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FOREWORD

Tourism is a key contributor to the Australian economy generating $98 billion in total visitor expenditure, directly employing nearly 5 per cent of the Australian workforce and generating 8 per cent of Australia’s export value. Despite the continuing high value of the Australian dollar and the increased number of emerging destinations becoming active in tourism, the number of international visitors to Australia grew at 5 per cent in 2012–13 to reach a new record of 6.3 million visitors.

This is the fourth edition of TRA’s State of the Industry report and provides an overview of how Australia’s tourism industry performed in 2012–13 on a wide range of key performance indicators. It presents an outlook for tourism via a summary of the latest Tourism Forecasts and provides an assessment of the industry’s performance against key targets within the Tourism 2020 Strategy.

An updated Tourism Scorecard is included with State of the Industry, 2013 and as a separate lift-out to again present in a single diagram, a summary of how the industry performed over the 2012–13 financial year. We have also included in this year’s report, an Appendix containing a Tourism Ready Reckoner that provides a more comprehensive breakdown of key economic and visitation data.

State of the Industry, 2013 shows that Australia’s tourism industry has performed well on most measures of performance. Inbound tourism to Australia continues to grow driven largely by key Asian markets, China in particular. Given the importance of the domestic market to the overall performance of Australia’s tourism industry, it was pleasing to note the growth in domestic tourism especially the growth in overnight trips that was well above its long-term trend rate.

The outlook for Australia’s tourism industry is positive, especially with the predicted fall in the value of the Australian dollar, and the industry is on track to achieve the lower end of the tourism Potential’s target of $115 billion for overnight visitor expenditure by 2020.

Dr Leo Jago
Chief Economist and General Manager
Tourism Research Australia
This year’s State of the Industry 2013 report shows that the industry’s performance improved in 2012–13 on most indicators. Total tourism expenditure, by tourists travelling to and within Australia, increased 3.9 per cent in 2012–13 to $97.7 billion. This was achieved despite a continuing high value of the Australian dollar and a range of challenges in the global macroeconomic environment.

This year’s report provides an update on progress toward the Tourism Industry Potential (Potential), the industry’s collective goal to generate between $115 billion and $140 billion in overnight visitor expenditure by 2020. A summary of the performance of Australia’s tourism industry during 2012–13 is presented in the Tourism Scorecard in Section 3. A detailed breakdown of tourism statistics in the form of the Tourism Ready Reckoner is presented in Appendix A.

MACROECONOMIC CHALLENGES

Over the past few years, the Australian tourism industry has faced the economic headwinds caused by a GFC induced weak global economy and a high Australian dollar. While the outlook for the global economy has improved, growth generally remains at rates below trend for most leading economies. The Australian economy grew 2.8 per cent in 2012–13, also lower than trend. While unemployment is creeping up, it remains low posing a major challenge for tourism operators.

ECONOMIC SIGNIFICANCE OF TOURISM (2011–12)

Tourism GDP increased by 5.3 per cent to $41 billion in 2011–12 with domestic tourism GDP driving this growth, increasing 6.8 per cent to $30.1 billion. In 2011–12, domestic tourism accounted for 73 per cent of total direct tourism GDP. Tourism exports increased 2.1 per cent to $25.5 billion while tourism imports increased by 5.1 per cent to $32.3 billion resulting in the net tourism trade deficit widening by $1.0 billion to $6.7 billion. Direct tourism employment increased 0.3 per cent (or 1,600 jobs) to 531,900 in 2011–12.

DEMAND SIDE INDICATORS

In 2012–13, international visitor expenditure increased 5.9 per cent to $28.2 billion. This was around three times higher than the global average rate of growth of 1.8 per cent. Visitor arrivals grew 4.9 per cent to a record 6.3 million in 2012–13. Growth from leading Asian markets was very strong, in particular China, which continues to be the main source for growth in international visitor expenditure in Australia (up $800 million to $4.5 billion). Arrivals from that market were up 17.5 per cent. Arrivals from ‘traditional’ markets also improved, with the United States up 6.0 per cent and United Kingdom growing for the first time in five years, up 1.2 per cent.

The domestic sector performed well in 2012–13 with domestic visitor expenditure increasing 3.2 per cent to $69.5 billion. Domestic overnight visitor expenditure doubled its five-year growth rate, increasing 3.2 per cent to $51.4 billion, with travel for holiday and Visiting Friends and Relatives (VFR) driving growth. Same day visitor expenditure grew 3.0 per cent to $18.1 billion. Outbound tourism increased by 4.9 per cent in 2012–13 to 8.4 million departures, the slowest growth since 2008–09.

SUPPLY SIDE INDICATORS

As at June 2012, TRA estimates that there were around 280,000 tourism businesses in Australia, or 13 per cent of the total number of Australian businesses. This represents a net decline of 3,600 tourism businesses since June 2010.

TRA estimates that the tourism investment pipeline was worth $44.1 billion in 2012, a $7.9 billion (or 22 per cent) increase, year on year. Key components and valuations of the ‘tourism investment pipeline’ include aviation investment of $29 billion; $5.6 billion in accommodation; and arts and recreation investment of $9.6 billion.
CONCLUSION

*State of the Industry 2013* paints a positive picture for Australian tourism. China will remain the powerhouse for inbound tourism. The recent depreciation of the Australian dollar against the currencies of our key inbound markets, if sustained, will likely have a positive impact on domestic and international tourism, particularly in the price sensitive leisure tourism sectors.

While the Australian tourism industry is on track to achieve at least the lower level of the Potential by 2020, in order to support demand, the tourism supply chain must continue to grow. As the investment phase of Australia’s mining boom passes, there is an opportunity to attract more investment into tourism. For this opportunity to be realised, however, it will be important for the tourism industry to enhance its productivity in order to demonstrate the yields necessary to attract investment.

TOURISM FORECASTS (TO 2022–23)

TRA’s tourism forecasts suggest that tourism expenditure will increase by 2.7 per cent in real terms (2013 dollars) to $98 billion in 2013–14. The forecasts expect continued strong reliance on growth from Asian markets, most notably China, which is expected to deliver more than one-fifth (22 per cent) of the increase in international visitor arrivals over the next decade. Total visitor expenditure is forecast to reach $115 billion by 2022–23.

