

Inbound tourism

Market Insights Tourism Facts June 2006



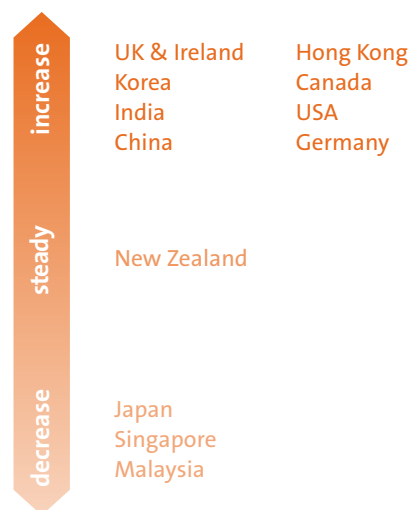
This fact sheet includes:

- Key arrival trends
- Main purpose of journey
- Duration of stay and expenditure
- Economic contribution
- Forecasts

Main purpose of journey

During the year ended 30 June 2006, there were 5 million visitors to Australia aged 15 years and over. This is an increase of 1% over the previous year.

Key 2005/06 Arrival Trends by market include:



For more information about visitor arrivals [click here](#)

More than half (52 per cent) were holiday visitors, 20 per cent were visiting friends and relatives and 16 per cent were business visitors, as shown in Chart 1.

The proportion of visitors to Australia who had holiday as the main purpose of journey ranged from 44 per cent of visitors from New Zealand to 81 per cent of visitors from Japan, as shown in Table 1. The highest proportions visiting friends and relatives were from New Zealand (27%) and Europe (27%), while the highest proportion of business visitors were from New Zealand and The Americas (both 21 per cent). See Table 1.

Chart 2 Year on Year Change in Visitors by region of residence

Year ended 30 June 2003 to 2006

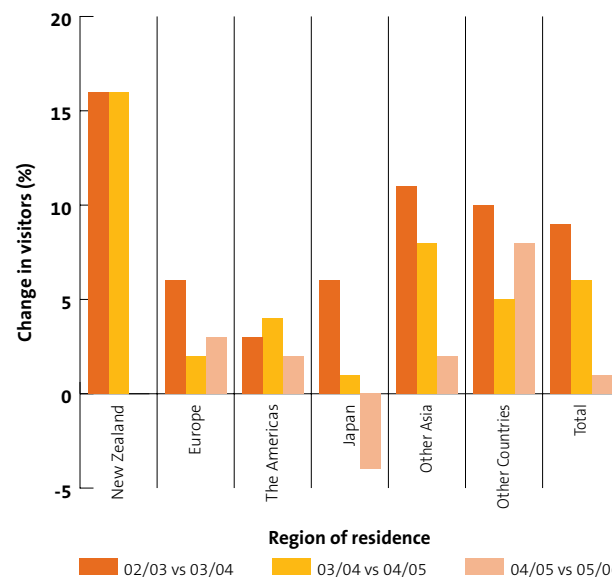


Chart 1 Visitors by main purpose of journey

Year ended 30 June 2006

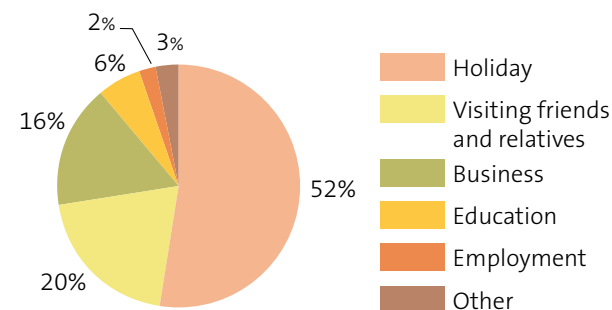


Table 1 Visitors by region of residence & main purpose of journey

Year ended 30 June 2006

	Holiday	Visiting friends and relatives	Business	Education	Employment
Region of residence	%	%	%	%	%
New Zealand	44	27	21	1	3
Europe	55	27	10	3	2
The Americas	45	21	21	7	1
Japan	81	5	7	4	0
Other Asia	48	16	19	13	1
Other countries	39	23	18	8	1
Total	52	20	16	6	2

Base: All visitors aged 15 years and over.

Source: Tourism Research Australia, International Visitor Survey, June 2006

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Duration of stay and expenditure

The average duration of stay in Australia was 29 nights and the average Total Inbound Economic Value (TIEV) per international visitor was AUD\$3,740, as shown in Table 2 below.

