



Australian Government
Australian Trade and Investment Commission
Tourism Research Australia

State of the Industry

Australia's tourism sector
in 2023



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Acknowledgement of Country

We acknowledge the Traditional Custodians of lands throughout Australia and pay our respects to their Elders past and present. We recognise the enduring connection of First Nations people to land, sea and waters, and their deep care for Country over 65,000 years. We honour the enormous contribution First Nations cultures and traditions make to the visitor experience in Australia, and commit to protecting and nurturing these cultures in partnership with First Nations communities.



Foreword

This annual snapshot from Tourism Research Australia gathers numerous metrics and case studies to tell the story of the Australian tourism sector in 2023.

The report details the ongoing rebound in international travel to Australia, where some markets have come back stronger than before the pandemic, while others are still recovering. The emergence of strong growth markets for Australia including Vietnam, Philippines and South Korea is positive. The reopening of China to outbound travel in early 2023 commenced the recovery in that market and the re-inclusion of Australia on the Approved Destination Status scheme (ADS) was further welcome news. International arrivals continue to trend higher and are expected to reach record highs in 2025.

On the other hand, the domestic travel sector faced a markedly different demand environment in 2023 compared with the previous year. There was an exceptionally strong bounce-back in domestic tourism in 2022, with some states/territories and regions experiencing their best ever year. In 2023, household budget pressures and the rapid uptake of outbound travel saw a marked moderation in domestic tourism demand growth, and while Australians continued to travel, they shortened their domestic trips or travelled closer to home to manage costs.

The report also examines supply-side trends facing tourism operators. It notes that there were challenges in 2022 as the rapid growth in demand quickly moved ahead of supply and workforce capabilities, and contributed to a high price growth environment, worker shortages and service disruptions. In 2023, supply constraints eased overall yet were still noticeable.

Actions under the THRIVE 2030 national strategy for the visitor economy assisted with rebalancing and have helped to establish a sustainable growth path for the visitor economy. The National Sustainability Framework and Sustainable Tourism Toolkit, which were endorsed and released by all of Australia's Tourism Ministers will help embed sustainable practices throughout the visitor economy.

In 2023, Australia's tourism sector comfortably exceeded the THRIVE 2030 interim spend target (\$166 billion) a year earlier than targeted. Elevated inflation had some impact on nominal spend measures, but estimates that strip out inflation still show that spend would have exceeded the target. Work is underway across the sector to specify actions to progress the second phase of the THRIVE 2030 Strategy from 2025, which aims to consolidate the gains and position the sector effectively for the final phase of the Strategy, commencing in 2028.

The tourism sector has undoubtedly faced significant challenges over recent years, yet it continues to progress and evolve while offering exciting travel opportunities for all Australian and international travellers. The range and quality of tourism-related products, experiences and services available in Australia is outstanding and it is pleasing to see the pride and support of Australians for this vital sector.

Grant Ferres
Head of Tourism Research Australia

Overview

About this report

This State of the Industry report provides evidence and insights on how Australia's visitor economy performed in 2023. Tourism Research Australia (TRA) produces this annual overview of major developments in the visitor economy to help the industry and governments understand and adapt to the changing demand and supply environment. Additional information covering the early months of 2024 and the outlook has been included to give a better understanding of the trajectory of the visitor economy.

The term 'tourism' in the international standards includes short-term travel for leisure, business or other reasons, such as education, provided the destination is outside the person's usual environment. Tourism is therefore defined and measured by an individual's movement out of their usual environment, and by the type of goods and services they use. Visitor demand for travel experiences, accommodation and transport needs to be complemented by the capacity of providers to meet that demand.

This report provides an overview of the capacity of providers in the Australian tourism sector (supply side) as well as trends in demand. It also highlights challenges and opportunities for the visitor economy as it grows following the pandemic-related downturn in travel.