TOURISM 2020 PROGRESS

For the period 2009 to 2012–13, the Potential has increased by 11.4 per cent (or by 3.1 per cent per year) to almost $80 billion. While this places the Potential at the lower end of its growth path, Tourism 2020 is still in its “setting the foundation” phase with growth expected to gather momentum in 2015 and beyond.

Substantial progress has been made towards achieving most supply side goals that underpin the Potential. Domestic aviation seat capacity has grown strongly achieving 70 per cent of its target; international capacity continues to grow with 43 per cent of the Potential’s target achieved. The tourism labour force has made good progress increasing by 18,000 jobs and achieving around 12 per cent of its Potential target. While there was strong growth in room supply in the last 12 months (up 2,900 rooms), growth towards the Potential’s room target has been modest with 18 per cent of the 2020 target achieved.

In terms of tourism expenditure, the Potential has achieved 12 per cent of the increase needed to reach the $140 billion target. The domestic overnight sector has led demand progress, achieving 19 per cent of its goal, compared to the international sector at 6 per cent.
1 ECONOMIC BACKDROP


FIGURE 1: ECONOMIC GROWTH IN KEY TOURISM ECONOMIES, 2013 AND 2014

Source: Consensus Economics

1.1 GLOBAL BACKDROP

Over the past few years, the Australian tourism industry has traversed the economic headwinds caused by GFC-induced weak global economic growth and a high Australian dollar. This combination has impacted more on the longer staying, higher spending visitors such as those from Europe, and those visiting for education purposes.

While the global economic recovery has made some progress in 2013, growth generally remains at below-trend rates.

In the US, a low US dollar, near-zero interest rates and a massive liquidity injection from quantitative easing produced economic growth of 2.0 per cent in 2012–13. Consumer confidence in the US has improved, partly due to a rising stock market, recovering housing sector, and falling unemployment.

European economies have been weak, with some economies remaining in deep recession. Growth remained very weak in 2012–13, with Germany up 0.3 per cent, France down 0.1 per cent, and UK up 0.5 per cent. Austerity measures on government spending look set to continue, and with unemployment remaining very high, growth is likely to remain weak in coming years.

Asian economies are mixed, with growth now easing after recovering quickly from the GFC. Economic growth in Japan slowed to 0.4 per cent in 2012–13, prompting a significant increase in government spending to boost growth in 2013–14.

China’s ongoing strong economic growth, which has been a key driver for Australian inbound tourism, has been fuelled by a large inflow of foreign investment in construction. However, growth has slowed to 7.7 per cent in 2012–13, and slower economic growth is forecast.

1.2 THE AUSTRALIAN ECONOMY

Australia’s tourism performance is heavily dependent on a strong Australian economy, as three-quarters of visitor expenditure is sourced from domestic tourism. Further, the Australian dollar underpins price competitiveness for both international and domestic travel.

Australian economic growth strong compared to other western economies, but growth is still a challenge post the mining boom.

Economic growth in Australia eased slightly to 2.9 per cent in 2012–13, below the long-term average but still strong compared with those of many other western economies. Growth was primarily sourced from non-dwelling (mainly mining-related) investment, offsetting the weakest growth in household consumption since the GFC-induced slump three years earlier. The mining boom impact is reflected in the stronger economic growth in Western Australia, Northern Territory and Queensland.

The Commonwealth Treasury notes that, combined with the continued weak international backdrop, the Australian economy is now shifting away from heavy reliance on the mining boom boost towards ‘new sources for growth’ in sectors outside mining, but this ‘may not occur as smoothly as forecast’.
Other indicators important for discretionary spending have been weak, with unemployment growing (now at 5.6 per cent, up 0.7 percentage points from its cyclical low in April 2011), and retail sales being flat in the June quarter 2013 (but with solid growth on spending in cafes and restaurants).

The weaker backdrop has prompted the Reserve Bank of Australia to make eight successive cuts since November 2011 in the official cash rate (to a half-century low of 2.5 per cent) in a bid to stimulate non-mining sector investment. These lower interest rates have had a small impact on consumer and investment sentiment, reflected in rising house prices, a steady increase in dwelling construction and key indicators for Australia’s stock market improving. A lower official cash rate relative to Australia’s overseas competitors has also underpinned a very high Australian dollar in recent years.

The mid-2013 sharp fall in the Australian dollar brought some relief for Australian exporters including those involved in inbound tourism, as it improved the price competitiveness of exports.

A lower Australian dollar should drive international arrivals, soften outbound growth, and benefit tourism exports.

In the September quarter 2013, compared to its 2012–13 average, the Australian dollar depreciated 10.8 per cent against the US dollar, 12.5 per cent against the Renminbi, and 12.9 per cent against the Euro. If this depreciation is sustained, a lower Australian dollar should have a more positive impact on domestic and international tourism this year and next, particularly in the price sensitive leisure tourism sectors.
2.1 TOURISM GROSS DOMESTIC PRODUCT (GDP)

In 2011–12, direct tourism GDP increased 5.3 per cent (or $2.1 billion) to $41 billion. Tourism’s share of total GDP remained constant at 2.8 per cent. Domestic tourism GDP increased 6.8 per cent (or $1.9 billion) to $30 billion in 2011–12, while international tourism GDP increased 1.5 per cent (or $163 million) to $10.9 billion in 2011–12. Domestic tourism accounted for 73 per cent of total direct tourism GDP. Over the period 1997–98 to 2011–12, direct tourism GDP increased by $22.5 billion (or at an average annual growth rate of 5.9 per cent).

In 2011–12, direct tourism GDP increased 5.3 per cent to $41 billion

FIGURE 3: DIRECT TOURISM GDP

2.2 TOURISM GROSS VALUE ADDED (GVA)

In 2011–12, direct tourism GVA increased 5.3 per cent (or $1.9 billion) to $38 billion. Direct GVA for the main tourism industries were:

- Accommodation increased 7.4 per cent to $6.5 billion
- Cafes, restaurants and takeaway food services increased 7.6 per cent to $4.1 billion
- Air, water and other transport increased 6.5 per cent to $6.1 billion.

2.3 TOURISM EMPLOYMENT

In 2011–12, direct tourism employment increased 0.3 per cent (or 1,600 jobs) to 531,900, of which 45 per cent were part-time jobs.

