

Year ended September 2010

International Visitors to Australia

	Visitors	Annual change ¹	Avg stay ²	Annual change
Holiday	2,888,000	4% ▲	20.7	-3% ▼
NZ	455,000	1%	9.6	-7%
Asia ³	1,101,000	10%	18.3	3%
Americas ⁴	322,000	3%	15.6	-13%
Europe ⁵	848,000	-1%	32.1	-3%
VFR⁶	1,933,000	4% ▲	21.2	5% ▲
NZ	438,000	1%	11.4	7%
Asia	597,000	12%	27.8	5%
Americas	178,000	-5%	18.1	1%
Europe	566,000	0%	21.2	4%
Business	878,000	10% ▲	12.1	11% ▲
NZ	213,000	5%	6.9	10%
Asia	339,000	14%	14.2	8%
Americas	129,000	16%	12.1	10%
Europe	134,000	9%	15.7	24%
TOTAL⁷	5,334,000	6% ▲	34.6	0%
NZ	1,022,000	3%	13.5	-4%
Asia	2,101,000	10%	43.2	2%
Americas	564,000	5%	24.7	-6%
Europe	1,254,000	1%	41.2	-1%

Worldwide tourism continued to recover in 2010⁹, to exceed the record achieved in the pre-GFC period of 2008.

The pace of growth seen worldwide was mimicked by Australia, with a record number of international visitor arrivals seen over the year ended September 2010.

Australia's healthy recovery was supported by an increase in air capacity from key source markets, and a rebound in business travel, rising 10% nationally.

The holiday market continued to pick up, however is yet to fully recover to pre-GFC levels. The VFR (visiting friends or relatives) market remained buoyant (as was seen during the GFC), with affordable airfares having obvious appeal.

The prosperous economic climate in many Asian countries continued to stimulate the surge in visitation to Australia, particularly from the Chinese and Korean markets.

In contrast to Asia's economic strength, lagging economic and financial stability in Europe (particularly the United Kingdom (UK)) is perhaps more apparent now than ever. Total worldwide outbound travel by UK residents in the year to June 2010 remained lower than during the GFC. Travel to Australia also softened, further highlighting the economic frailty of the region.

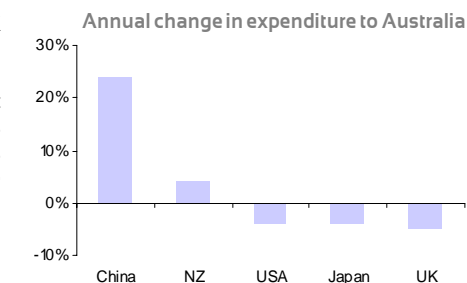
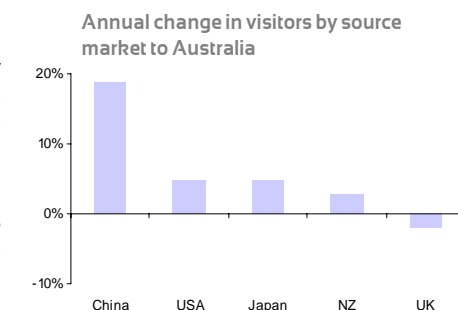
There are indications that New Zealand's (NZ) economy is recovering over the year, as business visitation to Australia increased for the first time since late 2008. However, NZ visitors' preference towards shorter holidays of 7 nights or less in Australia, signals a more cautious household sector.

Visitation from the United States (US) to Australia remained strong despite economic uncertainty around the US economy, and the depreciation of the US dollar against many currencies, particularly the AUD. The growth to Australia from the US market however, has been supported by affordable airfares and an increase in air capacity on key routes. Affordable airfares perhaps offsetting the negative impacts of exchange rate movements.

However, visitors from the US remained budget conscious, with more Americans visiting just 1-2 destinations while in Australia.

International expenditure in Australia continued to rise, primarily driven by the business recovery over the year. Whilst, growth in Chinese expenditure assisted in countering the downturn from the UK holiday market.

Set against the backdrop of economic recovery around the world, Australia's long term forecast for inbound arrivals is expected to grow at an annual average growth rate of 3.9% between 2009 and 2020¹⁰.