Overview – on the path to sustainable growth

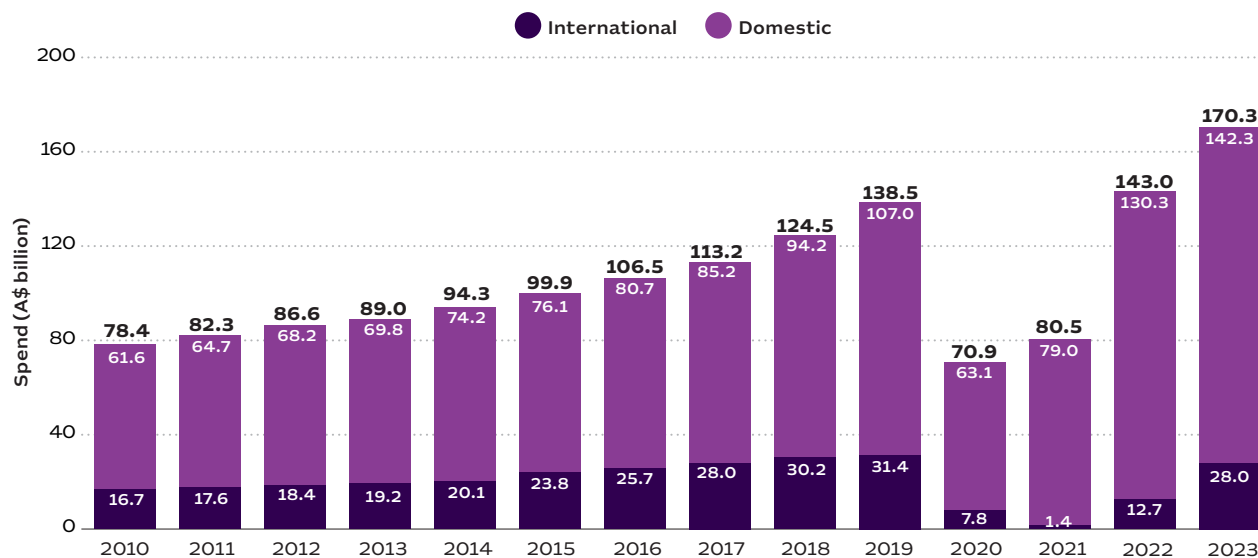
In 2023, Australia's tourism sector made clear progress towards sustainable growth, a core objective of the national strategy for the visitor economy, THRIVE 2030. Total tourism spend in Australia increased by 19% in 2023 compared with the previous year and progress was made to embed sustainable practices throughout the visitor economy, including through the release of a new National Sustainability Framework for the Visitor Economy. This Framework was endorsed by all of Australia's Federal, State and Territory Tourism Ministers.

Domestic tourism demand recovered rapidly from the pandemic in 2022, before growth moderated in 2023 (Figure 1). On the other hand, international tourism demand is still recovering from the COVID-19 downturn, with TRA's latest forecasts suggesting a full recovery of international visitor numbers is expected in 2025.

Notwithstanding the overall recovery in tourism spend in 2023, some parts of the visitor economy continued to experience challenging conditions. For example, some tourism sectors or regions:

- faced ongoing supply constraints such as workforce and skills shortages, supply-chain disruptions, and rising cost pressures
- experienced a decline in domestic visitor demand in 2023, after seeing exceptionally high demand in the previous year
- were affected by a pullback in discretionary spending in 2023
- were affected by additional Australians preferring overseas trips over domestic trips
- continued to see lower numbers of high-value international visitors relative to pre-pandemic years.

Figure 1. Domestic and international visitor spend in Australia, calendar year 2010 to 2023.



Note: The data excludes long term international students. This means estimates will not directly align to THRIVE targets. Figures may not sum due to rounding.