At the same time, total employment across the economy increased 1.1 per cent. This resulted in tourism’s share of total employment decreasing to 4.6 per cent. In 2011–12, nearly 54 per cent of persons employed in tourism were female.

Over half of all employed in tourism were female

The main tourism industries experienced the following changes in direct employment:

- Accommodation decreased 4.5 per cent to 68,600
- Cafes, restaurants and takeaway food services decreased 1.2 per cent to 141,100
- Air, water and other transport increased 9.3 per cent to 37,700
- Travel agency and tour operator services increased 4.2 per cent to 32,400
- Clubs, pubs, taverns and bars increased by 3.1 per cent to 33,100.
Tourism exports increased 2.1 per cent to $26 billion in 2011–12.

Over the period 1997–98 to 2011–12, direct tourism employment increased by 118,100 (29 per cent, or a compound annual growth rate of 1.8 per cent).

### 2.4 TOURISM TRADE

In 2011–12, total Australian exports rose 6.3 per cent. Tourism exports (or international visitor consumption) increased 2.1 per cent to $26 billion, and represents around 8.1 per cent of total Australian exports. Tourism imports rose by 5.1 per cent to $32 billion. The tourism trade balance was in deficit by $6.7 billion in 2011–12 following a trade deficit of $5.7 billion in 2010–11.

### TABLE 1: KEY TOURISM AGGREGATES, 2010–11 AND 2011–12

<table>
<thead>
<tr>
<th></th>
<th>2010–11</th>
<th>2011–12</th>
<th>Change (per cent)</th>
<th>(unit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism gross value added ($m)</td>
<td>35,711</td>
<td>37,621</td>
<td>5.3</td>
<td>1,909</td>
</tr>
<tr>
<td>Net taxes on tourism products ($m)</td>
<td>3,224</td>
<td>3,398</td>
<td>5.4</td>
<td>173</td>
</tr>
<tr>
<td>Tourism gross domestic product ($m)</td>
<td>38,936</td>
<td>41,018</td>
<td>5.3</td>
<td>2,083</td>
</tr>
<tr>
<td>Total consumption by tourists in Australia ($m)</td>
<td>99,798</td>
<td>106,552</td>
<td>6.8</td>
<td>6,754</td>
</tr>
<tr>
<td>Consumption by domestic visitors in Australia ($m)</td>
<td>74,781</td>
<td>81,005</td>
<td>8.3</td>
<td>6,223</td>
</tr>
<tr>
<td>Consumption by international visitors in Australia ($m)</td>
<td>25,017</td>
<td>25,547</td>
<td>2.1</td>
<td>531</td>
</tr>
<tr>
<td>Consumption by Australian visitors while overseas ($m)</td>
<td>30,730</td>
<td>32,282</td>
<td>5.1</td>
<td>1,552</td>
</tr>
<tr>
<td>Tourism balance of trade ($m)</td>
<td>-5,713</td>
<td>-6,734</td>
<td>n.a.</td>
<td>-1,021</td>
</tr>
<tr>
<td>Persons employed in tourism</td>
<td>530,300</td>
<td>531,900</td>
<td>0.3</td>
<td>1,600</td>
</tr>
<tr>
<td>Full Time</td>
<td>295,600</td>
<td>294,900</td>
<td>-0.2</td>
<td>-700</td>
</tr>
<tr>
<td>Part Time</td>
<td>234,700</td>
<td>236,900</td>
<td>1.0</td>
<td>2,200</td>
</tr>
<tr>
<td>Male</td>
<td>248,200</td>
<td>245,800</td>
<td>-1.0</td>
<td>-2,400</td>
</tr>
<tr>
<td>Female</td>
<td>282,100</td>
<td>286,000</td>
<td>1.4</td>
<td>3,900</td>
</tr>
<tr>
<td>Tourism share of gross value added (%)</td>
<td>2.7</td>
<td>2.7</td>
<td>n.a.</td>
<td>0</td>
</tr>
<tr>
<td>Tourism share of gross domestic product (%)</td>
<td>2.8</td>
<td>2.8</td>
<td>n.a.</td>
<td>0</td>
</tr>
<tr>
<td>Tourism share of total employment (%)</td>
<td>4.7</td>
<td>4.6</td>
<td>n.a.</td>
<td>0.04</td>
</tr>
</tbody>
</table>


The 2012–13 issue of Tourism Satellite Account is expected to be released on 19 December 2013.
### TOURISM INDUSTRY PERFORMANCE SCORECARD 2012–13

#### SUPPLY

<table>
<thead>
<tr>
<th>Accommodation</th>
<th>2012–13</th>
<th>Change on 2011–12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rooms</td>
<td>230,064</td>
<td>1.3%</td>
</tr>
<tr>
<td>Capital city share</td>
<td>51.2%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Regional share</td>
<td>48.8%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Occupancy rate</td>
<td>65.4%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Capital cities</td>
<td>75.6%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Regional</td>
<td>54.6%</td>
<td>-1.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Aviation</th>
<th>2012–13</th>
<th>Change on 2011–12</th>
</tr>
</thead>
<tbody>
<tr>
<td>International seats</td>
<td>20.1 million</td>
<td>5.2%</td>
</tr>
<tr>
<td>Domestic seat KMS</td>
<td>87.6 billion</td>
<td>7.3%</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Tourism Quality</th>
<th>2012–13</th>
<th>Change on 2011–12</th>
</tr>
</thead>
<tbody>
<tr>
<td>T-Qual Sub-Licences Signed</td>
<td>6,000</td>
<td>20.0%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Employment</th>
<th>2011–12</th>
<th>Change on 2010–11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs</td>
<td>531,900</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investment</th>
<th>2012</th>
<th>Change on 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation ($m)</td>
<td>5,569</td>
<td>25.7%</td>
</tr>
<tr>
<td>Aviation ($m)</td>
<td>28,940</td>
<td>37.5%</td>
</tr>
<tr>
<td>Arts &amp; Recreation Services ($m)</td>
<td>9,620</td>
<td>-10.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Digital Capability</th>
<th>2013</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website presence</td>
<td>91%</td>
<td>84%</td>
</tr>
<tr>
<td>Instant confirmation of bookings</td>
<td>62%</td>
<td>42%</td>
</tr>
</tbody>
</table>

