

International Tourism Snapshot

Year ended June 2011

International Visitors to Australia

	Visitors	Annual change ¹	Avg stay ²	Annual change
Holiday	2,861,000	1% ▲	20.4	-5% ▼
NZ	435,000	-4%	10.5	14%
Asia ³	1,153,000	13%	17.9	-7%
Americas ⁴	297,000	-10%	17.2	9%
Europe ⁵	813,000	-5%	30.9	-7%
VFR⁶	1,961,000	2% ▲	22.7	9% ▲
NZ	457,000	5%	11.2	1%
Asia	616,000	6%	30.3	12%
Americas	179,000	-2%	19.6	6%
Europe	547,000	-4%	22.5	6%
Business	924,000	8% ▲	12.2	1% ▲
NZ	225,000	9%	6.2	-7%
Asia	367,000	13%	14	-4%
Americas	134,000	3%	13.2	12%
Europe	137,000	5%	16.6	5%
TOTAL⁷	5,416,000	4% ▲	34.9	0%
NZ	1,057,000	5%	14	8%
Asia	2,198,000	10%	43	-2%
Americas	541,000	-6%	26.1	3%
Europe	1,226,000	-3%	41	-1%

International tourism continued to recover around the world in the first few months of 2011, although the pace of recovery differed by region⁹.

Global tourism has been operating in an unpredictable landscape during the first six months of 2011. Recovery by developed economies following the Global Financial Crisis (GFC) has been slow and there is a looming threat of a 'double-dip' recession. Moreover, there has been on-going political unrest in North Africa and the Middle East and natural disasters, such as earthquakes, volcanic ash-clouds and cyclonic activity¹⁰.

Asian markets continue to drive growth in international tourism, the result of strengthening economic conditions and heightened consumer confidence in these countries. China dominated international tourism growth worldwide and remains Australia's fastest growing international source market.

Travel to Australia from Europe and the Americas remained weak over the year ended June 2011. Visitation from the United Kingdom (UK), in particular, was subdued with total worldwide outbound travel from the UK finally stabilising following a period of decline that commenced with the GFC. The weak economic climate in the UK continues to stifle outbound travel from this market.

Visitation from Asia offset declines from Europe and the United States (US) for holiday and VFR (visiting friends and relatives) travel to Australia.

New Zealand (NZ) residents increased travel to Australia for VFR and business, whilst the holiday market declined.

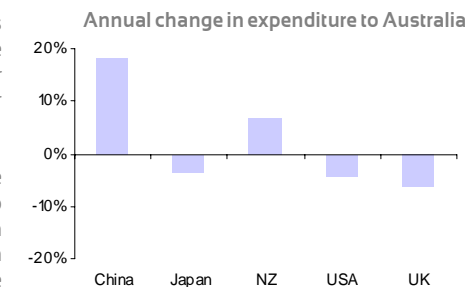
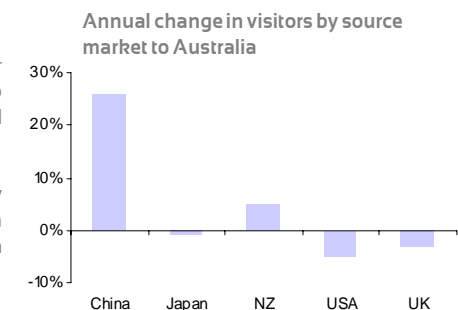
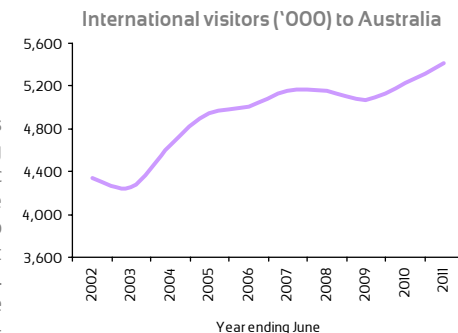
Travel to Australia by US visitors remains subdued as a result of a strong Australian dollar and soft economic conditions in the US. A moderate increase in US business visitors to Australia suggests the business market is more confident than leisure travellers. However, economic conditions in the US are unlikely to recover in the short-term with confidence remaining low, as evidenced by the recent downgrading of the US credit rating.