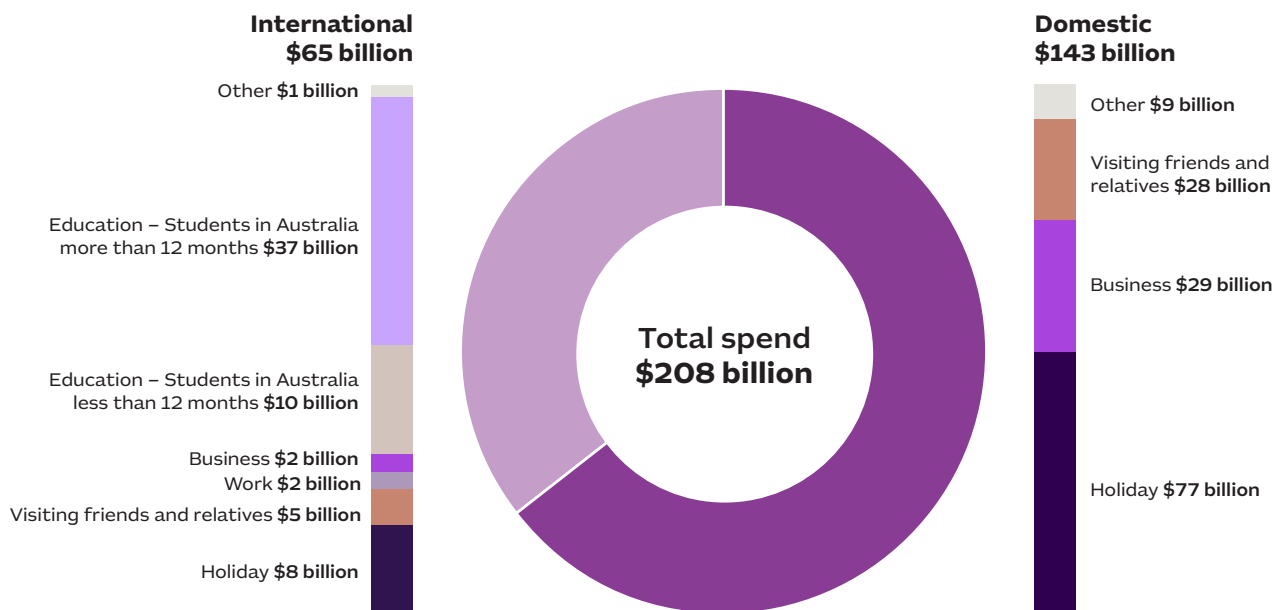
Source: Tourism Research Australia

The THRIVE interim target for the recovery in tourism spend to 2019 levels (\$166 billion) was surpassed in 2023, well ahead of the expected timeline, both in actual (nominal) and inflation-removed adjusted (real) terms. This is the result of the strong recovery in domestic travel and international students returning to Australia following the pandemic. Total spend in Australia by all visitors in 2023 was almost \$208 billion (Figure 2). It is worth noting that THRIVE spend targets include spend by long-term international students in Australia, while this component is excluded from the short-term tourism measurement and indicators typically reported by TRA in line with international standards.

The outlook for further growth is also positive, with TRA forecasting tourism spend to increase by 31% over the next 5 years to reach 61% above the pre-pandemic level. International visitation and domestic visitor nights are also forecast to rise to above their pre-pandemic levels.



Figure 2. Total spend in Australia by all visitors, by visitor type, 2023.



Source: Tourism Research Australia (TRA), International and National Visitor Surveys, 2024; Australian Bureau of Statistics, Balance of Payments, 2023.

Rounded figures shown here for presentation purposes

Note on recovery terminology

Throughout this report, there are mentions of the ‘recovery’ and measures are compared to pre-pandemic levels. These are for reference purposes. The focus of this report is to detail developments and trends in the visitor economy and changes compared with the previous year. However, with some sectors changing rapidly over recent years, it can be helpful to provide a reference to pre-pandemic levels, when conditions were relatively more stable. The pre-pandemic year is also a period that visitor economy participants, researchers and other users of this report may remember and interpret as being a reasonable representation of a complete and steady-state visitor economy.

References to pre-pandemic are not to be interpreted as an expectation that all components of the visitor economy will, or should, return to exactly how they were in 2019. There is consensus that much has changed over the past 5 years, not just for the visitor economy, but also more broadly across the national and international economy and society. For example, the progressively strengthened focus on sustainability is likely to lead to differences in the make-up of the visitor economy post recovery relative to pre-pandemic. Maintaining comparisons to pre-pandemic will help provide measures of where, and by how much, these emerging trends are influencing visitor economy demand and supply metrics.