#### DEMAND

**International**

- **Expenditure ($million)**: $28.2 billion
- **Change on 2011–12**: ▲ 5.9%
- **Market Expenditure**:
  - Spend per trip $4,848 (0.8% change on 2011–12)

**Asian Markets**

- **China**: $4,530 (20.0%)
- **Japan**: $1,473 (2.3%)
- **South Korea**: $1,156 (-10.4%)
- **Singapore**: $1,189 (-0.4%)
- **Malaysia**: $994 (-3.0%)
- **India**: $794 (12.0%)

**Other Markets**

- **UK**: $3,015 (7.3%)
- **USA**: $2,493 (9.0%)
- **New Zealand**: $2,315 (3.7%)
- **Germany**: $881 (-0.2%)
- **France**: $594 (7.6%)

**Domestic Overnight**

- **Expenditure ($million)**: $51.4 billion
- **Change on 2011–12**: ▲ 3.2%
- **Market Expenditure**:
  - Spend per trip $683 (0.6% change on 2011–12)

**Domestic Day**

- **Expenditure ($million)**: $18.1 billion
- **Change on 2011–12**: ▲ 3.0%
- **Market Expenditure**:
  - Spend per trip $108 (3.6% change on 2011–12)

#### EXPENDITURE

<table>
<thead>
<tr>
<th>Total Visitor Expenditure</th>
<th>$97.7 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change on 2011–12</strong></td>
<td>▲ 3.9%</td>
</tr>
</tbody>
</table>

**Tourism 2020 Potential**

- **Overnight Visitor Expenditure**: $79.6 billion
  - ▲ 4.2% change on 2011–12

---

4 TOURISM DEMAND

Australians’ spending on domestic tourism services increased by 3.2 per cent to $70 billion in 2012–13

This section provides a summary of the performance of Australia’s domestic, outbound and inbound sectors in 2012–13.

4.1 DOMESTIC TOURISM

In 2012–13, Australians spent $69.5 billion on tourism in Australia, an increase of 3.2 per cent (or $2.1 billion) over the previous 12 months. Expenditure on domestic day travel grew $500 million (or 3.0 per cent) to $18.1 billion and continuing its upward trend, overnight visitor expenditure rose 3.2 per cent (or $1.6 billion) to $51.4 billion.

This growth in total domestic tourism expenditure was noticeably higher than the average annual growth rate over the past five years of 2.3 per cent. While the moderate growth in day trip expenditure was lower than its trend (3.0 per cent compared to 4.6 per cent), growth in overnight trips was markedly higher, doubling its 5-year growth rate (3.2 per cent compared to 1.6 per cent).

The increase in expenditure was largely driven by volumes, with trips up 2.6 per cent and nights up 3.3 per cent. Average overnight expenditure increased 0.6 per cent to $683 per trip. Day trip growth was mixed; trips fell 0.6 per cent, while average expenditure grew 3.6 per cent to $108 per trip.

Strong growth continued for spending on travel for Visiting Friends and Relatives (VFR), up 5.7 per cent, and there was a return to strong growth in holiday travel expenditure (up 4.8 per cent). Expenditure on business travel decreased moderately (down 2.9 per cent) after several years of strong growth.

4.2 OUTBOUND DEPARTURES

In 2012–13, outbound tourism increased 4.9 per cent to 8.4 million departures, the slowest growth since 2008–09. Growth was mainly driven by leisure travel, with both holiday and VFR travel increasing by 5.5 per cent. Based on the latest expenditure data available (to the year ended March 2013), there has been a more pronounced slowing in expenditure relative to trips where growth in expenditure was approximately half its five-year average (3.1 per cent compared to trend of 6.3 per cent).

AUSTRALIANS’ PROPENSITY TO TRAVEL

Australians’ propensity to travel overseas has doubled over the past decade, while domestic travel has retracted.

Trends in Australians’ propensity to travel both domestically and overseas have changed markedly over the past decade. Outbound propensities have almost doubled, from 19 trips per 100 people in 2000 to 39 trips in 2013. At the same time, domestic travel propensities have declined 17 per cent, from 480 trips per 100 people in 2000 to 400 trips currently.
4.3 INBOUND TOURISM

Australia is ranked tenth globally in terms of international tourism receipts. According to the United Nations World Tourism Organization (UNWTO), global arrivals increased 4.0 per cent to over one billion. Emerging economies increased 4.2 per cent, while their advanced economy counterparts increased 3.9 per cent. Tourism receipts (or expenditure) increased 4.1 per cent to US$1.1 trillion. According to UNWTO estimates, Australia’s ranking in terms of international tourism receipts has slipped one place to tenth.

Australia out-performed the global average, increasing 4.9 per cent in international visitor arrivals to reach a record 6.3 million in 2012–13 (Figure 7). The increase of around 293,000 arrivals featured strong growth from leading Asian markets—China up 17.5 per cent, Singapore up 13.6 per cent, and Malaysia up 10.3 per cent. Growth was also strong from the US, up 6.0 per cent, while the UK grew for the first time in five years, up 1.2 per cent.

By purpose, leisure sectors (holiday and VFR) dominated growth in 2012–13, up 5.7 per cent and 5.9 per cent, respectively. Combined, these sectors account for 70 per cent of arrivals. While there was growth in the higher yielding sectors of business, conference and education, their growth rates were significantly lower at 0.9 per cent, 2.0 per cent, and 0.7 per cent, respectively. Employment as a purpose of visit remained consistent at 2011–12 levels with 215,000 arrivals.

Holiday and ‘visiting friends and relatives’ sectors dominated growth in 2012–13, up 5.7 per cent and 5.9 per cent, respectively.

International visitor expenditure in Australia increased by a solid 5.9 per cent (or $1.6 billion) to $28.2 billion in 2012–13, year-on-year. This was 1.8 percentage points above global growth. The $755 million (or 20 per cent) increase sourced from Chinese visitors provided nearly half of the growth in international visitor expenditure in 2012–13.

This result also featured strong growth from other leading inbound markets, including India up 12 per cent, the US up 9.0 per cent and the UK up 7.3 per cent.

By purpose of travel, the strong 8.4 per cent (or $857 million) increase in international holiday visitor expenditure was the strongest growth since 2000. International VFR expenditure rose strongly (up 5.7 per cent), while growth returned for education (up 3.7 per cent) and for business (3.1 per cent).

