

International Tourism Snapshot

Year ended September 2011

International Visitors to Australia

	Visitors	Annual change ¹	Avg stay ²	Annual change
Holiday	2,805,000	-3% ▼	21.3	3% ▲
NZ	417,000	-8%	10.9	14%
Asia ³	1,139,000	3%	18.8	3%
Americas ⁴	291,000	-10%	17.4	12%
Europe ⁵	797,000	-6%	32.5	1%
VFR⁶	1,948,000	1% ▲	22.6	7% ▲
NZ	455,000	4%	11.1	-3%
Asia	614,000	3%	29.8	7%
Americas	174,000	-2%	20.1	11%
Europe	541,000	-4%	22.5	6%
Business	936,000	7% ▲	12.7	5% ▲
NZ	225,000	6%	6.5	-6%
Asia	372,000	10%	14.7	4%
Americas	136,000	5%	13.8	14%
Europe	138,000	3%	16.8	7%
TOTAL⁷	5,391,000	1% ▲	35.5	3% ▲
NZ	1,045,000	2%	14.2	5%
Asia	2,197,000	5%	43.6	1%
Americas	534,000	-5%	26.7	8%
Europe	1,219,000	-3%	41.7	1%

World-wide international tourism achieved growth of close to 5% in the first half of 2011, continuing the growth achieved in 2010. However, this growth was achieved within an environment of increasing global uncertainty⁹. Much of the growth in international tourism was driven by Asia (as a source market and a destination), particularly China.

The global economy, which had been recovering, is now teetering on the brink of a 'double-dip' recession with the down-grading of the US credit rating, the deepening credit crisis in Europe, high commodity prices and high unemployment. As a result, consumer and business confidence remains weak, particularly in developed countries.

Even Australia, an economy that fared relatively well compared to other developed countries during the Global Financial Crisis (GFC), has seen a slow down within its economic indicators leading to an interest rate drop in November 2011.

Early 2011 also saw the globe impacted by major earthquakes, cyclonic activity, volcanic ash-clouds and on-going political instability in North Africa and the Middle East¹⁰. Australia has not been immune to these disasters, having suffered directly from East-coast floods and cyclone Yasi. Moreover, many of the key Australian source markets were hit hard by these events and have reduced their outbound travel.

With the weak economic conditions in Europe and America, travel from these key source markets has been soft during the year ending September 2011.

Outbound travel by United Kingdom (UK) residents to Australia has continued to decline, a result of the European economic instability, which has seen high youth unemployment and low consumer and business confidence.

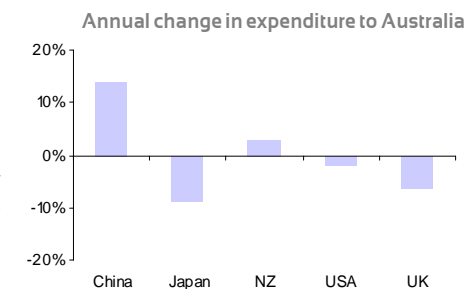
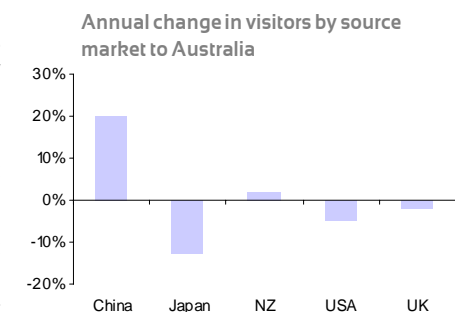
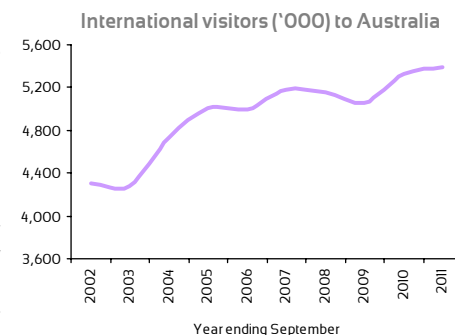
Asian countries increased their visitation to Australia with stronger consumer confidence and increased air capacity driving growth. The majority of the growth came from holiday and business.