Business visitation from all major international markets continued to rebound reaching their highest level since the onset of the GFC.

Increased air capacity on key international routes (particularly Asian routes) continued to assist growth in international visitation to Australia.

Total international expenditure to Australia reflects the increase in visitation, rather than a change in spend per visitor or spend per night. Visitor growth from China drove the increases in national expenditure. The UK had the largest decline in total visitor expenditure, despite their spend per night remaining unchanged.

The Tourism Forecasting Committee forecast international visitor arrivals to Australia to increase 3.1% to 6.1 million during 2011. Forecast growth between 2010 and 2015 is slightly more positive at 4.1%, with international visitor arrivals expected to reach 7.2 million in 2015¹⁰.



International Expenditure in Australia

EXPENDITURE ⁸	\$ million	Annual change
Australia	\$18,018	4%

International Tourism Snapshot

Year ended June 2011

State Comparison

	Visitors	Annual change	Avg stay	Annual change
Holiday				
QLD	1,345,000	-5%	13.2	0%
NSW	1,565,000	0%	13.4	-1%
VIC	842,000	12%	9.6	-15%
Other states	759,000	3%	15.2	-7%
Total Australia	2,861,000	1%	20.4	-5%
VFR				
QLD	493,000	2%	17.1	6%
NSW	708,000	-1%	20.4	11%
VIC	549,000	7%	21.3	2%
Other states	460,000	4%	21.6	13%
Total Australia	1,961,000	2%	22.7	9%
Business				
QLD	193,000	17%	7.7	4%
NSW	428,000	4%	9.5	6%
VIC	290,000	19%	9.6	-14%
Other States	206,000	16%	14.4	-5%
Total Australia	924,000	8%	12.2	1%
TOTAL				
QLD	1,989,000	1%	19.9	1%
NSW	2,812,000	1%	24.0	6%
VIC	1,734,000	12%	23.7	-10%
Other States	1,415,000	5%	29.0	0%
Total Australia	5,416,000	4%	34.9	0%

All states and territories recorded growth in international visitors, although some performed better than others.

The strongest growth came from the business sector, fuelled by improving business confidence in many source markets. All states and territories saw an increased number of business visitors, particularly those from China.

There was strong growth in international business expenditure, particularly for NSW, VIC and WA. QLD had below average business expenditure growth as a result of a decline in spend per night.

Unlike business travellers, the VFR (visiting friends or relatives) sector is a more resilient market and has continued to grow since 2006 despite the impacts of the GFC. VFR visitors to NSW declined, primarily due to weak US and European visitation. VIC and QLD recorded growth, mainly due to a strong Chinese VFR market and smaller declines in VFR visitation from the US and Europe.

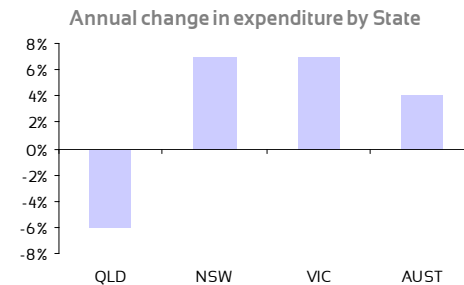
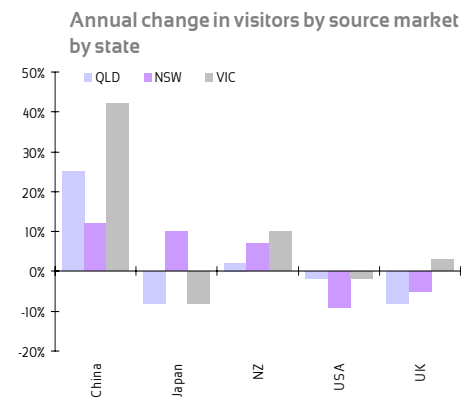
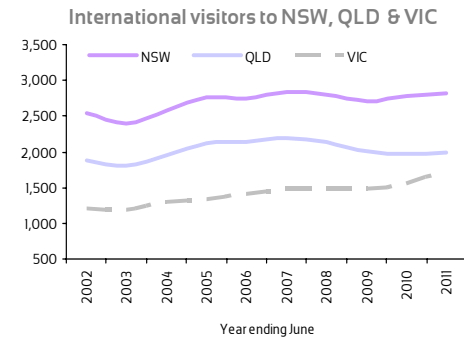
Holiday visitors to Australia increased slightly in the year ended June 2011, although much of the growth was gained by VIC. Indeed, NSW holiday visitors were flat and QLD declined. Despite this, QLD retains a significant share of holiday visitors to Australia.