A detailed breakdown of tourism statistics in the form of the Tourism Ready Reckoner is presented in Appendix A.
Other demand indicators in 2012–13 were mixed, with room nights occupied decreasing marginally to 54.3 million nights. While there were small falls in room nights occupied in most states/territories, rises occurred in Victoria and the Northern Territory. Occupancy rates remained relatively steady at 65.4 per cent (compared to the previous year at 65.9 per cent). However, this does not reflect the disparity in metropolitan/regional occupancy rates—75.6 per cent and 54.6 per cent, respectively.

Total accommodation takings in Australia in 2012–13 rose by 2.5 per cent to $9.0 billion. When adjusting for inflation, takings growth was relatively flat—increasing by 0.2 per cent. Takings in the Northern Territory underpinned these results (up 10.9 per cent), and were driven by strong growth in that market’s ‘yield per available room’ (up 17.6 per cent). Solid growth in takings was evident in Victoria (4.7 per cent), and there was moderate growth in Tasmania (up 2.8 per cent) and New South Wales (up 2.7 per cent). Takings declined 1.5 per cent and 2.2 per cent in South Australia and the Australian Capital Territory, respectively.

Combining the abovementioned results suggests that yields per room night available rose 1.8 per cent to $108. Capital city yields rose 1.8 per cent (to $137 per room), with the strongest growth in Hobart (up 5.5 per cent) and the Gold Coast (up 4.3 per cent). Room yields remained the highest in Sydney at $155. Yields in regional Australia rose modestly to $77, which is up by $7.40 per room (or 11 per cent), since 2009.

**TABLE 2: YIELDS PER AVAILABLE ROOM FOR CAPITAL CITIES AND REGIONAL AREAS, 2012–13**

<table>
<thead>
<tr>
<th></th>
<th>Yields per available room</th>
<th>Change on the previous 12 month period</th>
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</thead>
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<td></td>
<td>$</td>
<td>%</td>
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<td>133.19</td>
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<td>Gold Coast</td>
<td>104.20</td>
<td>4.3</td>
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<tr>
<td>Adelaide</td>
<td>108.73</td>
<td>0.6</td>
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<tr>
<td>Perth</td>
<td>165.50</td>
<td>0.9</td>
</tr>
<tr>
<td>Hobart</td>
<td>109.63</td>
<td>5.5</td>
</tr>
<tr>
<td>Darwin</td>
<td>140.42</td>
<td>17.6</td>
</tr>
<tr>
<td>Canberra</td>
<td>123.94</td>
<td>-6.0</td>
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<tr>
<td>Australia</td>
<td>108.35</td>
<td>1.8</td>
</tr>
<tr>
<td>Capital cities</td>
<td>137.03</td>
<td>1.8</td>
</tr>
<tr>
<td>Non-capital cities</td>
<td>77.22</td>
<td>0.5</td>
</tr>
</tbody>
</table>

Source: ABS Tourist Accommodation
5.2 AVIATION

The international aviation industry has faced a series of challenges over the past decade, no more so than the significant hit to the industry during and post the GFC. Airline profits continued to recover marginally in 2012−13, driven by solid demand despite rising fuel prices through much of the period. By region, the strongest growth occurred in the US and Europe. The Asia-Pacific region remains under pressure where competition remains extremely strong, particularly from the newer low cost entrants (such as AirAsia X) and the continued rapid expansion of Chinese carriers.

There was strong growth in seat capacity in 2012−13 from other markets such as Malaysia (up 127,000 seats, mainly from AirAsia X), while further strong increases from China Eastern and China Southern boosted direct capacity from China by over 100,000 seats. Across the Tasman to New Zealand, capacity increased by 162,100 seats, and after expanding rapidly in recent years, direct seat capacity on the Indonesian route decreased 7.9 per cent.

Competition on domestic routes remains strong as supply outstrips demand and drives down load factors and airfares.

Domestic competition remains intense. Growth in domestic aviation supply (as measured by average seat kilometres) was solid in 2012−13, up 7.3 per cent to 87.6 billion. However, as supply increased at a greater rate than demand (up 4.4 per cent), load factors declined 2.1 percentage points to 76.7 per cent, the lowest level in nearly a decade (Figure 10).

Growth in passenger throughput was solid in 2012−13 (up 4.0 per cent) for most capital city airports, with the strongest growth reported for Perth (up 7.0 per cent, featuring on-going demand from Fly-in/Fly-out mining-related travel), Melbourne (up 5.5 per cent) and Sydney (up 4.5 per cent). Reflecting the increase in holiday travel, the Gold Coast increased solidly by 9.0 per cent.

International seat capacity continues to expand strongly and profits continue to recover

FIGURE 9: INBOUND AIR CAPACITY, 2006–07 TO 2012–13

Continuing the strong growth in international aviation capacity in recent years, capacity to Australia rose 5.2 per cent (or by 1 million seats), to 20 million in 2012−13. Nearly half of this growth was sourced from Singapore—Australia’s major Asian hub—(up 490,000 seats, or by 22 per cent), with Singapore Airways and its low-cost offshoot, Scoot, providing most of this increase. The passenger load factor—a key measure for profitability—rose 0.9 percentage points to 78 per cent.

FIGURE 10: DOMESTIC AIR CAPACITY, 2006–07 TO 2012–13

Growth in passenger throughput was solid in 2012−13 (up 4.0 per cent) for most capital city airports, with the strongest growth reported for Perth (up 7.0 per cent, featuring on-going demand from Fly-in/Fly-out mining-related travel), Melbourne (up 5.5 per cent) and Sydney (up 4.5 per cent). Reflecting the increase in holiday travel, the Gold Coast increased solidly by 9.0 per cent.
Total passengers through airports outside Australia’s major gateways rose 2.2 per cent to 17.6 million in 2012–13. This growth is lower than that evident in previous years, and partially reflects the 4.1 per cent fall in passengers travelling on regional airlines.

5.3 TOURISM BUSINESSES

Tourism is faced with numerous challenges in the form of its lower profitability, higher labour cost and lower productivity. This section discusses changes in the tourism industry’s business structure, productivity and investment pipeline.

TRA estimates that in June 2012 there were around 280,000 tourism businesses in Australia, or 13 per cent of the total number of Australian businesses. This represented a marginal decline (of 3,600) when compared to June 2011.