New Zealand (NZ) residents increased their visitation to Australia, driven by Visiting Friends and Relatives (VFR) and business travel. The holiday market was weaker, being more heavily impacted by the Christchurch earthquake.

Visitation to Australia from the Americas remains weak, with soft holiday and VFR markets. American visitors reduced their travel due to a strong Australian dollar and soft economic conditions in America making Australia less attractive as a destination. In contrast to the leisure markets, business performed well.

Business visitation from all major international markets have continued to rebound to almost pre-GFC levels.

As a result of the ongoing global economic uncertainty, the Tourism Forecasting Committee downgraded their forecast for international visitor arrivals to Australia. International visitors are now expected to increase by 0.4% to 5.9 million in 2011. Forecast growth between 2010 and 2015 is more positive at 3.1%, with arrivals expected to reach 6.8 million in 2015¹⁰.



International Expenditure in Australia

EXPENDITURE ⁸	\$ million	Annual change
Australia	\$18,102	4%

International Tourism Snapshot

Year ended September 2011

State Comparison

	Visitors	Annual change	Avg stay	Annual change
Holiday				
QLD	1,291,000	-10%	13.6	8%
NSW	1,532,000	-4%	13.8	4%
VIC	847,000	8%	10.3	-6%
Other states	760,000	3%	16.1	3%
Total Australia	2,805,000	-3%	21.3	3%
VFR				
QLD	496,000	3%	17.0	3%
NSW	698,000	-3%	20.6	8%
VIC	541,000	4%	21.2	3%
Other states	457,000	3%	21.4	9%
Total Australia	1,948,000	1%	22.6	7%
Business				
QLD	195,000	15%	8.2	4%
NSW	422,000	0%	10.1	15%
VIC	296,000	16%	9.6	-8%
Other States	218,000	18%	14.7	-8%
Total Australia	936,000	7%	12.7	5%
TOTAL				
QLD	1,943,000	-3%	20.8	7%
NSW	2,778,000	-2%	24.5	7%
VIC	1,743,000	9%	24.1	-5%
Other States	1,430,000	5%	28.5	-4%
Total Australia	5,391,000	1%	35.5	3%

QLD and NSW recorded declines, while other states and territories had growth in international visitors. Growth in VIC and WA was achieved due to increased aviation capacity.

Strong growth in business travel was achieved by VIC, WA and QLD. The growth in WA and QLD was driven by the resources boom. The source markets driving the business growth were China, Singapore and NZ.

Despite spend per visitor remaining flat, VIC achieved the strongest growth in total expenditure out of all the states and territories. NSW and WA also had strong growth in total spend, while QLD had below average growth in expenditure.

The VFR market continued to grow in most states and territories. NSW did not experience the strong growth in Chinese and NZ VFR travel that other states, such as QLD and VIC, experienced.

Holiday visitation to Australia declined by 3% due to declines in QLD and NSW holiday markets. These declines were from a swathe of key source markets, such as NZ, Japan, the UK and the US. In contrast, other states and territories recorded increases in holiday visitation as a result of stronger growth from China and positive trends from NZ.

QLD's international holiday market has been impacted by global economic instability, the QLD floods and cyclones, and the earthquakes in Japan and NZ.

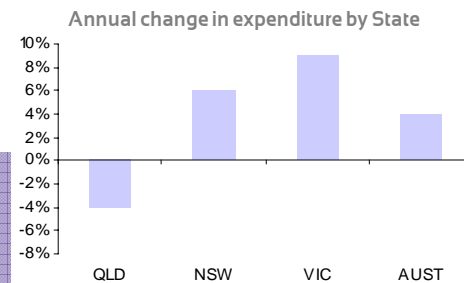
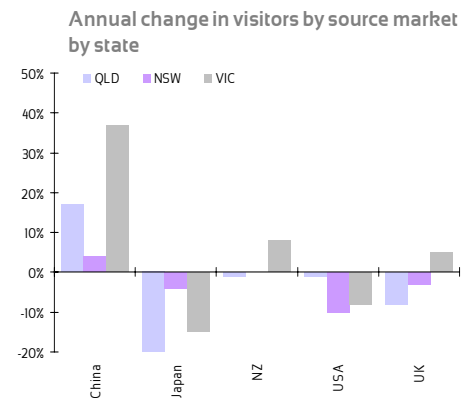
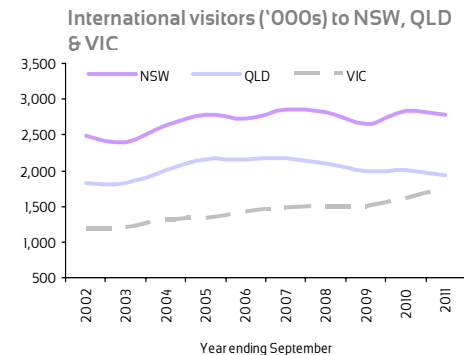
Nearly all states and territories saw a decline in visitation from Japan, but none more so than QLD whose heavy reliance on the market resulted in large declines. Much of these declines were associated with low demand for flights between Japan and Brisbane following the earthquake in Japan resulting in flight suspensions in October 2010.

