



INTERNATIONAL VISITORS IN AUSTRALIA

YEAR ENDING JUNE 2017

VISITORS ▲9%
7.9 MILLION

NIGHTS ▲7%
266 MILLION

EXPENDITURE ▲7%
\$40.6 BILLION

International visitor spend achieved the \$40 billion mark for the first time during the year ending June 2017. With a record 7.9 million international visitors aged 15 years and over choosing to travel to Australia, up 9% on the previous year, their spend reached a record \$40.6 billion, up by 7%.

Visitors travelling for the purpose of education and holiday underpinned the growth in visitation during the year:

- Education visitors increased 16% to reach 550,000, and they spent a total of \$11 billion (up 18%), while staying a total of 73.2 million nights (up 17%). Education accounts for 7% of visitor arrivals and 27% of international visitor spend.
- International holiday visitors increased by 11% to reach 3.9 million. They spent \$16.7 billion, and stayed a total of 85.8 million nights, both of which increased 5% on the previous year. The holiday segment accounts for half of all visitor arrivals and 41% of international visitor spend.

KEY MARKETS

Growth in arrivals occurred across most of Australia's key markets. Of the top five markets, the United States (US) showed the strongest growth, with visitor numbers increasing 14% to reach a record 706,000, while spend increased 4% to a record \$3.8 billion. Over the last four years, this market has increased by 54% for arrivals and 53% for trip spend. This compares to 10% growth in visitors and 3% in spend between 2006 and 2013.

Arrivals from Japan increased 13% to reach 391,000, while spend increased 15% to reach \$1.8 billion – the largest spend for Japan since 2008.

China also recorded strong growth during the year. Both visitor numbers and trip spend increased 10% to reach 1.2 million and \$9.8 billion, respectively. China remains the top market in terms of trip spend, but is second behind New Zealand (NZ) in visitor arrivals.

Of the remaining top five markets, NZ and the United Kingdom (UK) returned weaker results. Arrivals from NZ were up 2% to 1.2 million, while spend was flat. Arrivals from the UK increased 3% to reach 682,000, while spend fell 8% to \$3.5 billion.

Other markets of note were:

- India – visitors up 15% to reach 261,000, with spend up 30% to \$1.4 billion
- Korea – visitors up 12%, while spend remained unchanged.

Among other Asian markets, Indonesia, Thailand, Hong Kong, Taiwan and Malaysia also saw strong growth, along with the European markets of Germany and the Netherlands.

FIGURE 1: VISITATION AND SPEND BY MARKET

	VISITORS '000	SPEND \$
NZ	1.2m ▲2%	2.7b -
CHINA	1.2m ▲10%	9.8b ▲10%
US	706k ▲14%	3.8b ▲4%
UK	682k ▲3%	3.5b ▼8%
JAPAN	391k ▲13%	1.8b ▲15%
SINGAPORE	385k ▲3%	1.5b ▲1%
MALAYSIA	359k ▲12%	1.3b ▲11%
KOREA	269k ▲12%	1.5b -
INDIA	261k ▲15%	1.4b ▲30%
GERMANY	202k ▲8%	1.2b ▲1%
OTHER COUNTRIES	2.2m ▲11%	12.2b ▲10%
TOTAL	7.9m ▲9%	40.6b ▲7%

SPEND PATTERNS

PRE-PAID

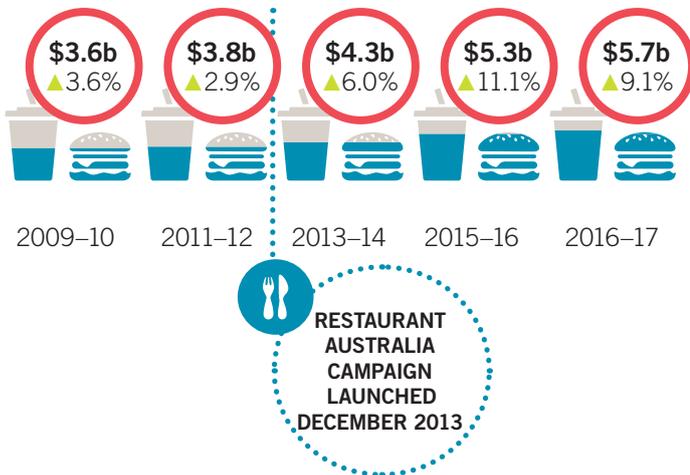
It is important to note that almost half – 42% or \$17.1 billion – of all trip spend for international arrivals into Australia occurs prior to the visitor leaving home. As Australia is a long-haul destination for the majority of our markets, pre-paying travel components is an attempt by visitors to spread the costs. Pre-paid items can include airfares, other transport, accommodation, food and drink, tours and entertainment. This pre-paid component can be as high as 64% for the US, 57% for Japan, down to 28% for Taiwan and 27% for Thailand.