Headline analysis shows that:

- Around 99 per cent of total tourism businesses were small and medium sized enterprises with large businesses comprising less than one per cent.
- In June 2012, four in five tourism businesses were located in three states—New South Wales, Victoria and Queensland. The number of tourism businesses fell in all states and territories, other than Victoria.
- The decline in tourism businesses was more pronounced in regional areas of Australia with 4,100 fewer tourism businesses in regional Australia in June 2012, compared to June 2010.

Forty cents of every tourism dollar is generated by less than one per cent of tourism businesses

- While large tourism businesses make up less than one per cent of total tourism businesses in Australia, they collect close to two-fifths (39 per cent) of total gross revenue generated.

![Figure 11: Number of Tourism Businesses in Australia, June 2012](source: Derived by TRA using unpublished ABS data)

![Figure 12: Relationship Between Gross Revenue and Business Size, 2011–12](source: derived by TRA using unpublished ABS data)
5.4 PRODUCTIVITY

Tourism is a resilient industry experiencing an upward trend in productivity growth.

Tourism’s productivity has been impacted by its rate of capital use.

- Although capital productivity declined across all sectors in the period between 1998–99 and 2011–12, it actually increased in tourism for the period between 1998–99 and 2007–08. However, the decline in capital productivity in tourism was exceptionally sharp, particularly between the 2007–08 and 2011–12 productivity cycles (Figure 14).

- Over the 14 years between 1998–99 and 2011–12, tourism industry productivity increased at an average annual rate of 1.0 per cent, faster than the 0.2 per cent per year gain in total market sector productivity (as shown by the upward trending multifactor productivity index (Figure 13).

- Productivity comprises two main components – labour and capital. Combined, this provides the measure of ‘multifactor’ productivity which indicates how efficiently industry inputs are used. Productivity growth is measured at specific intervals, known as productivity cycles.

- On average, one person employed in a tourism business generates output of $65,000. This is almost half of the $119,000 output generated by the all industry average employee.

- Tourism is a labour-intensive industry, and therefore labour productivity is important. Labour productivity has continually increased in the 14 years between 1998–99 and 2011–12, with the strongest performance being between the productivity cycles 2003–04 and 2007–08 when labour productivity grew on average by 2.3 per cent per year (Figure 14).

- In the first two productivity cycles (1998–99 to 2003–04 and 2003–04 to 2007–08), tourism output growth was stronger than the combined input growth, resulting in high MFP growth.

- Tourism’s multifactor productivity growth has declined in the latest period (2007–08 to 2011–12). This was largely led by smaller growth in output (1.1 per cent per year) compared to very high growth in capital inputs (up 4.3 per cent per year) and indicates the inability of businesses to reduce capital cost when their output declined.

Source: derived by TRA using ABS data
5.5 INVESTMENT

The tourism investment pipeline was $44 billion in 2012

TRA estimates that the tourism investment pipeline was worth $44.1 billion in 2012—this is a $7.9 billion increase (22 per cent) in pipeline investment (between 2011 and 2012).

The ‘tourism investment pipeline’, as reported in TRA’s Tourism Investment Monitor 2013 for 2012 is presented below for the aviation, accommodation, and arts and recreation sectors.

ACCOMMODATION

- Accommodation investment pipeline (refurbishment and approved construction of new stock) amounted to $5.6 billion providing an additional 9,760 rooms to supply. This is an increase of 1,589 rooms from the 2012 edition of the Tourism Investment Monitor.

- The number of rooms estimated in the accommodation pipeline excludes mixed use developments. Upwards of 2,500 additional rooms are expected from mixed use developments and, if realised, this could bring the total supply of accommodation rooms to around 12,250.

AVIATION

- Total transport (aviation) pipeline investment was worth $29 billion in 2012. A significant component of this investment relates to aircraft fleet expansion by national carriers.

- The value of aviation pipeline investment increased by $7.9 billion in 2012, driven by significant growth in aircraft investment (up $5.8 billion).

- Airport infrastructure investment also increased (up $2.1 billion), with $2.7 billion of new projects ‘Under consideration / possible’ offset by a fall in projects ‘Under construction’ as they are completed and exit the pipeline.

ARTS AND RECREATION SERVICES

- The Arts and recreation industry investment pipeline was valued at $9.6 billion in 2012. TRA estimated that $4.0 billion worth of projects are ‘Under consideration/ possible’, while there are around $5.6 billion worth of projects either ‘Committed’ or ‘Under construction’.

FIGURE 16: TOURISM INVESTMENT PIPELINE, 2012
6 FORECASTS: 2013−14 TO 2022−23

This section summarises Tourism Research Australia’s bi-annual Tourism Forecasts, which replace the forecasts previously produced by the Tourism Forecasting Committee (TFC). Please note that all expenditure values are presented in ‘real’ terms, that is, they have been adjusted for inflation and are presented in 2012–13 dollars.

6.2 INBOUND ARRIVALS FORECASTS

China to contribute more than one-fifth of arrivals growth between 2012–13 and 2022–23

FIGURE 18: ARRIVALS GROWTH BY MARKET

Source: ABS OAD (Cat No 3401.0); TRA

6.1 DOMESTIC VISITOR NIGHTS

Growth in domestic nights to slow to 1.0 per cent per annum by 2022–23

- Domestic visitor nights are forecast to increase 2.0 per cent to 293 million in 2013–14, and 1.5 per cent to 298 million in 2014–15.
- Growth is forecast to slow over the longer term, with average growth of 1.0 per cent per annum to reach 316 million by 2022–23.

Source: ABS OAD (Cat No 3401.0); TRA

- Inbound visitor arrivals are forecast to increase 5.8 per cent to 6.6 million in 2013–14 and 5.6 per cent to 7.0 million in 2014–15.
- To 2022–23, arrivals are forecast to grow at an average rate of 4.0 per cent per annum to 9.3 million.
- Asian markets are expected to drive this growth, most notably China, Malaysia and Singapore. Moderate growth is expected from traditional source markets such as the US, the UK and New Zealand.
- Australia’s top five inbound markets—New Zealand, China, the UK, the US and Singapore—will contribute 51 per cent of the 3.0 million increase in visitor arrivals.
- The growth in visitor arrivals from China is expected to contribute 22 per cent of total arrivals growth over the forecast period.
6.3 AUSTRALIAN RESIDENT DEPARTURES

- Outbound departures are forecast to grow 4.9 per cent to 8.8 million in 2013–14 and 2.9 per cent to 9.1 million in 2014–15.
- Outbound departures growth will slow over the longer term to 2022–23, with average growth of 3.3 per cent per annum expected to reach 11.7 million.

