

Australia

Tourism in the economy

The Australian economy has recorded 24 years of economic growth, which is expected to continue despite adjustments to account for the end of the boom in resources investment. The country's many natural attractions provide a competitive advantage. Deloitte Consulting has recognised tourism as one of five industries that has the potential to drive Australia's prosperity into the future.

In the 2013/14 fiscal year, direct GDP contributed by Australia's tourism industry was AUD 43 billion (2.7% of national GDP), an increase of 3.4% on the previous year. Direct tourism gross value added (GVA) amounted to AUD 40 billion (2.7% of national GVA), an increase of 3.4%. The tourism industry directly employed 534 000 people in 2013/14, amounting to 4.6% of national employment.

Tourism consumption totalled AUD 113 billion in 2013/14, 3.7% higher than in the previous year. Domestic travel accounted for 76% of this total.

In 2013/14, all domestic trips (including day trips) increased by 0.5%, with overnight domestic trips up by 5.1% but domestic day trips down by 1.6%.

International tourism consumption increased by 10% to AUD 33 billion in 2014/15. This equates to 8.2% per cent of total exports. There were 7.1 million international visitor arrivals to Australia, an increase of 6.6% on 2013-14. Growth in arrivals from key international markets was strong: New Zealand (up 3.6%), China (up 21.9%), the United States (up 9.1%) and India (up 19.3%). Arrivals from the United Kingdom remained steady.

Tourism governance and funding

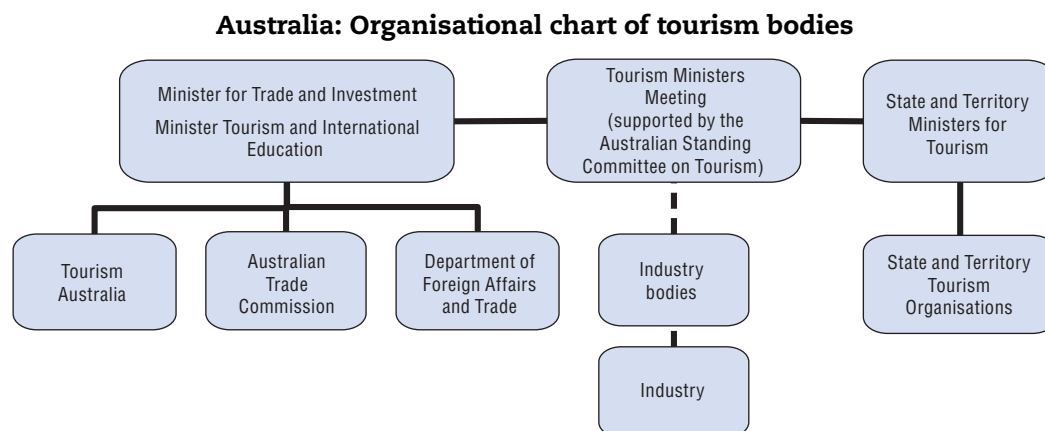
The Australian Trade Commission (Austrade) works closely with Tourism Australia and the Department of Foreign Affairs and Trade (DFAT) to co-ordinate the delivery of "whole-of-government" tourism objectives.

Austrade is responsible for tourism policy, projects, programmes and research. Within Austrade, Tourism Research Australia (TRA) provides international and domestic tourism intelligence, including statistics and analysis.

Tourism Australia is the Australian Government agency responsible for attracting international visitors to Australia both for leisure and business events. Formed under the *Tourism Australia Act 2004*, it delivers a wide range of marketing activity.

DFAT works to strengthen bilateral tourism relationships with important tourism markets and to leverage key multilateral tourism bodies.

All state and territory governments in Australia incorporate tourism into relevant areas of portfolio responsibility to ensure effective international and domestic tourism promotion and tourism industry development.



Source: OECD, adapted from Australian Government, 2016.

Tourism Ministers' meetings are chaired by the Australian Government Minister for Trade and Investment and bring together tourism ministers from the Australian, state and territory governments to discuss tourism policy matters of mutual interest. The tourism ministers are supported by the Australian Standing Committee on Tourism (ASCOT), which is made up of the Chief Executive Officers of each state and territory tourism organisation and has the collective responsibility for implementation of the national tourism strategy, Tourism 2020. Representatives from the tourism industry are an active voice at Tourism Ministers' and ASCOT meetings.

To facilitate a whole-of-government approach on tourism issues, Austrade has initiated the Tourism Inter-Departmental Committee. The Committee is represented by decision makers from a broad range of agencies across the Australian Government to ensure cross portfolio collaboration on key tourism reforms.