Declines in QLD holiday visitors were due to continued weak European markets, reduced visitation associated with the 2010/2011 QLD floods and cyclones, and declines from Japanese visitors.

The declines from Japan were due to the impact of the March earthquake which caused a reduction in visitor demand that resulted in airlines subsequently reducing flight frequencies in line with demand. This was in conjunction with the suspension of the Japan Airlines Tokyo-Brisbane route in October 2010 which has impacted the Queensland visitor numbers. NSW, on the other hand, saw an increase in Japanese visitors.

In contrast to QLD and NSW (and most other states and territories), VIC experienced a 3% increase in visitors from the UK. This was due to an increase in the number of visitors flying direct from the UK to VIC (up 10%). Further, while VIC experienced a decline in UK youth visitors, it recorded strong growth in UK visitors aged 30 or more years (up 11%).

Conversely, almost all states benefited from increases in visitors from most Asian markets, but particularly those from China. There was also a recovery in New Zealand visitation to QLD, NSW and VIC.



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International Tourism Snapshot

Year ended June 2011

International Visitors to Queensland

	Visitors	Annual change	Avg stay	Annual change
Holiday	1,345,000	-5% ▼	13.2	0% ●
NZ	212,000	-11%	10.4	11%
Asia	525,000	1%	11.5	8%
Americas	135,000	-11%	10.5	7%
Europe	404,000	-8%	17.9	-8%
VFR	493,000	2% ▲	17.1	6% ▲
NZ	173,000	-1%	10.9	5%
Asia	105,000	13%	22.3	4%
Americas	39,000	3%	14.8	-8%
Europe	130,000	-2%	20.1	15%
Business	193,000	17% ▲	7.7	4% ▲
NZ	45,000	15%	5.8	-11%
Asia	69,000	21%	6.8	-12%
Americas	28,000	4%	7.5	-19%
Europe	32,000	33%	10.8	44%
TOTAL	1,989,000	1% ▲	19.9	1% ▲
NZ	404,000	2%	12.8	4%
Asia	718,000	6%	21.4	5%
Americas	199,000	-3%	14.4	-11%
Europe	517,000	-5%	24.1	-2%

QLD had an overall increase in visitation, driven by the business and VFR sectors. Holidays declined as a result of severe weather events that occurred in the 2010/2011 summer, earthquakes in Japan and New Zealand and weak visitation from Europe.

The lingering affects of the GFC, combined with the ongoing impact of numerous natural disasters have left QLD's holiday market vulnerable to decline as consumer confidence wanes.

The importance of the holiday market, particularly the budget conscious youth, for QLD has contributed to the declines. Despite this, other states, such as VIC, are capturing growth from more sophisticated older travellers. QLD has also had growth in older travellers, however it has been to a lesser extent than VIC.

Appreciation of the Australian dollar against most major currencies combined with weak economic conditions in a number of developed countries, has seen visitors, particularly from the US and UK, reduce their travel to Australia. The result has been reduced length of stay and spend per night in QLD.

QLD saw strong growth in the business sector, which helped offset declines in holidays. However, business travellers generally have a shorter length of stay than holiday visitors, which contributed to the declines in average spend per visitor and total expenditure in QLD. Regardless, total business spend increased 10% during the year ended June 2011.