6.4 TOURISM EXPENDITURE (ADJUSTED FOR INFLATION)

- Adjusted for inflation, total tourism expenditure is forecast to increase 2.7 per cent to $98 billion in 2013–14 and 2.6 per cent to $101 billion in 2014–15.

Total spend forecast to grow at 1.8 per cent per annum to $115 billion by 2022–23

50
60
70
80
90
2002-03
2004-05
2006-07
2008-09
2010-11
2012-13
2014-15
2016-17
2018-19
2020-21
2022-23
Expenditure ($billion)
Domestic expenditure
Inbound expenditure
Total visitor expenditure

Source: ABS OAD (Cat No 3401.0); TRA

- Expenditure growth is expected to average 1.8 per cent per annum to reach $115 billion by 2022–23.
- Inbound tourism expenditure is expected to grow by 3.5 per cent per annum on average to reach $39 billion by 2022–23.
- Domestic expenditure is expected to increase at a rate marginally higher than volumes, growing 1.1 per cent per annum on average to reach $76 billion by 2022–23.
### TABLE 3: TRA FORECAST SUMMARY

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<tr>
<th>Year</th>
<th>Inbound visitor arrivals '000</th>
<th>Change per cent</th>
<th>Domestic visitor nights million</th>
<th>Change per cent</th>
<th>Outbound departures '000</th>
<th>Change per cent</th>
<th>Inbound expenditure (real) $billion</th>
<th>Change per cent</th>
<th>Domestic expenditure (real) $billion</th>
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<td>64.9</td>
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Numbers shaded are forecasts.

Data for the period 2018-19 to 2021-22 has been suppressed. For full details, please visit TRA’s website, www.tra.gov.au.

Inbound expenditure includes prepaid international airfare and package (real, Base = Q2 2013).

Domestic expenditure includes tourism expenditure on domestic day trips and overnight trips (real base = Quarter 2 2013).

Total tourism expenditure is the sum of inbound expenditure and domestic expenditure (real base = Quarter 2 2013).
7 TRACKING THE PROGRESS OF 2020 TOURISM INDUSTRY POTENTIAL

7.1 TOURISM 2020 - TRACKING DEMAND

In the year ending June 2013, the 2020 Tourism Industry Potential (the Potential), which is the level of international and domestic overnight visitor expenditure, increased 4.2 per cent, or by $3.2 billion, to $79.6 billion (in nominal terms). The Potential is tracking at the lower end of its range (Figure 23).

Since 2009, overnight tourism expenditure has increased 11.4 per cent to $80 billion

FIGURE 23: TRACKING THE 2020 TOURISM INDUSTRY POTENTIAL

Since 2009, overnight visitor expenditure has increased 11.4 per cent or by $8.1 billion which equates to an annual average of 3.1 per cent. An assessment of the Potential’s major components since 2009 shows performance has been mixed (Figure 24).

- Domestic overnight expenditure has increased $5.8 billion (or by 12.8 per cent), progressing 19 per cent toward the 2020 target.
- International visitor expenditure has risen by $2.3 billion (or by 8.9 per cent), progressing 6 per cent toward the 2020 target.

FIGURE 24: TOURISM INDUSTRY POTENTIAL PROGRESS BY SOURCE MARKET

Since 2009, tourism expenditure from China has grown 67 per cent (or $1.8 billion), with New Zealand (up 20 per cent, or $400 million) and Singapore (up 20 per cent, or $200 million) also achieving notable growth (Table 4).
Growth in tourism from Asian markets has shown strong growth. However, the fact that a significant proportion of international markets outside Asia have only shown a marginal increase—or have contracted since 2009—places some risk on our ability to achieve the Potential. Markets that have not performed well to date include the UK (down 11.2 per cent), Germany (down 17.1 per cent), Japan (down 1.1 per cent), and South Korea (down 9.2 per cent) (Table 4).

Growth in domestic aviation capacity has been strong with international not too far behind.

7.2 TOURISM 2020 - TRACKING SUPPLY

Overnight expenditure will have to increase by 8 per cent each year between now and 2020 to achieve $140 billion.
The report noted that around 12,250 rooms were in the pipeline, which should assist meeting the Potential’s amended target for between 6,000 rooms to 20,000 rooms (to meet the Potential’s goal of annual overnight visitor expenditure of between $115 billion and $140 billion by 2020). The Potential’s room target was amended based on new research assessing the rooms required to achieve the Potential in 2020.

Solid growth for international air capacity is expected to continue for the next two years with progress made on Potential targets since 2009 of 43 per cent. The growth momentum in domestic air routes is expected to moderate due to:

- a softening in corporate sector demand due to tightening corporate budgets
- weaker Fly-in/Fly-out demand in the short term

While growth in aviation and labour supply has been strong, we need more rooms.

The performance of other critical sectors for the Potential over the last three and half years has been slower:

- tourism employment has increased by approximately 18,000 jobs representing around 12 per cent of the required 152,000 tourism jobs by 2020.
- room supply has been mixed—capital cities have increased by approximately 5,700 rooms with some contraction in regional areas leaving a net increase of around 3,600 rooms.

TRA’s Tourism Investment Monitor, 2013 reported that in 2012 the total value of the Australian tourism investment pipeline was $44.1 billion. This featured investment of $5.6 billion in accommodation, $28.9 billion in aviation (mainly in new generation aircraft), and $9.6 billion in arts and recreation infrastructure.
Australia’s tourism industry performed well during 2012–13. Total visitor expenditure grew 3.9 per cent to $97.7 billion. Domestic visitor expenditure continued to increase, up by 3.2 per cent in to $69.5 billion, double its long-term growth rate and international visitor expenditure increased 5.9 per cent to $28.2 billion. Asia continues to be an important driver in the Australian economy and Chinese visitors provided almost half of the growth in international visitor expenditure in 2012–13.

But the story doesn’t end there...