In the 2015/16 fiscal year, AUD 177 million has been provided for tourism and area promotion. This includes AUD 151 million allocated to Tourism Australia to market Australia internationally. A further AUD 14.3 million was allocated to the Tourism Demand-Driver Infrastructure programme to support the delivery of infrastructure projects across Australia that contribute to tourism outcomes by driving demand, improving quality and increasing tourism expenditure. Other additional resources include AUD 4.4 million allocated to the Tasmania Regional Tourism Package and AUD 2.6 million allocated to the Approved Destination Status (ADS) Scheme to provide tour quality monitoring arrangements that underpin the Chinese inbound tourism market.

Australian Government funding does not include funding from the states and territories that have their own respective budgets for tourism covering marketing, events and programmes.

Tourism policies and programmes

Australia's national tourism strategy Tourism 2020, introduced in 2011, seeks to increase overnight visitor expenditure to between AUD 115-140 billion by 2020. It has two

policy pillars at its core: i) that supply and demand side considerations must be addressed together; and ii) that a partnership approach is required between all levels of government and industry.

Six key priority reform areas agreed in the Tourism 2020 Implementation Plan 2015-20 include:

- Increase cross portfolio collaboration within all levels of Australian governments to plan and drive reform of the visitor economy,
- Improve visa arrangements to encourage more people to visit Australia, improve visitor experiences and the competitiveness of Australia,
- Improve aviation connectivity and the customer experience to enhance access and provide flexibility to meet demand in the tourism transport environment,
- Develop a more productive labour system to better service the visitor economy,
- Integrate national and state tourism plans into regional development and local government planning to generate effective infrastructure to service regional communities, services to the visitor economy and encourage private investment in tourism infrastructure.
- Identify partnerships, efficiencies and opportunities to drive demand for travel to Australia and improve conversion.

As a long-haul destination, aviation plays a major role in the transportation of international visitors to and from Australia. To meet the Tourism 2020 potential, an additional 2.6 million operated inbound seats are needed to accommodate forecast growth. The Australian Government's approach to international aviation is to continue to liberalise the market, supporting the entry of Australian airlines into foreign markets and negotiating arrangements that remove barriers and ensure the aviation capacity necessary to meet future demand. An example is the approach to China.

Aviation agreement between Australia and China

An example of government cross-portfolio co-operation, achieving a significant outcome for the Australian economy and the tourism sector, was the signing of an enhanced air services agreement with China, which is Australia's most valuable market. For some time, during peak periods Chinese carriers were unable to meet visitor demand for direct services into Australia. This was acknowledged by both governments, and air services talks were arranged to discuss a potential solution. On 21 January 2015, both countries agreed on reconfigured arrangements that effectively triple gateway capacity from China into Australia's gateway airports by the end of 2016.

There is increasing recognition of the importance of efficient international passenger facilitation and maintaining a welcoming reputation. This has been addressed through improving Australia's automated border processing technology, SmartGate, which is being rolled out to all eight major international airports, and extending eligibility to use the fast self-processing option (Box 2.7).

Improvements have been made to Australia's visa product offering, including a three-year multiple entry visa for visitors from China, the announcement of a trial offering 10-year visitor visas for Chinese nationals to start in 2016, and a commitment to provide all nationalities with access to an online visa product by the end of 2017. In 2015, the

Australian and New Zealand governments offered, for the first time, a joint visa for visitors to Australia and New Zealand for the Cricket World Cup. This initiative has the potential to lead to a more permanent arrangement.

Tourism infrastructure has been endorsed as one of the Australian Government's five investment priorities, capitalising on the close proximity to a growing Asian middle class and the strong global demand for unique tourism experiences. To fully realise this opportunity, the Australian Government is encouraging new investment and undertaking game changing reforms that will improve Australia's tourism competitive advantages.

In 2012, Tourism Australia and Austrade entered into a five-year partnership to deliver a tourism investment attraction programme. The partnership is delivering on its objectives with strong international investment interest in tourism assets (Box 1.22).

Through the Tourism Major Project Facilitation service, established in 2012, significant tourism projects are assigned a case manager to assist with navigating the Australian Government approvals process. The service has helped support projects by providing proponents with guidance on federal approvals, processes and support programmes, pursuing solutions to investment barriers, and providing access to federal and state government officers to help progress projects.

The Australian Government's tourism investment attraction strategy has been further bolstered by the appointment in 2014 of a dedicated Tourism Senior Investment Specialist (SIS) from the private sector. The SIS has a facilitation and advocacy role for strategically important investment opportunities, and works with states and territories to bring investment to fruition and to promote reinvestment by major investors.

Tourism Australia focuses its global marketing resources on those markets that represent the greatest potential for growth in expenditure. Its marketing campaigns seek to convert consumer interest in Australia into bookings by generating urgency to visit, increasing knowledge and building a strong consumer image of Australia's tourism offering. Tourism Australia actively partners with commercial businesses and the state and territory government tourism marketing organisations, to increase the impact and reach of its campaigns. The Restaurant Australia campaign is a good example of this partnership approach: www.restaurantaustralia.com.