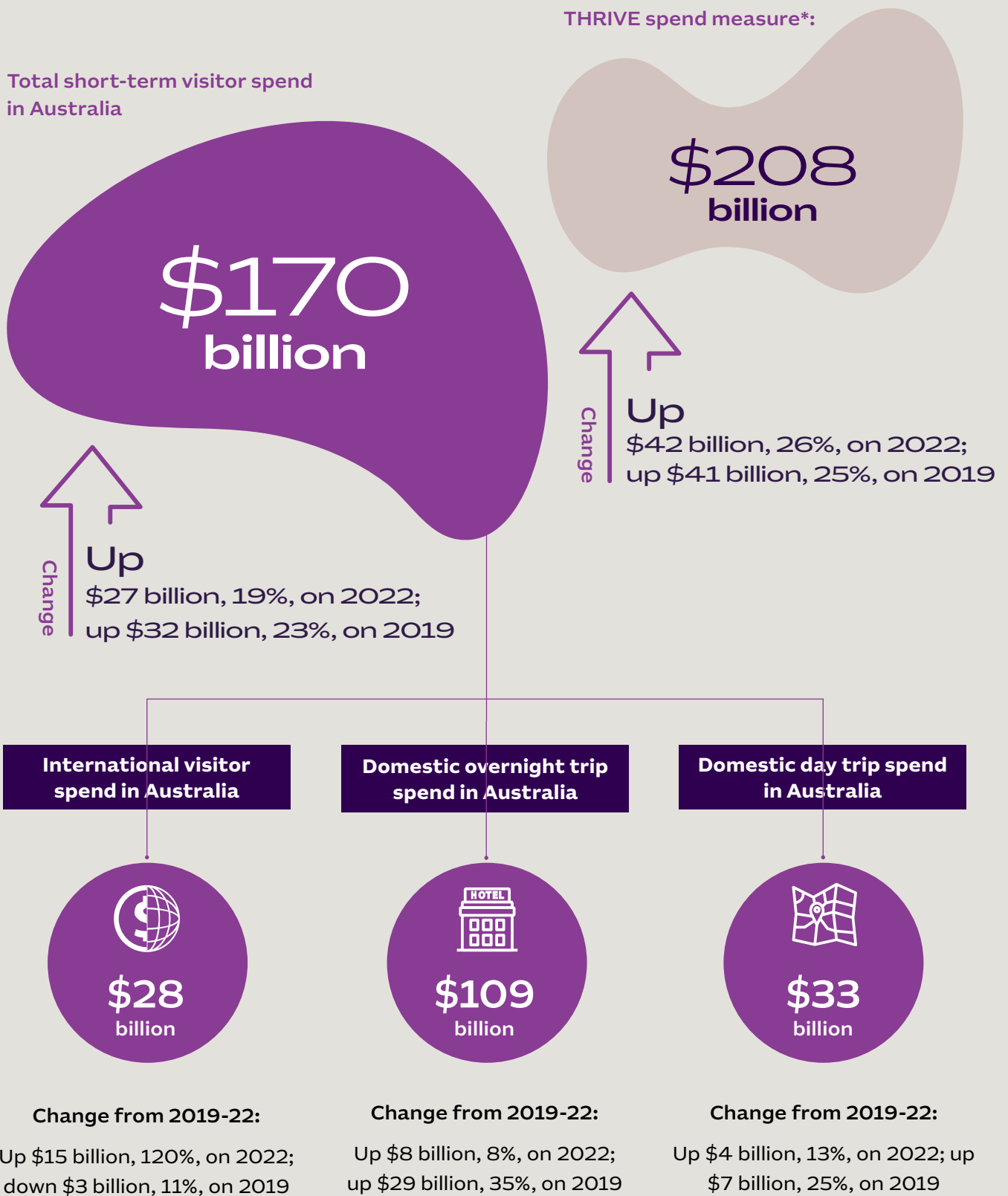
Outcomes from THRIVE 2030 Strategy

The industry-led and government-enabled THRIVE 2030 Strategy for the Australian visitor economy has supported the visitor economy to recover from the pandemic. Phase 1 of the Strategy, the “Recovery phase”, covers the period to 2024. Key outcomes aligned to the 7 priority areas of Phase 1 include:

- comprehensive collaboration between various levels of government and industry
- improved data and insights including the better measurement of business events and release of new domestic mobility data
- growth of a secure and resilient workforce with support from targeted policy measures such as the Choose Tourism grant program and fee-free TAFE places
- support to embrace leading-edge business practices through development of the National Sustainability Framework and Sustainable Tourism Toolkit and increased focus on Accessible Tourism supported by the Welcome Framework
- development of enhanced visitor infrastructure through targeted programs such as the Caravan Parks Program as well as support for the Aviation White Paper and Aviation Recovery and Attraction Schemes
- building of new markets and attracting visitors through:
 - the Reviving International Tourism Grants program
 - the restart of the Approved Destination Status (ADS) scheme with China
 - consultation on a diversification strategy for the visitor economy. This work is consistent with the Southeast Asia Economic Strategy, developed by Nicholas Moore AO, where the visitor economy was highlighted as one of 10 priority sectors.
- the growth of unique and high-quality products including First Nations experiences and securing mass-participation events such as the FIFA Women’s World Cup.