While most states and territories had declines in UK visitation, VIC and TAS experienced growth of 5% and 17%, respectively. This was due to increased flight capacity between the UK and Melbourne (up 7%). In contrast, UK arrivals into Sydney declined (down 4%).

While international visitor arrivals into Melbourne's airports have increased (up 13%), arrivals into the Sydney, Brisbane and Gold Coast airports have declined (down 2%, 2% and 3%, respectively)¹⁴.

Most states benefited from growth in China, however the previous strong growth from this market is slowing.

While average length of stay in QLD and NSW increased, VIC had declines primarily due to Chinese visitors shortening their stay in the state.



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International Tourism Snapshot

Year ended September 2011

International Visitors to Queensland

	Visitors	Annual change	Avg stay	Annual change
Holiday	1,291,000	-10% ▼	13.6	8% ▲
NZ	199,000	-16%	10.8	9%
Asia	505,000	-8%	12.3	22%
Americas	131,000	-13%	10.6	8%
Europe	387,000	-11%	18	-1%
VFR	496,000	3% ▲	17.0	3% ▲
NZ	177,000	4%	11.1	3%
Asia	104,000	5%	21.4	-4%
Americas	37,000	-3%	15.4	2%
Europe	129,000	-1%	20.1	16%
Business	195,000	15% ▲	8.2	4% ▲
NZ	45,000	7%	5.3	-16%
Asia	68,000	19%	8.2	8%
Americas	29,000	12%	7.3	-32%
Europe	30,000	11%	10.5	24%
TOTAL	1,943,000	-3% ▼	20.8	7% ▲
NZ	398,000	-1%	13.2	6%
Asia	697,000	-3%	22.5	14%
Americas	197,000	-3%	14.3	-11%
Europe	499,000	-7%	25.1	6%

QLD had a decrease in international visitation, the result of a soft holiday sector (down 10%). In contrast, VFR and business increased. The declines in holiday were virtually across the board, with only China and some smaller Asian markets having increases.

Both the youth (15 to 29 years) and older (over 30 years) traveller holiday markets declined by 10%. The declines in older travellers were primarily from NZ and Japan, while the declines in youth were from the UK, Europe and Japan.

The declines are partly due to externalities, including the 2010/2011 QLD floods and cyclones, the Tiger Airways grounding, suspension of direct Jetstar flights between Japan and the Gold Coast, the earthquakes in Japan and NZ, a strong Australian dollar and economic instability in many developed countries. These events have reduced demand and restricted travel.

Business travel to QLD performed strongly, driven by Singapore and China. Much of this growth can be attributed to the resources boom. VFR also performed well, the result of increased visitation from NZ, China and Thailand.

A strong Australian dollar and global economic instability saw international visitors reduce their spend per night in QLD, particularly those visitors from Europe, the Americas and Japan.

Holiday visitors decreased their spend by 11%, delivering an overall decline in expenditure in QLD. However, Business and VFR visitors increased their spend, while education visitors spend was flat.

The largest source market decline was from Japan, the result of recent natural disasters and long-term low demand leading to flight suspensions between Japan and Brisbane. Korea was also impacted by Japan's earthquake which suppressed their travel to Australia, however most other Asian markets recorded growth.