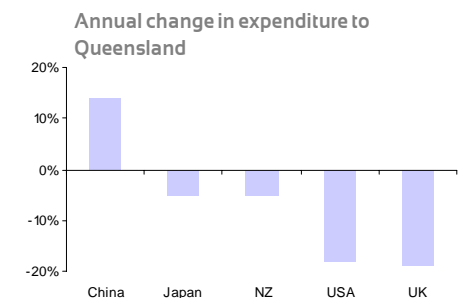
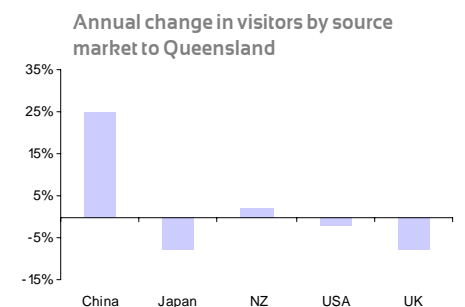
Despite declines in the UK and European markets, QLD continues to retain a 42% share of these markets to Australia.

A weak US market is being constrained by a number of factors including low consumer and business confidence, an unfavourable exchange rate and a rapidly growing Australian outbound market which has reduced seat availability for US travellers to Australia.

Japanese visitation to QLD saw declines. This was the result of recent natural disasters, combined with long-term low demand for flights between Japan and Brisbane which saw flight suspensions. Despite this, QLD had growth from most other Asian markets, particularly China and (more modestly) Thailand, Singapore and Indonesia.

China has been the stand out market for most states and territories with QLD recording average growth in this market. Growth in Chinese visitors to Australia is primarily due to this source market having improved standards of living, strong consumer confidence, improved access channels and reduced restrictions on travel.

New Zealand saw a slight increase in travel to QLD, the result of a strong business sector. Holiday and VFR travellers from NZ continued to decline in the year ended June 2011, most noticeably since the Christchurch earthquake.



International Expenditure in Queensland

EXPENDITURE	\$ million	Annual change
Queensland	\$3,623	-6%

International Tourism Snapshot

Year ended June 2011

International visitors by region

	Visitors	Annual change	Avg stay	Holiday Visitors	Annual change
Brisbane	928,000	3%	18.5	455,000	-6%
Gold Coast	753,000	-9%	10.3	581,000	-11%
TNQ	649,000	-1%	8.7	588,000	-1%
Sunshine Coast	260,000	-7%	10.3	197,000	-12%
Whitsundays	187,000	-12%	5.8	180,000	-13%
Fraser Coast	148,000	-17%	3.7	140,000	-18%
Townsville	120,000	-13%	10.9	94,000	-15%
Central Queensland	108,000	-14%	7.2	91,000	-16%

	Visitors	Trend change ^{II}	Avg stay	Holiday Visitors	Trend change
Mackay	46,000	-4%	9.1	34,000	-7%
Bundaberg	39,000	-2%	19	29,000	-6%
Toowoomba	39,000	-1%	22.4	17,000	-2%
Outback	24,000	-9%	10.6	17,000	-12%

Expenditure in Queensland regions

EXPENDITURE	\$ million	Annual change	Spend per visitor	Spend per night
Brisbane	\$1,413	4%	\$1,523	\$82
Gold Coast	\$822	-19%	\$1,091	\$106
TNQ	\$762	-2%	\$1,174	\$133
Sunshine Coast	\$237	3%	\$912	\$89
Whitsundays	\$111	-30%	\$597	\$103
Townsville	\$81	-33%	\$676	\$62

Reflecting declines in holiday travel, many of QLD's key holiday destinations recorded declines in the year ended June 2011. This was primarily related to the significance of the softer UK and European youth markets for many of these regions. This trend is the result of weak economic conditions in Western economies and a strong Australian dollar. The impact of the QLD floods and cyclones remained evident in the year ending June 2011 data resulting in reduced dispersal and lower visitation to certain regions.

Brisbane was the only QLD region to record an increase in visitors, primarily driven by business, VFR, education and employment growth. Despite this, holiday visitors to Brisbane continued to decline. Most likely associated with increases in education and employment, total expenditure in Brisbane increased in the year ended June 2011. Declines to Brisbane were mainly from the UK, Europe and the US, a trend reflected at a state level.