International Expenditure in Australia

EXPENDITURE ⁸	\$ million	Annual change
Australia	\$17,424	2%

International Tourism Snapshot

Year ended September 2010

State Comparison

	Visitors	Annual change	Avg stay	Annual change
Holiday				
QLD	1,437,000	0%	12.6	-9%
NSW	1,604,000	6%	13.3	4%
VIC	784,000	4%	11.0	4%
Other states	736,000	-2%	15.6	-2%
Total Australia	2,888,000	4%	20.7	-3%
VFR				
QLD	481,000	-1%	16.5	11%
NSW	721,000	7%	19.0	11%
VIC	521,000	2%	20.6	7%
Other states	443,000	1%	19.6	-2%
Total Australia	1,933,000	4%	21.2	5%
Business				
QLD	169,000	5%	7.9	22%
NSW	421,000	11%	8.8	9%
VIC	256,000	16%	10.4	-6%
Other States	184,000	10%	16.0	29%
Total Australia	878,000	10%	12.1	11%
TOTAL				
QLD	2,013,000	2%	19.4	-4%
NSW	2,835,000	7%	22.9	2%
VIC	1,597,000	6%	25.3	1%
Other States	1,357,000	1%	29.6	6%
Total Australia	5,334,000	6%	34.6	0%

New South Wales (NSW) and Victoria (VIC) saw much of the growth in international visitation over the year, whilst Queensland recorded a more modest recovery.

The downturn from the UK market drove Queensland's stable holiday result, more so than NSW and VIC. The spike in visitation seen from the UK youth (under 30 years old) market to Queensland in 2009 (year ended September), is now easing.

NSW (Sydney) and VIC (Melbourne) continued to benefit from mono-destination travel patterns, particularly from the US and NZ holiday markets. An increase in air capacity coupled with more affordable airfares further fueling the stronger results for NSW and VIC.

NZ holiday growth to NSW and VIC over the year was driven by the more affordable short trip break (of 1-2 stopovers). Queensland however, sits firmly as a longer stay holiday destination (7 or more nights) for NZ, resulting in the states more subdued holiday results.

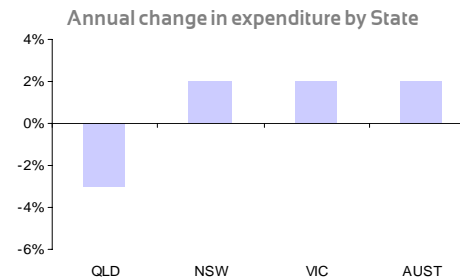
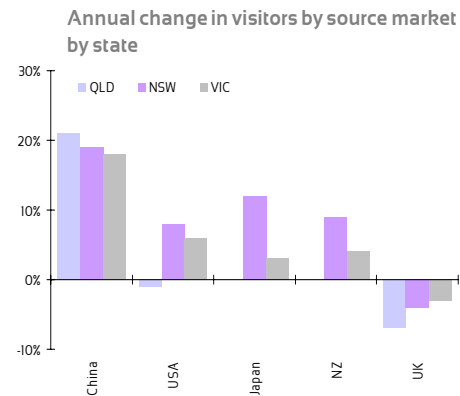
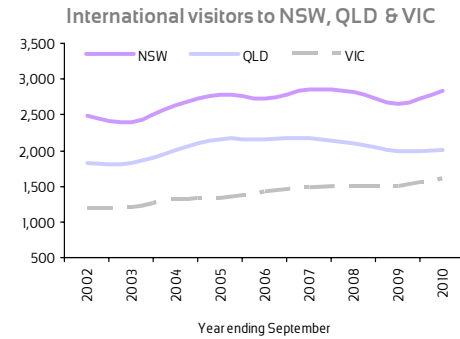
Queensland and VIC did not see the strong growth in VFR (visiting friends or relatives) travel enjoyed by NSW over the last year. Although a range of Asian markets buoyed the VFR results for most states, NSW's performance was driven by an increase in NZ VFR visitation, whilst Queensland and VIC saw declines from this market.

The return in business travel was more prominent for NSW and VIC due to their larger international business markets, subsequently fuelling the growth seen to these states. Whilst, Queensland saw a more modest business recovery, the state did see growth from the US, NZ and Chinese business markets over the year.