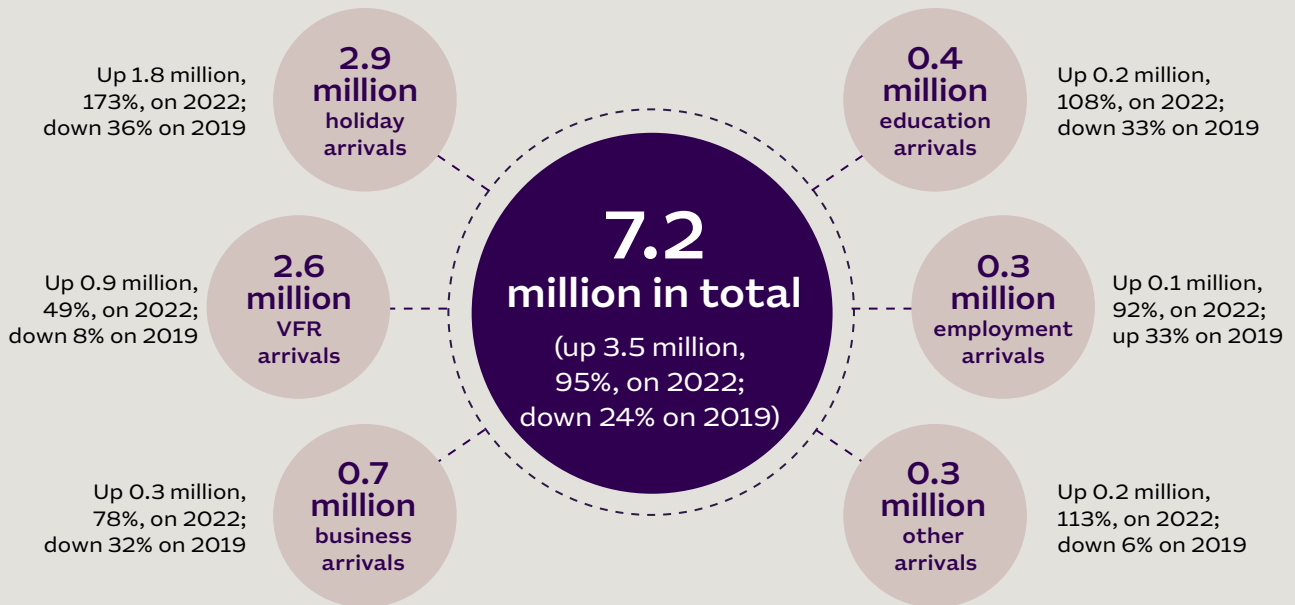
Phase 2 of the Strategy, covering the period from 2025 to 2027, is the “Consolidation phase”. After that, Phase 3, the “Acceleration phase”, aspires to see the industry grow sustainably so that expenditure in the visitor economy reaches \$230 billion by the year 2030. The visitor economy is well on the way to achieving this target, having already exceeding the interim target to return to the pre-COVID-19 level of total visitor spend of \$166 billion one year early.

Estimated value of tourism spend in Australia in 2023



* This metric aligns with the THRIVE 2030 Strategy spend targets, it includes international students staying more than 12 months. In contrast, all other measures exclude long-stay international students.

International visitor arrivals to Australia in 2023



The largest source markets for international arrivals in 2023 were:

- NZ (1.3 million), USA (0.7 million), UK (0.6 million), China (0.5 million)



There were more short-term visitor arrivals in 2023 than in 2019 from:

- Vietnam (up 35% on 2019 level in 2023), Ireland (up 18%), South Korea (up 3%)



The number of visitor arrivals remained well below the pre-pandemic level from:

- China (down 63% on 2019 level in 2023), Malaysia (down 54%), Hong Kong (down 42%)



There were **660,537** international student visa holders in Australia at the end of September 2023

Up 244 thousand, 58%, on 2022; up 31 thousand, 5%, on 2019

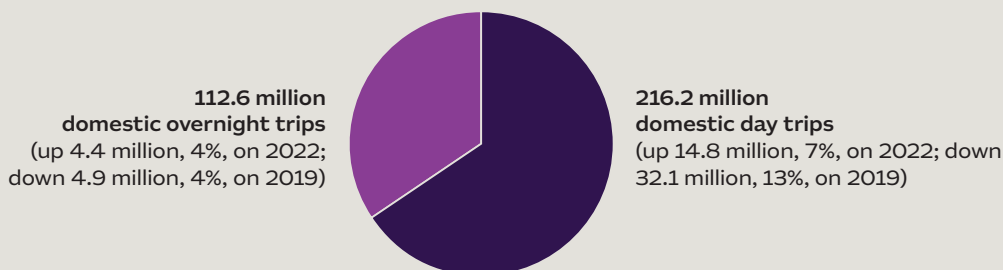


In 2023, there were **10 million** residents who returned to Australia from short-term overseas trips (resident returns).