Visitors from Europe had the longest average duration of stay (37 nights), while visitors from New Zealand had the shortest average duration of stay (15 nights).

The average TIEV per international visitor ranged from \$1,807 for visitors from New Zealand to \$4,666 for visitors from Europe.

Economic contribution (2004/05)

In 2004-05, international visitors consumed AUD\$18.3 billion worth of goods and services produced by the Australian economy. This represented 11.1 per cent of total exports of goods and services.

Exports of tourism products are greater than coal, or iron, steel and nonferrous metals, but lower than food and live animals.

The tourism industry (servicing both domestic and international visitors) employed 550,100 people in 2004-05.

Retail trade generated the most tourism employment. Retail trade, accommodation, and cafes and restaurants account for more than half of the employment generated by tourism.

For more information about the economic value of tourism, [click here](#)

Source: ABS, Tourism Satellite Account 2004/05, Catalogue 5249.0

Table 2 Visitors, visitors nights, duration of stay and expenditure by region of residence
Year ended 30 June 2006

Region of residence	Visitors	Nights in Australia Total	Average Duration of Stay	Total Inbound Economic Value (TIEV) (\$bn)	Average TIEV per person	Average \$ per night
NZ	979,997	14,261,748	15	\$1.8	\$1,807	\$124
Europe	1,240,955	46,479,779	37	\$5.8	\$4,666	\$125
The Americas	520,164	14,175,134	27	\$2.4	\$4,591	\$168
Japan	624,447	10,900,901	17	\$2.1	\$3,388	\$194
Other Asia	1,386,650	50,668,051	37	\$5.8	\$4,147	\$114
Other Countries	285,271	8,730,676	31	\$1.0	\$3,587	\$117
Total	5,037,483	145,216,289	29	\$18.8	\$3,740	\$130

Base: All visitors aged 15 years and over.

Source: Tourism Research Australia, International Visitor Survey.

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Forecasts

The next financial year is expected to experience year-on-year visitor arrival growth.

The outlook for late 2007 is looking positive given an assumed weakening of both the Australian dollar and world crude oil prices, along with a modest expansion in aviation capacity. In 2006/07 inbound arrivals are forecast to grow at a moderate pace increasing 2 per cent to reach 5.6 million.

The Total Inbound Economic Value (TIEV) of inbound tourism is forecast to increase by 5 per cent to around \$20 billion in 2006/07 before rising by a further 5 per cent to reach \$21 billion in 2007/08.

Looking further out, growth in inbound arrivals is expected to exceed the 2006/07 growth rate, with increases in air capacity combining with a lower Australian dollar and lower oil prices to support the competitiveness of Australia as a travel destination. Over the period from 2005/06 to 2014/15, inbound arrivals are

forecast to grow at an average annual rate of 4.5 per cent to reach 8.2 million. This growth will underpin an increase in TIEV to \$31 billion (in real terms) in 2014/15.

For more information about tourism forecast [click here](#)

Table 3 International visitor arrivals by country of residence 2005/06 – 2014/15

Country of residence	2005/06	% Growth (2004/05 vs 2005/06)	Forecast 2006/07	% Growth (2005/06 vs 2006/07)	Forecast 2007/08	% Growth (2007/08 vs 2008/09)	Forecast 2014/15	Average annual growth 2005/06- 2014/15
NZ	1,090,673	1	1,067,784	-2%	1,082,667	1%	1,212,620	1.2
Japan	674,560	-4	652,529	-3%	658,399	1%	768,883	1.5
China	292,194	6	329,693	13%	370,028	12%	861,284	12.8
Singapore	251,102	-6	250,045	0%	261,217	4%	346,048	3.6
South Korea	242,787	2	255,863	5%	270,124	6%	395,069	5.6
Other Asia	810,054	2	828,807	2%	887,748	7%	1,502,618	7.1
United Kingdom	708,817	1	725,899	2%	758,353	4%	938,095	3.2
Other Europe	612,404	5	635,910	4%	669,212	5%	922,731	5
North America	558,805	2	573,440	3%	600,280	5%	823,876	4.4
Other Countries	241,462	7	265,905	10%	276,726	4%	409,388	6
Total	5,482,858	1	5,585,877	2%	5,834,754	4%	8,180,612	4.5

Source: Tourism Forecasting Council, October 2006 Forecasts.
Forecast include all arrivals.