While we continue to focus on, and grow our share of the Asian outbound tourist market, early signs of economic recovery in the US and the broader Euro area reinforce the need for the Australian tourism industry to keep sight of its still important traditional markets.

Where does this leave us now?

TRA’s latest tourism forecasts paint a positive picture for Australian tourism to 2022–23. China will remain the powerhouse for inbound tourism with the market expected to deliver more than one-fifth of the total increase in international visitor arrivals to Australia over the next decade. A depreciating Australian dollar makes Australia a more attractive tourist destination and should underpin growth in both the international and domestic tourism sectors. The Australian tourist industry is on track to achieve at least the lower level of the Potential by 2020.

In order to support demand, the tourism supply chain must continue to grow. As the investment phase of Australia’s mining boom passes, there is an opportunity to attract more investment into tourism. For this opportunity to be realised, however, it will be important for the tourism industry to enhance its productivity in order to demonstrate the yields necessary to attract investment.
## TOURISM READY RECKONER

### TOURISM’S DIRECT CONTRIBUTION TO THE AUSTRALIAN ECONOMY 2011-12

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOURISM GDP</td>
<td>$41.0b</td>
<td>5.3%</td>
</tr>
<tr>
<td>TOURISM GVA</td>
<td>$37.6b</td>
<td>5.3%</td>
</tr>
<tr>
<td>TOURISM CONSUMPTION</td>
<td>$106.6b</td>
<td>6.8%</td>
</tr>
<tr>
<td>DOMESTIC CONSUMPTION IN AUSTRALIA</td>
<td>$81.0b</td>
<td>8.3%</td>
</tr>
<tr>
<td>INTERNATIONAL CONSUMPTION IN AUSTRALIA</td>
<td>$25.5b</td>
<td>2.1%</td>
</tr>
<tr>
<td>DOMESTIC CONSUMPTION OUTBOUND TRIPS</td>
<td>$32.3b</td>
<td>5.1%</td>
</tr>
<tr>
<td>BALANCE OF TRADE</td>
<td>-$6.7b</td>
<td>17.9%</td>
</tr>
<tr>
<td>TOURISM EMPLOYMENT</td>
<td>531,900</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

### TOURISM VISITOR EXPENDITURE (YEAR ENDING JUNE 2013)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL INTERNATIONAL VISITOR EXPENDITURE</td>
<td>$28.2b</td>
<td>5.9%</td>
</tr>
<tr>
<td>INTERNATIONAL VISITOR EXPENDITURE IN AUSTRALIA</td>
<td>$19.3b</td>
<td>5.8%</td>
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<tr>
<td>DOMESTIC OVERNIGHT VISITOR EXPENDITURE</td>
<td>$51.4b</td>
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<tr>
<td>DOMESTIC DAY TRIP VISITOR EXPENDITURE</td>
<td>$18.1b</td>
<td>3.0%</td>
</tr>
<tr>
<td>TOTAL DOMESTIC VISITOR EXPENDITURE</td>
<td>$69.5b</td>
<td>3.2%</td>
</tr>
<tr>
<td>TOTAL VISITOR EXPENDITURE</td>
<td>$97.7b</td>
<td>3.9%</td>
</tr>
<tr>
<td>TOURISM INDUSTRY POTENTIAL</td>
<td>$79.6b</td>
<td>4.2%</td>
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</table>

<table>
<thead>
<tr>
<th>VISITORS</th>
<th>TRIP NIGHTS IN AUSTRALIA</th>
<th>SPEND IN AUSTRALIA (D)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All ages YE August 2013 (A)</td>
<td>5,817,261</td>
<td>212,567,202</td>
</tr>
<tr>
<td>% change</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>All ages YE June 2013 (B)</td>
<td>5,817,261</td>
<td>212,567,202</td>
</tr>
<tr>
<td>% change</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td></td>
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</tr>
<tr>
<td>DESTINATION STATE</td>
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</tr>
<tr>
<td>NSW</td>
<td>25,021</td>
<td>8,4498</td>
</tr>
<tr>
<td>VIC</td>
<td>17,935</td>
<td>5,7889</td>
</tr>
<tr>
<td>QLD</td>
<td>17,958</td>
<td>7,509</td>
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<td>SA</td>
<td>5,220</td>
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<td>WA</td>
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<td>TAS</td>
<td>2,233</td>
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<tr>
<td>NT</td>
<td>956</td>
<td>9,556</td>
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<tr>
<td>ACT</td>
<td>2,049</td>
<td>6,233</td>
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<tr>
<td>TRAVEL PURPOSE</td>
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<tr>
<td>Holiday</td>
<td>32,271</td>
<td>140,014</td>
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<tr>
<td>VFR</td>
<td>25,618</td>
<td>90,013</td>
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<tr>
<td>Business</td>
<td>14,043</td>
<td>45,675</td>
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<tr>
<td>Other</td>
<td>3,336</td>
<td>11,822</td>
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<tr>
<td>DOMESTIC DAY (000s) (H)</td>
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</tr>
<tr>
<td>Holiday</td>
<td>167,857</td>
<td>167,857</td>
</tr>
<tr>
<td>VFR</td>
<td>79,400</td>
<td>79,400</td>
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<tr>
<td>Business</td>
<td>50,622</td>
<td>50,622</td>
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<tr>
<td>Other</td>
<td>20,655</td>
<td>20,655</td>
</tr>
<tr>
<td>DEPARTURES (I)</td>
<td>8,564,200</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
(A) Movement of all overseas visitors who arrive in Australia (ABS OAD)
(B) Visitors aged 15 years and older.
(C) Excludes motor vehicle purchases for Domestic visitors; excludes International pre-paid airfare and package expenditure for International visitors.
(D) Visitors from overseas who stay in Australia for a period of less than twelve months.
(E) Visitors from overseas who stay in Australia for a period of less than twelve months.
(F) Includes conferences and conventions.
(G) Australian residents who spend a minimum of one night at a location 40km or more away from home.
(H) Australian residents who travel overseas for a period of one year or less (ABS OAD).
(I) Movement of Australian residents who travel overseas for a period of one year or less (ABS OAD).

Source: Tourism Research Australia, International Visitor Survey (IVS) & National Visitor Survey (NVS), June Quarter 2013; Australian Bureau of Statistics, Overseas Arrivals and Departures, August 2013 (ABS Cat. No. 3401.0)