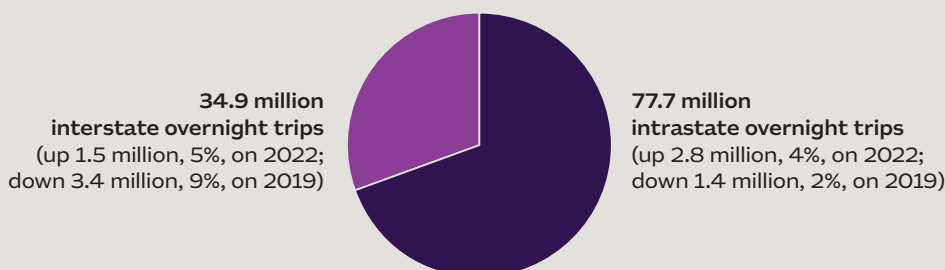
This was up 4.7 million, 91%, on 2022; but down 1.3 million, 12% on 2019

Domestic travel around Australia in 2023

Domestic day trips and domestic overnight trips



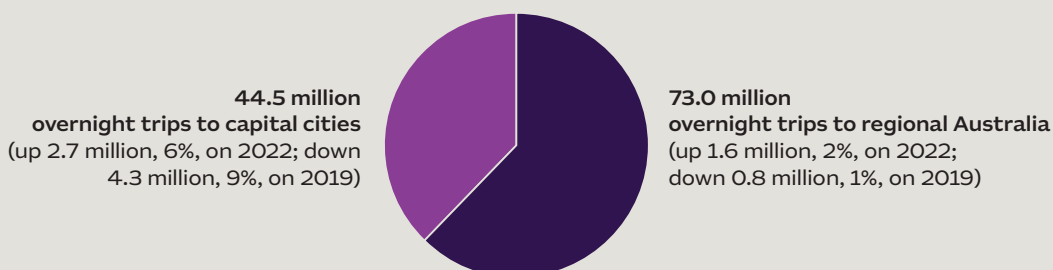
Intrastate and interstate trips



In 2023, average spend on an:

- interstate trip was \$1,649 (or \$329 per night) and the average trip length was 5 nights
- intrastate trip was \$666 (or \$228 per night) and the average trip length was 2.9 nights