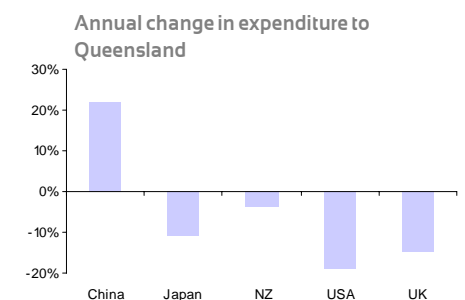
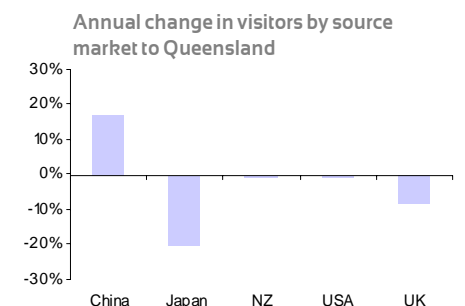
China continued to grow at double-digit rates, yet the pace of growth eased. Growth has been driven by improved standards of living, strong consumer confidence, reduced travel restrictions and improved aviation capacity. However, it is uncertain whether rapid economic growth will continue amidst a slowing global economy¹¹.

The UK and European markets contributed to large declines in visitor numbers. Despite this QLD retains a 41% share of these markets to Australia.

While US visitors reduced their travel to QLD only slightly, their average length of stay in QLD fell by 1.8 nights and their average spend per night declined by \$8, resulting in a large decline in their expenditure in QLD. This is the result of low consumer and business confidence and an unfavourable exchange rate.

NZ visitors decreased their travel to QLD, the result of a weak holiday market. The declines are associated with economic instability and the Christchurch earthquake.

The Tourism Forecasting Committee predict international visitation to QLD to decline in 2011, but to recover in 2012¹⁰.



International Expenditure in Queensland

EXPENDITURE	\$ million	Annual change
Queensland	\$3,683	-4%

International Tourism Snapshot

Year ended September 2011

International visitors by region

	Visitors	Annual change	Avg stay	Holiday Visitors	Annual change
Brisbane	912,000	0%	19.5	437,000	-9%
Gold Coast	720,000	-14%	11.2	549,000	-17%
TNQ	626,000	-7%	8.5	567,000	-7%
Sunshine Coast	239,000	-15%	10.6	179,000	-20%
Whitsundays	173,000	-17%	5.5	168,000	-16%
Fraser Coast	132,000	-26%	4.1	125,000	-26%
Townsville	109,000	-17%	10.8	84,000	-21%
Central Queensland	104,000	-15%	8.4	83,000	-22%

	Visitors	Trend change ¹²	Avg stay	Holiday Visitors	Trend change
Mackay	42,000	-7%	11.2	29,000	-10%
Bundaberg	38,000	1%	22.5	29,000	-3%
Toowoomba	37,000	-1%	25.9	16,000	2%
Outback	22,000	-14%	14.8	16,000	-14%

Expenditure in Queensland regions

EXPENDITURE	\$ million	Annual change	Spend per visitor	Spend per night
Brisbane	\$1,492	10%	\$1,634	\$83
Gold Coast	\$838	-16%	\$1,164	\$103
TNQ	\$742	-7%	\$1,186	\$138
Sunshine Coast	\$224	1%	\$937	\$89
Whitsundays	\$106	-28%	\$611	\$112
Townsville	\$67	n/p	\$614	\$57

Reflecting the soft holiday market, most of QLD's regions had declines in visitation. The UK and European youth markets drove much of these regional declines. This trend was due to soft economic conditions and high youth unemployment in Europe and a strong Australian dollar.

Dispersal of international visitors within QLD beyond Brisbane and the Gold Coast declined by 8%, the largest decline in dispersal amongst all the states. This was due to a number of factors including wide spread flooding in QLD, the youth market decline and tighter travel budgets.

Business travel to QLD performed strongly, particularly to Brisbane and Central QLD, the result of a booming resources sector. In contrast, the Gold Coast, Townsville and Tropical North Queensland (TNQ) had declines in business travel.

Only Brisbane had stable results, due to a growing business sector. Growth in business and education visitor nights drove the growth in expenditure in Brisbane. However, Brisbane had declines in holiday, particularly from the UK and US youth markets.

The Gold Coast had declines in visitation, driven by holiday. The abating growth from China was unable to offset the large declines in visitors from the key markets of Japan, NZ and the UK. These declines more heavily impacted the Gold Coast due to the region's heavy reliance on these holiday markets.