The Gold Coast recorded stronger visitation from China compared with previous periods. Despite this, the region recorded the largest decline in holiday visitation out of all the QLD regions. In particular, there was a decline in visitors from Japan, NZ and the UK. The declines from Japan and NZ were most noticeable in the June quarter and are related to the earthquakes. Reflecting the declining visitation combined with reduced average spend per night (down 15%), Gold Coast visitors total expenditure dropped by 19%.

The Sunshine Coast, as with other regions in QLD, recorded a decline in holiday visitation that was mainly associated with a weak UK youth market. Despite this, the region did achieve growth in some European markets, such as Netherlands, Germany and Scandinavia. Moreover, the region had good growth in business visitation, however, this could not offset the declines in holiday visitors.

Tropical North Queensland had a relatively stable performance in international visitation. Growth was primarily from China which only just offset the large declines in UK visitation. Holiday visitors to TNQ declined, however there was good growth in VFR and business travel to the region. Japanese visitation recorded a slight increase in the year ended June 2011, with the March earthquake negating some of the growth the region had been enjoying in late 2010 and early 2011.

Similar to most regions in QLD, the Whitsundays and Fraser Coast had declines in UK youth holiday visitors. This market has been weak due to soft economic conditions in the UK which has seen high youth unemployment, combined with a strong Australian dollar. Further contributing to the overall declines in visitation, the Whitsundays had decreases in US visitors also due to economic conditions in the US.

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

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Year ended June 2011

Region comparison by source market

NZ	Visitors	Annual change
Gold Coast	182,000	-9%
Brisbane	166,000	3%
Whitsundays	7,000	0%
Sunshine Coast	77,000	-5%
Fraser Coast	10,000	-17%
TNQ	36,000	6%
QLD	404,000	2%

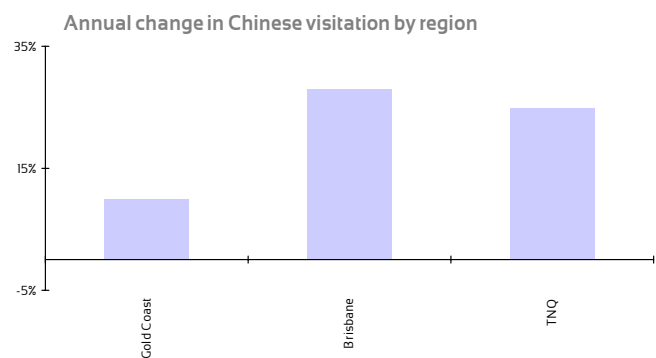
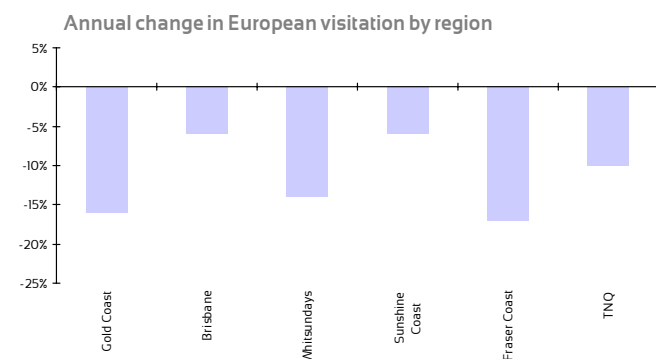
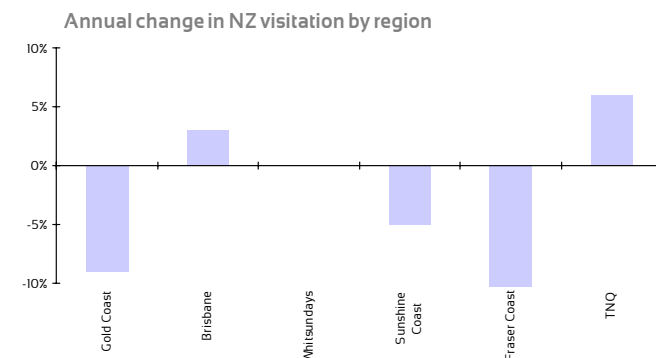
UK ¹²	Visitors	Annual change
Gold Coast	63,000	-21%
Brisbane	129,000	-6%
Whitsundays	50,000	-22%
Sunshine Coast	55,000	-13%
Fraser Coast	38,000	-31%
TNQ	93,000	-18%
QLD	220,000	-8%