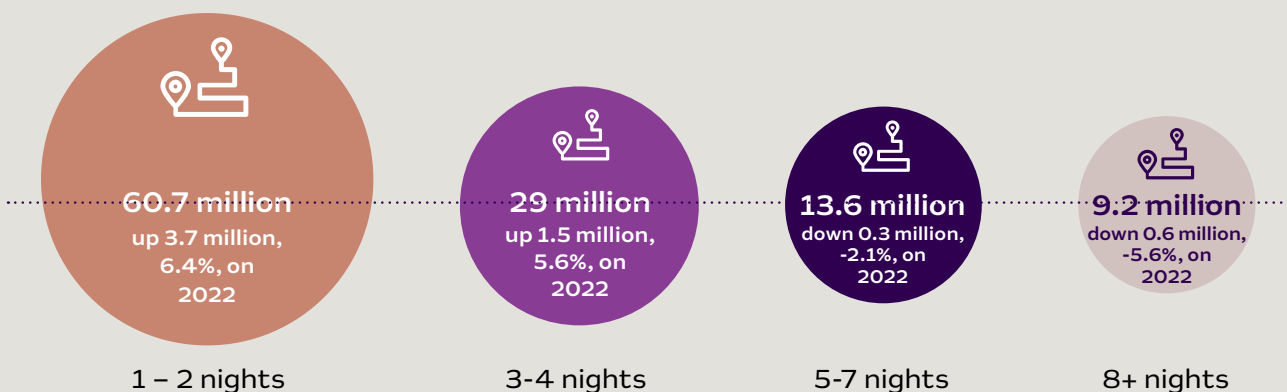
Regional and capital city trips



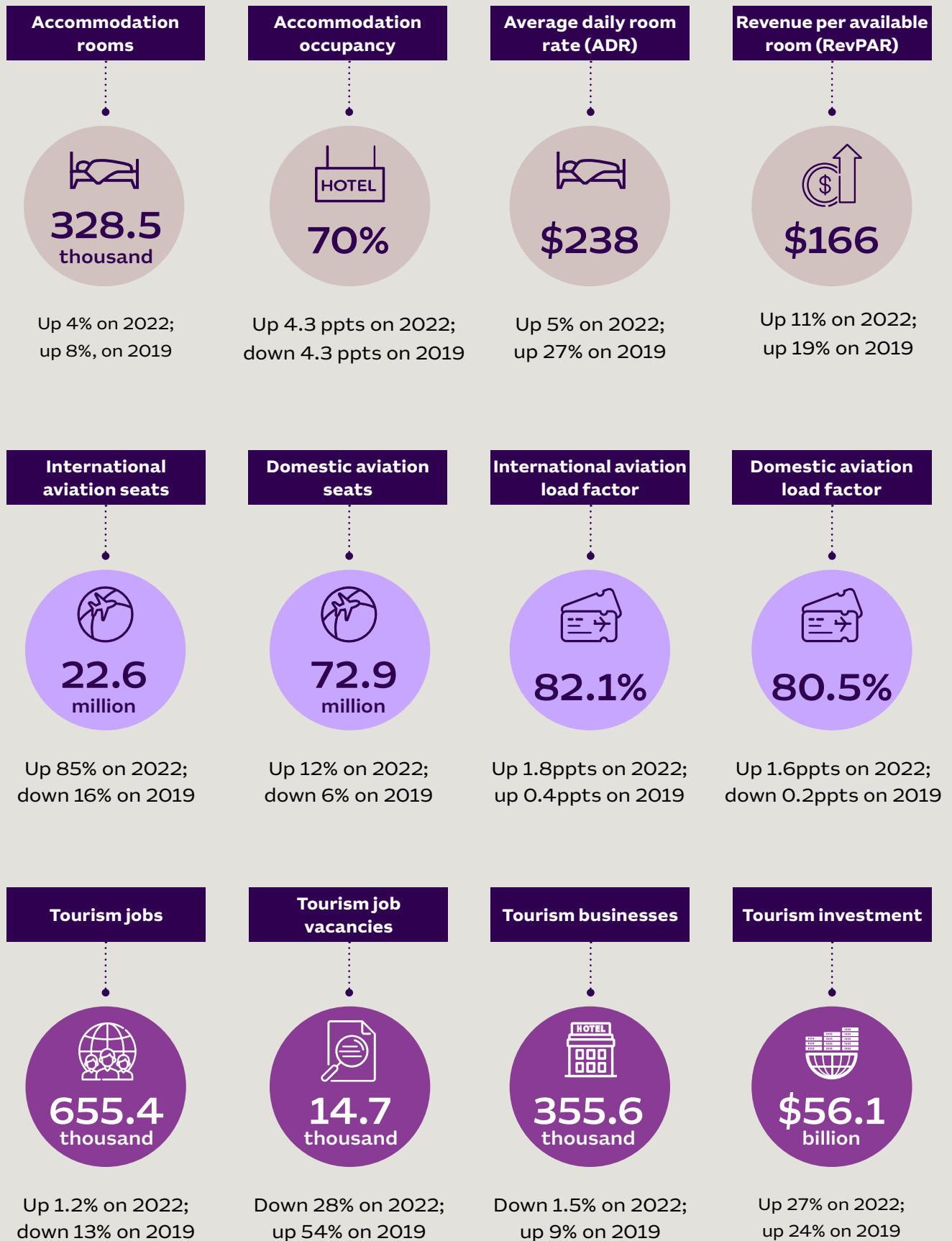
In 2023, average spend on an overnight:

- Capital city trip was \$1,143 (or \$360 per night) and the average trip length was 3.2 nights
- Regional trip was \$801 (or \$224 per night) and the average trip length was 3.6 nights

Domestic overnight trips by length of trip



Capacity of the visitor economy in 2023



International demand

Overview of international tourism demand in Australia

Australia's international borders were closed for around 2 years from March 2020. The prolonged disruption to international travel led to significant losses in international tourism expenditure. As travel restrictions to Australia eased in 2022, international visitation increased strongly, off an extremely low level. Strong pent-up demand to connect with family and loved ones in Australia drove a surge in international arrivals and Australia benefited from its long-held status as an attractive, welcoming, and safe destination for international visitors.