The Sunshine Coast recorded declines in holiday visitation, mainly from NZ, the UK and the US. The region did experience some growth in business and education travel, which boosted their expenditure results.

TNQ had declines in international visitation, mainly due to declines in holiday from the UK, Japan and the US. China, on the other hand, continued to increase their holiday travel to TNQ at a rate of about 26% for the year. However, this growth could not offset the declines in the other key source markets.

The Whitsundays recorded declines, driven by reduced visitation from UK, European and US holiday visitors. Much of these declines were from the youth market (down 17%), although older travellers also declined by 16%.

Fraser Coast also had declines in visitation from the UK youth market. This trend was highlighted in the Fraser Coast due to the region's reliance on this market. Unlike some other QLD regions, Fraser Coast has also not benefitted from the growth in China and the Asian markets.

Declines in UK and European holiday markets drove the Townsville, Central QLD, Mackay¹² and the Outback¹² results. Toowoomba¹² recorded declines due to a weak VFR market. Both Toowoomba and Bundaberg¹² benefited from growth in employment and working holiday visitation.

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

International Tourism Snapshot

Year ended September 2011

Region comparison by source market

NZ	Visitors	Annual change
Gold Coast	173,000	-16%
Brisbane	164,000	0%
Whitsundays	5,000	n/p
Sunshine Coast	71,000	-14%
Fraser Coast	7,000	n/p
TNQ	37,000	6%
QLD	398,000	-1%

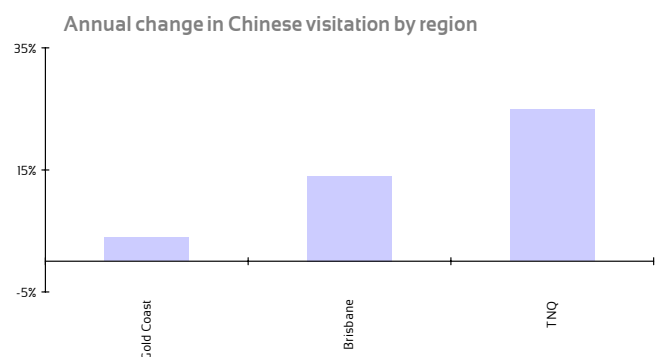
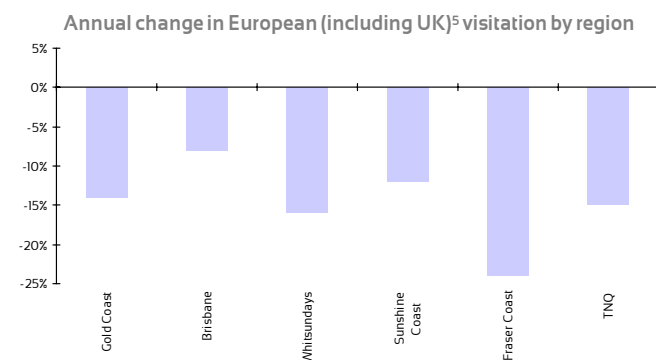
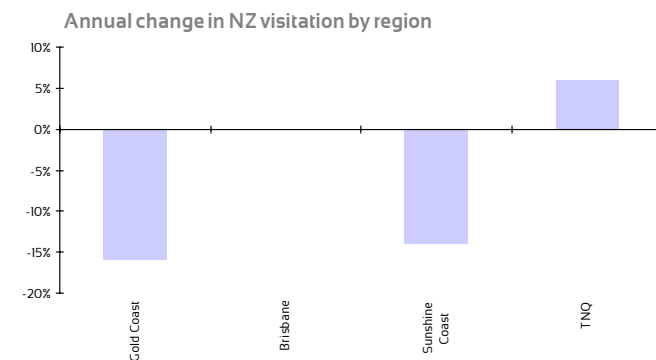
UK ¹³	Visitors	Annual change
Gold Coast	61,000	-22%
Brisbane	128,000	-4%
Whitsundays	48,000	-20%
Sunshine Coast	51,000	-15%
Fraser Coast	36,000	-31%
TNQ	88,000	-19%
QLD	217,000	-8%