Asian markets continued to dominate international visitor arrivals growth to Australia. However, Queensland led the nation and recorded the largest percentage upswing in visitation from China and Korea over the year.

NSW and VIC expenditure results benefitted from the recovery in business travel. Queensland's decline however, is representative of the decline in the longer staying holiday markets out of Europe (particularly the UK).

Arrivals from Asia are expected to remain strong in 2010 and 2011, most notably from China, Indonesia and Japan to Australia¹⁰.



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Year ended September 2010

International Visitors to Queensland

	Visitors	Annual change	Avg stay	Annual change
Holiday	1,437,000	0%	12.6	-9% ▼
NZ	237,000	-2%	9.9	-5%
Asia	550,000	8%	10.1	-11%
Americas	150,000	0%	9.8	-14%
Europe	433,000	-6%	18.2	-6%
VFR	481,000	-1% ▼	16.5	11% ▲
NZ	170,000	-5%	10.8	21%
Asia	99,000	15%	22.2	7%
Americas	38,000	-3%	15.1	22%
Europe	130,000	-5%	17.4	-2%
Business	169,000	5% ▲	7.9	22% ▲
NZ	42,000	14%	6.3	17%
Asia	57,000	4%	7.6	9%
Americas	26,000	8%	10.8	48%
Europe	27,000	13%	8.5	21%
TOTAL	2,013,000	2% ▲	19.4	-4% ▼
NZ	403,000	0%	12.5	-6%
Asia	720,000	7%	19.8	-4%
Americas	203,000	0%	16	-1%
Europe	539,000	-4%	23.7	-5%

International Expenditure in Queensland

EXPENDITURE	\$ million	Annual change
Queensland	\$3,843	-3%

Queensland's greater reliance on holiday visitors (a market most heavily impacted by the GFC), resulted in the more subdued recovery in international visitation than that seen nationally.

Despite the decline in NZ holiday visitation to Queensland over the last year, the state continued to attract more than 50% of all NZ holiday visitors to Australia.

Typically, NZ visitors who visit Queensland also make multiple stopovers while in Australia. Therefore, Queensland overall has not benefitted from the trend of NZ visitors making fewer stopovers, and taking shorter breaks, some destinations however, have such as the Gold Coast.

The Gold Coast, Sydney and Melbourne rely more on mono-destination holiday travel from New Zealanders than any other destinations in Australia.

The UK market has softened considerably, both for Queensland and for the other states, with the economic climate in the UK a key influence on the downward trend. It was the holiday market where the largest declines occurred from the UK to Australia, and also to Queensland.

Queensland is more than other states on the holiday market from the UK, particularly the youth (under 30 years old) visitors. One third of UK visitors in Queensland were youth visitors on holiday over the year, and this market declined 11%.

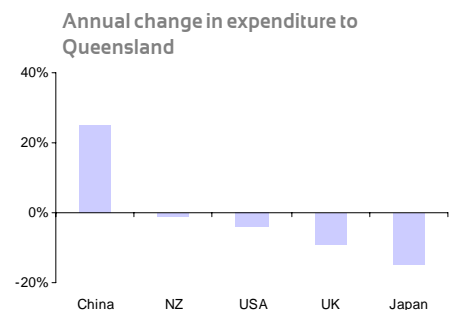
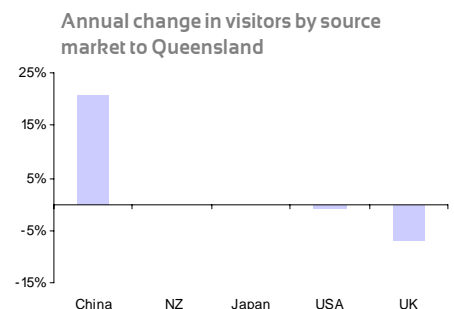
As with the UK, other European markets such as Germany also weakened over the last year. In contrast, smaller European source markets to Queensland continued to grow, including: Scandinavia, Switzerland and the Netherlands.

Visitation from the America's levelled off for Queensland, also driven by the holiday market. The only growth from the US market in Australia was seen from trips of 1-2 stopovers, which primarily benefitted the destinations of Sydney and Melbourne.

