-49%	17	-58%
AUST	35,330	3%	3,754	-39%	1,907	-49%

In February 2020, the decline in visitors was largely concentrated in six Asian markets – China (down 89%), Taiwan (down 35%), Korea (down 31%), Hong Kong (down 29%), Malaysia (down 28%) and Singapore (down 24%). Although Asian countries continued to have the largest falls in March, most markets saw visitor numbers down by at least 50% (Figure 3).

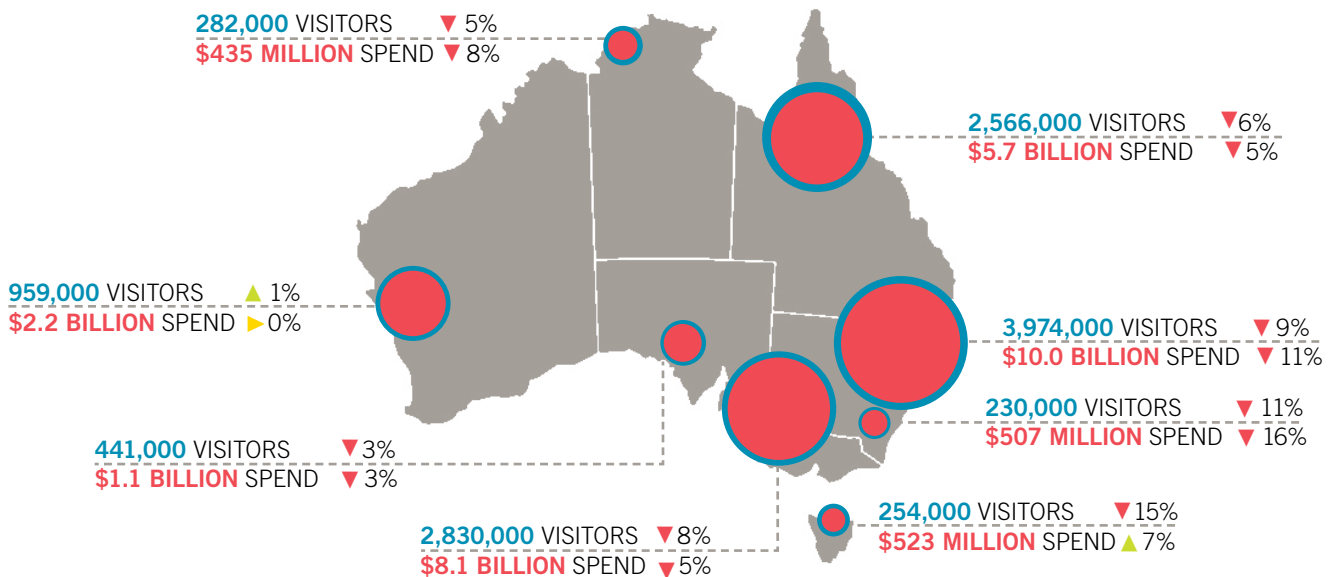
FIGURE 3: PERCENTAGE CHANGE IN VISITORS BY MARKET GROUPING³



STATES AND TERRITORIES

Most states and territories had a decline in visitors and spend in the year ending March 2020. On the back of strong growth up to the end of 2019, Western Australia saw visitor numbers increase 1% and spend remain unchanged for the year. Although Tasmania had a decline in visitors, spend was up 7% led by growth in VFR (Figure 4).

FIGURE 4²: INTERNATIONAL VISITORS AND SPEND BY STATE – YEAR ENDING MARCH 2020



1. Asked of holiday and education visitors only.
 2. Total number of visitors by state will be greater than total number of visitors for Australia.
 3. Source: Department of Home Affairs, Visitor Arrivals and Departures data.