IN AUSTRALIA

Spending on food and drink has escalated over the last three years. Prior to 2013, increases each year ranged between \$94 million (2.6%) and \$238 million (6.2%). Tourism Australia's 'Restaurant Australia' campaign was launched in December 2013 with the aim of increasing spend on this item by over \$500 million between December 2013 and December 2015. In dollar terms, the campaign saw an increase in each of the last three financial years of between \$443 million and \$523 million – around 10% annual growth – which far exceeds the campaign's initial target (see figure 2). In fact, in the period between December 2013 and December 2015, spend on this item increased by 21% or \$886 million.

FIGURE 2: SPEND ON FOOD AND DRINK



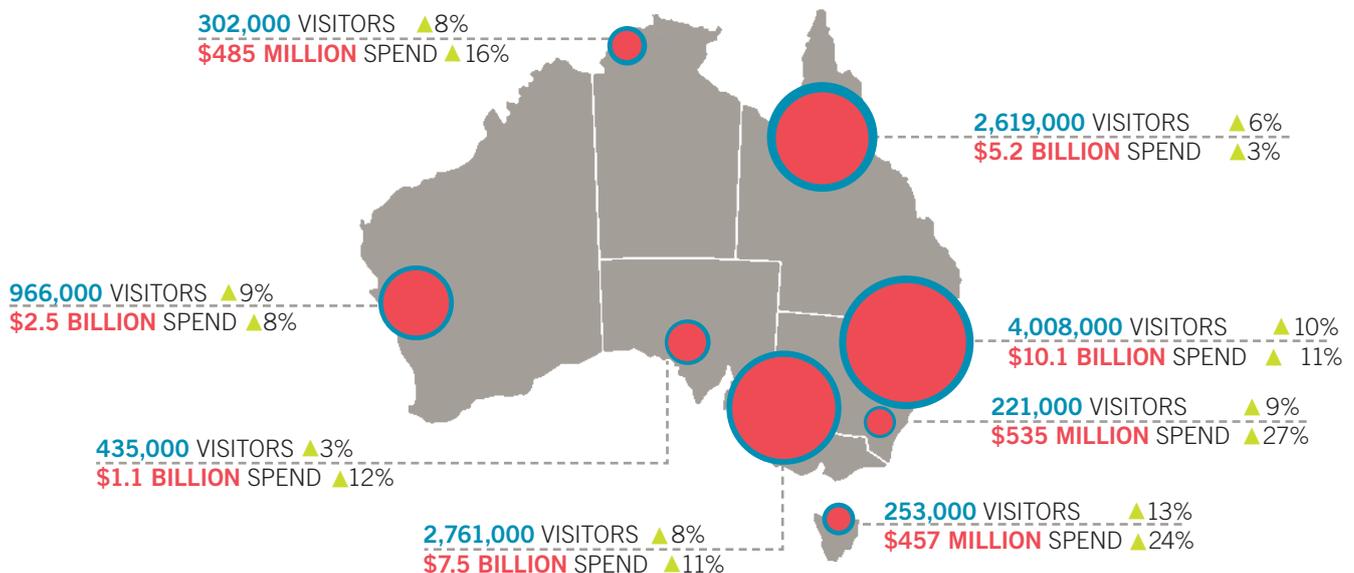
PAID BEFORE LEAVING HOME

	\$ billion	% of total
International airfares	8.1	19.9%
Package tours	4.6	11.3%
Accommodation, food and drink	1.3	3.2%
Education fees	2.3	5.7%
Other spend	0.8	2.1%
Total	17.1	42.2%

PAID DURING TRIP

	\$ billion	% of total
Accommodation, food and drink	11.0	27.2%
Shopping to use in Australia	1.3	3.1%
Shopping to take home	2.5	6.1%
Transport costs	1.6	4.0%
Education fees	3.4	8.4%
Other spend	3.7	9.1%
Total	23.5	57.8%

FIGURE 3*: INTERNATIONAL VISITOR NUMBERS AND SPEND BY STATE, YE JUNE 2017



* Total number of visitors by state will be greater than total number of visitors for Australia (7.9 million), as some visitors visited multiple states.
Spend figures by state only includes spend within Australia and will not add to total Australia expenditure figures, as these include expenses paid prior to entering Australia.