Statistical profile

Table 1. Australia: Domestic, inbound and outbound tourism

	2010	2011	2012	2013	2014
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	223 218	227 264	242 216	243 125	244 333
Overnight visitors (tourists)	68 143	70 977	73 369	75 268	79 096
Same-day visitors (excursionists)	155 075	156 287	168 847	167 857	165 237
Nights in all types of accommodation	264 260	266 235	278 348	286 056	294 980
Hotels and similar establishments	..	..	..	..	..
Specialised establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Inbound tourism					
Total international arrivals	5 790	5 771	6 032	6 382	6 868
Overnight visitors (tourists)	..	..	..	..	..
Same-day visitors (excursionists)	..	..	..	..	..
Top markets					
New Zealand	1 146	1 156	1 185	1 193	1 241
China	446	533	619	709	839
United Kingdom	660	622	608	658	652
United States	463	447	471	501	553
Japan	391	326	348	324	326
Nights in all types of accommodation	..	..	..	..	..
Hotels and similar establishments	..	..	..	..	..
Specialised establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	7 103	7 788	8 212	8 768	9 114
Overnight visitors (tourists)	..	..	..	..	..
Same-day visitors (excursionists)	..	..	..	..	..
Top destinations					
New Zealand	1 062	1 099	1 102	1 175	1 194
Indonesia	740	880	913	950	1 083
United States	685	800	865	947	950
Thailand	450	553	624	631	569
United Kingdom	480	511	511	562	555
TOURISM RECEIPTS AND EXPENDITURE, MILLION AUD					
Inbound tourism					
Total international receipts	33 990	33 475	23 298	34 714	37 935
International travel receipts	31 176	30 803	20 807	32 374	35 524
International passenger transport receipts	2 814	2 672	2 491	2 340	2 411
Outbound tourism					
Total international expenditure	30 286	32 877	34 012	36 491	35 287
International travel expenditure	24 541	26 488	27 111	29 652	29 146
International passenger transport expenditure	5 745	6 389	6 901	6 839	6 141

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Source: OECD Tourism Statistics (Database).


StatLink  <http://dx.doi.org/10.1787/888933319657>

Table 2. **Australia: Enterprises and employment in tourism**


	Number of establishments ¹	Number of persons employed				
	2014	2010	2011	2012	2013	2014
Total	..	515 100	526 200	528 900	539 600	534 000
Tourism industries	276 280	492 700	503 200	505 500	516 100	510 100
Accommodation services for visitors	13 200	73 000	72 200	69 000	70 900	69 700
Hotels and similar establishments	..	..	..	..	..	..
Food and beverage serving industry	72 050	167 700	173 800	173 400	180 900	175 500
Passenger transport	25 330	55 600	56 400	60 000	58 300	58 800
Air passenger transport	4 500	33 100	34 500	37 900	35 200	36 200
Railways passenger transport	30	3 600	3 600	3 300	3 200	3 200
Road passenger transport	20 800	18 900	18 300	18 800	19 900	19 400
Water passenger transport	..	..	..	..	..	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	..	..	..	..	..	..
Travel agencies and other reservation services industry	5 100	31 100	31 200	32 900	31 900	32 200
Cultural industry	14 100	10 200	9 600	11 100	10 500	10 000
Sports and recreation industry	12 000	19 100	20 100	20 300	21 500	20 700
Retail trade of country-specific tourism characteristic goods	134 500	97 500	99 900	99 100	100 500	101 500
Other country-specific tourism industries	..	38 500	40 000	39 800	41 600	41 800
Other industries	..	22 400	23 000	23 400	23 500	23 800

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1. Data refer to number of enterprises.

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888933319665>Table 3. **Australia: Internal tourism consumption**


Million AUD

	2014		
	Domestic tourism consumption	Inbound tourism consumption	Internal tourism consumption
Total	..	..	..
Consumption products	86 168	27 176	113 343
Tourism characteristic products	50 808	15 102	65 910
Accommodation services for visitors	13 119	4 805	17 924
Food and beverage serving services	14 765	2 901	17 666
Passenger transport services	13 317	5 674	18 991
Air passenger transport services	..	..	..
Railways passenger transport services	..	..	..
Road passenger transport services	..	..	..
Water passenger transport services	..	..	..
Passenger transport supporting services	..	..	..
Transport equipment rental services	1 324	386	1 711
Travel agencies and other reservation services industry	3 668	287	3 955
Cultural services	..	..	..
Sports and recreation services	4 614	1 049	5 662
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products	35 360	12 073	47 433
Tourism connected products	33 352	11 069	44 421
Non-tourism related consumption products	2 008	1 004	3 012
Non-consumption products

.. Not available

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Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888933319671>



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