Rapidly improving economic conditions in many Asian countries continue to boost visitation growth to Queensland, more so from the markets of China (across all purposes of visit) and Korea. The strong growth from China and the recovery from Japan also assisted to offset the declines from Queensland's largest holiday markets of the UK and NZ.

Increased direct air capacity between Queensland and Japan has assisted in stabilising the Japanese market over the last year. The improved results from Japan also helped the increase for Queensland from Asia overall.

By 2020, Tourism Research Australia forecast the share of inbound arrivals from Asia to Australia is expected to increase from 38% to 42% of the total inbound arrivals market¹⁰.



International Tourism Snapshot

Year ended September 2010

International visitors by region

	Visitors	Annual change	Avg stay	Holiday Visitors	Annual change
Brisbane	914,000	0%	17.5	481,000	-5%
Gold Coast	842,000	6%	9.6	664,000	6%
TNQ	672,000	1%	8.9	612,000	1%
Sunshine Coast	282,000	0%	8.8	224,000	0%
Whitsundays	208,000	-7%	5.8	200,000	-7%
Fraser Coast	180,000	-5%	4.3	170,000	-6%
Townsville	132,000	-10%	11.0	107,000	-9%
Central Queensland	122,000	-5%	7.6	106,000	-5%

	Visitors	Trend change ^{II}	Avg stay	Holiday Visitors	Trend change
Mackay	51,000	-1%	7.9	39,000	-2%
Bundaberg	41,000	-3%	15.9	33,000	-4%
Toowoomba	35,000	0%	17.6	16,000	-2%
Outback	26,000	-5%	10.7	22,000	-4%

Expenditure in Queensland regions

EXPENDITURE	\$ million	Annual change	Spend per visitor	Spend per night
Brisbane	\$1,362	2%	\$1,483	\$85
Gold Coast	\$998	-4%	\$1,185	\$124
TNQ	\$797	-13%	\$1,187	\$133
Sunshine Coast	\$221	-4%	\$783	\$89
Whitsundays	\$147	-1%	\$708	\$121
Townsville	\$126	45%	\$957	\$87

International visitation to Brisbane remained stable over the last year, with VFR (visiting friends or relatives) and business travel both increasing.

Overall, declines in travel from the UK have impacted Brisbane more than most other regions in Queensland, with Brisbane being the most popular destination in Queensland for UK travellers. Strong results from a range of other European markets and from China have helped to negate the impact on Brisbane from the UK downturn.

Improving international air capacity helped the Gold Coast achieve a 6% increase in international visitors. Growth from a range of Asian markets including China and Japan fuelled much of the regions' growth.

The Gold Coast did not see declines from NZ, as with other regions in Queensland, benefitting from growth in mono-destination travel. Sydney, Melbourne and the Gold Coast are the most common destinations in Australia for New Zealanders who make only one stopover when visiting Australia.

TNQ recorded a small increase in international visitation over the last year with declines seen by the region (and Queensland) from the USA and the UK being countered by strong growth in visitation from China, a recovery in the Japanese market plus a range of other European markets.

The Japanese market eased by just 1 percent over the last year to TNQ, but rose by 36 percent in the September quarter 2010 (compared with the September quarter in 2009) with the impact of Jetstar services evident.

The Sunshine Coast saw a stable result over the last year driven by flat holiday visitation from NZ, its largest source market (as did Queensland). In line with other regions in Queensland, the Sunshine Coast also experienced a decline in visitation from the UK, the regions second largest source of international visitors. Visitation from European countries, other than the UK, remained stable for the Sunshine Coast over the last year.

Declines from the UK, had the most significant impact on the Whitsundays, Fraser Coast and Townsville, with each of these regions relying more on UK visitors than other regions in Queensland. With one in three international visitors to the Whitsundays and Fraser Coast from the UK and one quarter of all international visitors to Townsville.

The subdued holiday market coupled with a reduction in the average length of stay by international holiday visitors (down 1.2 nights), resulted in expenditure declines for many Queensland regions. The exception being Brisbane and Townsville over the year to September 2010.