Europe (including UK) ⁵	Visitors	Annual change
Gold Coast	136,000	-16%
Brisbane	296,000	-6%
Whitsundays	137,000	-14%
Sunshine Coast	130,000	-6%
Fraser Coast	115,000	-17%
TNQ	262,000	-10%
QLD	517,000	-5%

Americas	Visitors	Annual change
Gold Coast	42,000	-7%
Brisbane	83,000	-5%
Whitsundays	22,000	-15%
Sunshine Coast	25,000	-7%
Fraser Coast	13,000	-13%
TNQ	99,000	-2%
QLD	199,000	-3%

Japan	Visitors	Annual change
Gold Coast	86,000	-25%
Brisbane	26,000	0%
Whitsundays	9,000	-10%
TNQ	98,000	1%
QLD	193,000	-8%

China	Visitors	Annual change
Gold Coast	118,000	10%
Brisbane	83,000	28%
Whitsundays	n/p	n/p
TNQ	74,000	n/p
QLD	198,000	25%



International Tourism Snapshot



Year ended June 2011

State source market comparison

	QLD		NSW		VIC		Australia	
	Visitors	Annual change	Visitors	Annual change	Visitors	Annual change	Visitors	Annual change
New Zealand	404,000	2%	395,000	7%	260,000	10%	1,057,000	5%
Total Asia	718,000	6%	1,081,000	8%	749,000	22%	2,198,000	10%
Japan	193,000	-8%	150,000	10%	35,000	-8%	334,000	-1%
China	198,000	25%	286,000	12%	236,000	42%	473,000	26%
Korea	68,000	-1%	153,000	4%	35,000	21%	189,000	3%
Taiwan	42,000	-5%	46,000	-16%	23,000	-15%	76,000	-7%
Singapore	49,000	7%	92,000	16%	89,000	24%	275,000	10%
Malaysia	43,000	2%	45,000	10%	92,000	19%	220,000	15%
Hong Kong	40,000	0%	84,000	8%	50,000	11%	155,000	11%
India	25,000	9%	69,000	17%	63,000	26%	134,000	12%
Indonesia	20,000	11%	51,000	4%	40,000	0%	120,000	14%
Americas	199,000	-3%	369,000	-8%	166,000	0%	541,000	-6%
USA	151,000	-2%	290,000	-9%	128,000	-2%	430,000	-5%
Canada	48,000	-8%	80,000	-5%	38,000	9%	112,000	-6%
Total Europe	517,000	-5%	766,000	-6%	453,000	3%	1,226,000	-3%
UK	220,000	-8%	349,000	-5%	203,000	3%	593,000	-3%
Germany	77,000	-5%	101,000	-6%	57,000	-2%	153,000	-2%
France	36,000	-16%	58,000	-13%	32,000	0%	88,000	-5%
Scandinavia	42,000	2%	51,000	-11%	30,000	3%	82,000	-2%
Netherlands	22,000	-12%	30,000	-6%	21,000	0%	46,000	-6%
Italy	24,000	-4%	38,000	3%	25,000	9%	54,000	0%
Switzerland	20,000	0%	29,000	4%	18,000	20%	41,000	-2%
TOTAL	1,989,000	1%	2,812,000	1%	1,734,000	12%	5,416,000	4%

State expenditure comparison

	QLD	NSW	VIC	Australia
Expenditure (\$ million)	\$3,623	\$6,515	\$4,175	\$18,018
Annual change	-6%	7%	7%	4%
Share of expenditure	20.1%	36.2%	23.2%	-
Change in share (percentage points)	-2.2	1.0	0.6	-

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 June 2011 v the year ending June 2010.
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. Americas 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. United Nations World Tourism Organisation, Tourism Barometer Interim Update, April 2011.
10. Tourism Forecasting Committee, Tourism Research Australia, Forecast 2011, Issue 1.
11. Trend change refers to the percentage change between the three years to June 2011 vrs the three years to June 2010.
12. The UK is separated from 'Europe' because it is one of the largest individual source market to Queensland regions.

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