Europe (including UK) ⁵	Visitors	Annual change
Gold Coast	132,000	-14%
Brisbane	285,000	-8%
Whitsundays	128,000	-16%
Sunshine Coast	121,000	-12%
Fraser Coast	102,000	-24%
TNQ	246,000	-15%
QLD	499,000	-7%

Americas	Visitors	Annual change
Gold Coast	39,000	-13%
Brisbane	83,000	-2%
Whitsundays	21,000	-13%
Sunshine Coast	23,000	-15%
Fraser Coast	13,000	0%
TNQ	97,000	-4%
QLD	197,000	-3%

Japan	Visitors	Annual change
Gold Coast	77,000	-34%
Brisbane	25,000	-4%
Whitsundays	8,000	n/p
TNQ	92,000	-13%
QLD	177,000	-20%

China	Visitors	Annual change
Gold Coast	118,000	4%
Brisbane	84,000	14%
Whitsundays	n/p	n/p
TNQ	75,000	25%
QLD	202,000	17%



International Tourism Snapshot



Year ended September 2011

State source market comparison

	QLD		NSW		VIC		Australia	
	Visitors	Annual change	Visitors	Annual change	Visitors	Annual change	Visitors	Annual change
New Zealand	398,000	-1%	382,000	0%	259,000	8%	1,045,000	2%
Total Asia	697,000	-3%	1,075,000	1%	768,000	17%	2,197,000	5%
Japan	177,000	-20%	145,000	-4%	34,000	-15%	314,000	-13%
China	202,000	17%	290,000	4%	252,000	37%	488,000	20%
Korea	60,000	-18%	151,000	-2%	41,000	41%	186,000	-2%
Taiwan	41,000	-11%	45,000	-18%	25,000	-7%	77,000	-7%
Singapore	49,000	0%	91,000	7%	89,000	17%	278,000	7%
Malaysia	44,000	0%	46,000	5%	90,000	5%	220,000	8%
Hong Kong	39,000	-5%	84,000	6%	48,000	0%	152,000	4%
India	26,000	8%	68,000	10%	62,000	19%	135,000	11%
Indonesia	20,000	18%	51,000	0%	42,000	2%	123,000	13%
Americas	197,000	-3%	360,000	-8%	161,000	-3%	534,000	-5%
USA	149,000	-1%	280,000	-10%	122,000	-8%	422,000	-5%
Canada	48,000	-8%	80,000	-2%	39,000	11%	112,000	-5%
Total Europe	499,000	-7%	761,000	-5%	451,000	2%	1,219,000	-3%
UK	217,000	-8%	348,000	-3%	204,000	5%	592,000	-2%
Germany	74,000	-5%	103,000	-2%	57,000	-7%	150,000	-4%
France	36,000	-14%	57,000	-14%	31,000	-6%	88,000	-5%
Scandinavia	39,000	-7%	52,000	-5%	28,000	0%	81,000	-4%
Netherlands	20,000	-23%	28,000	-13%	21,000	5%	45,000	-6%
Italy	22,000	-15%	36,000	-3%	25,000	4%	53,000	-2%
Switzerland	19,000	-10%	29,000	4%	18,000	13%	41,000	-2%
TOTAL	1,943,000	-3%	2,778,000	-2%	1,743,000	9%	5,391,000	1%

State expenditure comparison

	QLD	NSW	VIC	Australia
Expenditure (\$ million)	\$3,683	\$6,510	\$4,215	\$18,102
Annual change	-4%	6%	9%	4%
Share of expenditure	20.3%	36.0%	23.3%	-
Change in share (percentage points)	-1.7	0.6	1.1	-

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.

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Notes:

1. Annual change refers to the percentage between the year ending September 2011 v the year ending September 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, August 2011.
10. Tourism Forecasting Committee, Tourism Research Australia, Forecast 2011, Issue 2.
11. Organisation for Economic Cooperation and Development (OECD), China Economic Forecast Summary, November 2011.
12. Trend change is reported for Machay, Bundaberg, Toowoomba and the Outback. Trend change refers to the percentage change between the three years to September 2011 vrs the three years to September 2010.
13. The UK is separated from 'Europe' because it is one of the largest individual source market to Queensland regions.
14. Australian Bureau of Statistics, Overseas Arrivals and Departures data, year ending September 2011

n/p not publishable.