For further insights and data specific to the Queensland regions, please refer to the Regional Snapshots which can be found on our website at

www.tq.com.au/research

Year ended September 2010

Region comparison by source market

NZ	Visitors	Annual change
Gold Coast	205,000	1%
Brisbane	164,000	2%
Whitsundays	8,000	0%
Sunshine Coast	83,000	0%
Fraser Coast	15,000	15%
TNQ	35,000	-3%
QLD	403,000	0%

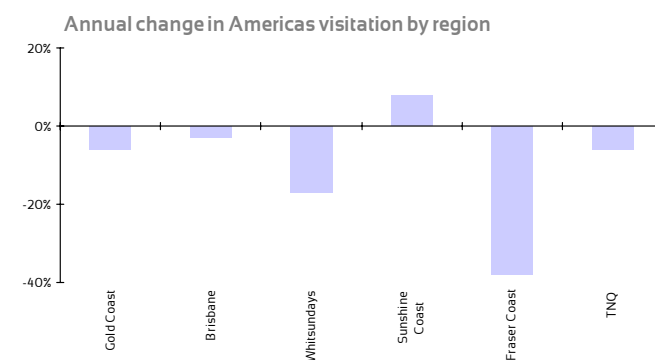
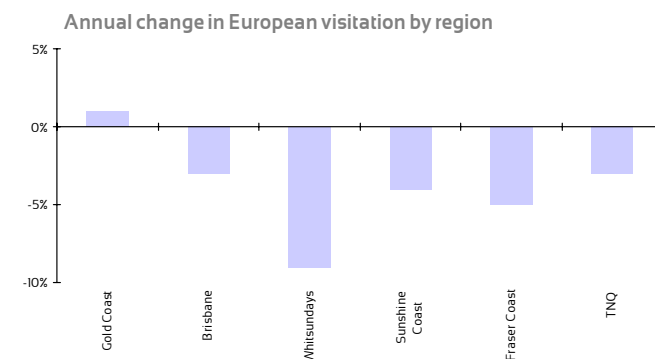
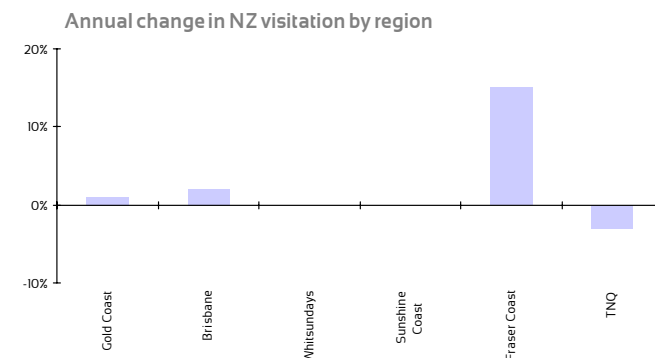
Americas	Visitors	Annual change
Gold Coast	45,000	-6%
Brisbane	85,000	-3%
Whitsundays	24,000	-17%
Sunshine Coast	27,000	8%
Fraser Coast	13,000	-38%
TNQ	101,000	-6%
QLD	203,000	0%

Europe ⁵	Visitors	Annual change
Gold Coast	154,000	1%
Brisbane	309,000	-3%
Whitsundays	152,000	-9%
Sunshine Coast	138,000	-4%
Fraser Coast	135,000	-5%
TNQ	289,000	-3%
QLD	539,000	-4%

UK ¹²	Visitors	Annual change
Gold Coast	78,000	8%
Brisbane	134,000	-6%
Whitsundays	60,000	-10%
Sunshine Coast	60,000	-12%
Fraser Coast	53,000	-5%
TNQ	108,000	-14%
QLD	236,000	-7%

Japan	Visitors	Annual change
Gold Coast	116,000	3%
Brisbane	26,000	-13%
Whitsundays	10,000	25%
TNQ	106,000	-1%
QLD	221,000	0%

China	Visitors	Annual change
Gold Coast	114,000	19%
Brisbane	74,000	32%
Whitsundays	n/p	n/p
TNQ	60,000	n/p
QLD	172,000	21%



Year ended September 2010

State source market comparison

	QLD		NSW		VIC		Australia	
	Visitors	Annual change	Visitors	Annual change	Visitors	Annual change	Visitors	Annual change
New Zealand	403,000	0%	382,000	9%	240,000	4%	1,022,000	3%
Total Asia	720,000	7%	1,063,000	12%	656,000	12%	2,101,000	10%
Japan	221,000	0%	151,000	12%	40,000	3%	363,000	5%
China	172,000	21%	278,000	19%	184,000	18%	408,000	19%
Korea	73,000	16%	154,000	14%	29,000	-12%	189,000	12%
Taiwan	46,000	-10%	55,000	-10%	27,000	-4%	83,000	-9%
Singapore	49,000	11%	85,000	20%	76,000	4%	259,000	7%
Malaysia	44,000	13%	44,000	7%	86,000	23%	204,000	11%
Hong Kong	41,000	14%	79,000	-5%	48,000	17%	146,000	4%
India	24,000	-17%	62,000	17%	52,000	6%	122,000	8%
Indonesia	17,000	0%	51,000	24%	41,000	28%	109,000	18%
Americas	203,000	0%	393,000	7%	166,000	2%	564,000	5%
USA	150,000	-1%	311,000	8%	132,000	6%	446,000	5%
Canada	52,000	0%	82,000	3%	35,000	-8%	118,000	4%
Total Europe	539,000	-4%	798,000	0%	440,000	1%	1,254,000	1%
UK	236,000	-7%	359,000	-4%	194,000	-3%	604,000	-2%
Germany	78,000	-5%	105,000	3%	61,000	5%	156,000	5%
France	42,000	5%	66,000	16%	33,000	14%	93,000	12%
Scandinavia	42,000	5%	55,000	6%	28,000	0%	84,000	9%
Netherlands	26,000	13%	32,000	0%	20,000	-5%	48,000	-2%
Italy	26,000	4%	37,000	6%	24,000	14%	54,000	8%
Switzerland	21,000	17%	28,000	8%	16,000	14%	42,000	11%
TOTAL	2,013,000	2%	2,835,000	7%	1,597,000	6%	5,334,000	6%

State expenditure comparison

	QLD	NSW	VIC	Australia
Expenditure (\$ million)	\$3,843	\$6,155	\$3,868	\$17,424
Annual change	-3%	2%	2%	2%
Share of expenditure	22.1%	35.3%	22.2%	-
Change in share (percentage points)	-1.2	0.0	0.2	-

Data Source: International Visitor Survey, Tourism Research Australia. The information included in this report was extracted from the International Visitor Survey (IVS), conducted by Newton Wayman Chong Research on behalf of Tourism Research Australia (TRA). IVS information is collected by personal interviews with short-term international visitors to Australia in the departure lounges at eight Australian airports prior to departure. The IVS is weighted to total figures supplied by the Australian Bureau of Statistics' Overseas Arrivals and Departures and does not include persons aged under 15 years.

For this publication data has been adjusted to conform to Tourism Queensland's destinations, which may differ slightly from ABS Tourism Regions.

For Further Information:
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Notes:

1. Annual change refers to the percentage between the year ending September 2010 vrs the year ending September 2009.
 2. Avg stay: Average length of stay expressed in nights.
 3. Asia includes Japan, China, Korea, Singapore, Malaysia, Hong Kong, India, Indonesia, Taiwan, Thailand and Other Asia.
 4. Americans includes United States of America and Canada.
 5. Europe includes the United Kingdom, Germany, France, Scandinavia, Netherlands, Italy, Switzerland, and Other Europe.
 6. Visiting friends or relatives (VFR).
 7. Total refers to total visitors to Australia, including those classified as 'Other', and therefore the sum of Holiday, VFR, and Business visitors may not equal total.
 8. All expenditure figures include package expenditure (\$m).
 9. Refers to the January August 2010 period, compared to the January August 2008 period, United Nations World Tourism Organisation, Barometer. Issue 3, Volume 8.
 10. Tourism Forecasting Committee, Tourism Research Australia. Forecast 2010, Issue 2.
 11. Trend change refers to the percentage change between the three years to September 2010 vrs the three years to September 2009.
 12. The UK is separated from 'Europe' because it is one of the largest individual source market to Queensland regions.
- n/p not publishable.