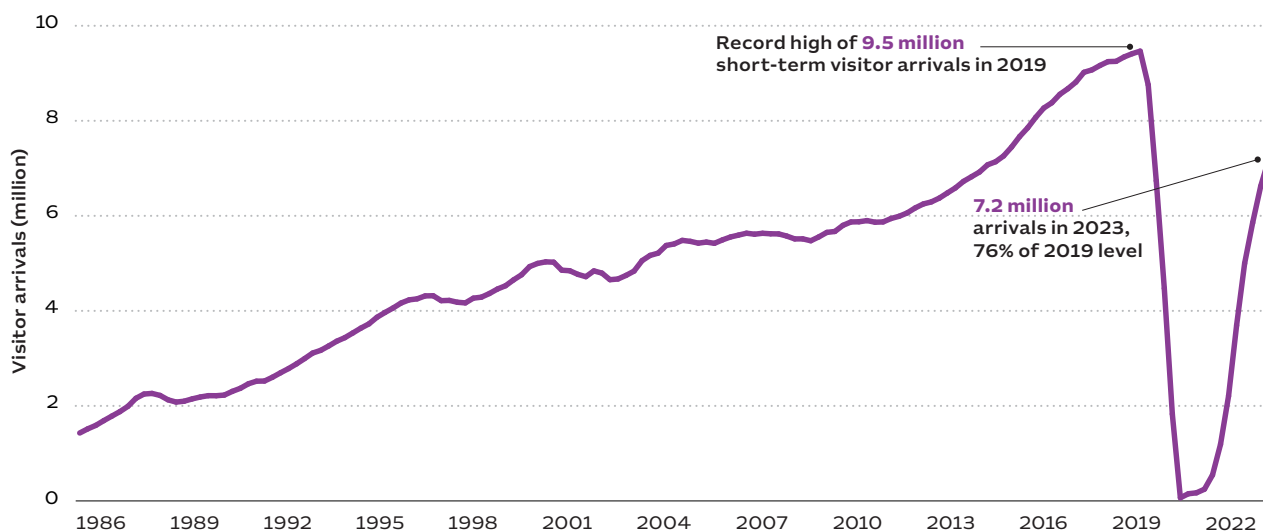
In 2023, international outbound travel resumed for Australia's largest pre-pandemic source market, China. This was a year later than most other countries, which has contributed to the delayed recovery in arrivals in Australia from this key market. The re-inclusion of Australia in China's Approved Destination Status scheme in the second half of 2023 was also welcome news and should support further growth in arrivals going forward.

In 2023, international visitation continued to trend higher (Figure 3). There were 7.2 million short-term visitor arrivals to Australia in 2023, nearly double the number of arrivals in 2022 (3.7 million) and 76% of the pre-pandemic level in 2019. The rate of growth in international arrivals has been rapid during the initial recovery period but will ease going forward. Nevertheless, TRA expects that international visitor numbers will increase further in 2024, by around 29%, and then surpass the pre-pandemic peak in 2025. The return of international visitors is critical for the Australian tourism sector to make a full recovery. International travellers take significantly longer trips than domestic travellers and spend substantially more during their travel in Australia.¹

1. On average, in 2023, international holiday trips in Australia lasted 23 days, and accounted for \$3,214 visitor spend in Australia. This was higher than the average of \$1,238 and 4 days on average per domestic overnight holiday.



Figure 3. International short-term visitor arrivals, rolling annual volumes, 1986 to 2023.



Source: ABS Overseas Arrivals and Departures. Historical data (prior to 2005) has been backcast from historical ABS data. Quarterly data to end of December quarter 2023.

Note on methodology: throughout this report, international visitor expenditure refers to spend in Australia by international visitors, as measured by TRA’s International Visitor Survey (IVS). International visitors are all visitor types, including students, who travel to Australia for short-term visits (i.e. less than 12 months). TRA reports on the value of spending by travellers in Australia, which excludes the amount spent by travellers in other countries before or after their trip to Australia.

International visitor spend and nights in Australia have recovered faster than the number of arrivals. In 2023, international visitor spend in Australia was \$28 billion, which was 120% higher than in 2022, but 11% below the pre-pandemic level. Inflationary effects on the cost of travelling also contributed to strong growth in international spend in Australia.

International visitor nights were 92% higher than in 2022 and 12% below the pre-pandemic level. The average length of stay in

Australia for international visitors remained elevated relative to before the pandemic. In 2023, the average length of stay by an international visitor was 36 nights, up from 32 nights in 2019. International visits for the purpose of education, visiting friends and relatives, and holiday all had notably longer average trip lengths in 2023 than in 2019.

International arrivals by purpose

Of the 7.2 million international visitors to Australia in 2023, the largest share came for the purpose of a holiday. This highlights the progress in the recovery of international holiday travel, which had lagged behind other purposes, or reasons to visit, in the previous year. In 2023, 40% of short-term overseas arrivals (2.9 million) came for a holiday and 37% (2.6 million) came to visit friends and/or relatives (VFR). A further 10% (688,000) came for business, 6% for education (415,200) and 4% for employment (287,600). This covers short-term visitors only (i.e. staying in Australia for 12 months or less). Prior to the pandemic, holiday trips were the largest category of international travel (Figure 4).

The share of holiday arrivals increased in 2023 but remained well below the pre-pandemic average, while the share of VFR arrivals declined in 2023 but remained elevated relative to 2019. The rise in international holiday travel is important for the Australian visitor economy as international holiday trips have a higher average spend than VFR trips. Holidaymakers also tend to disperse more widely around Australia than VFR travellers.²

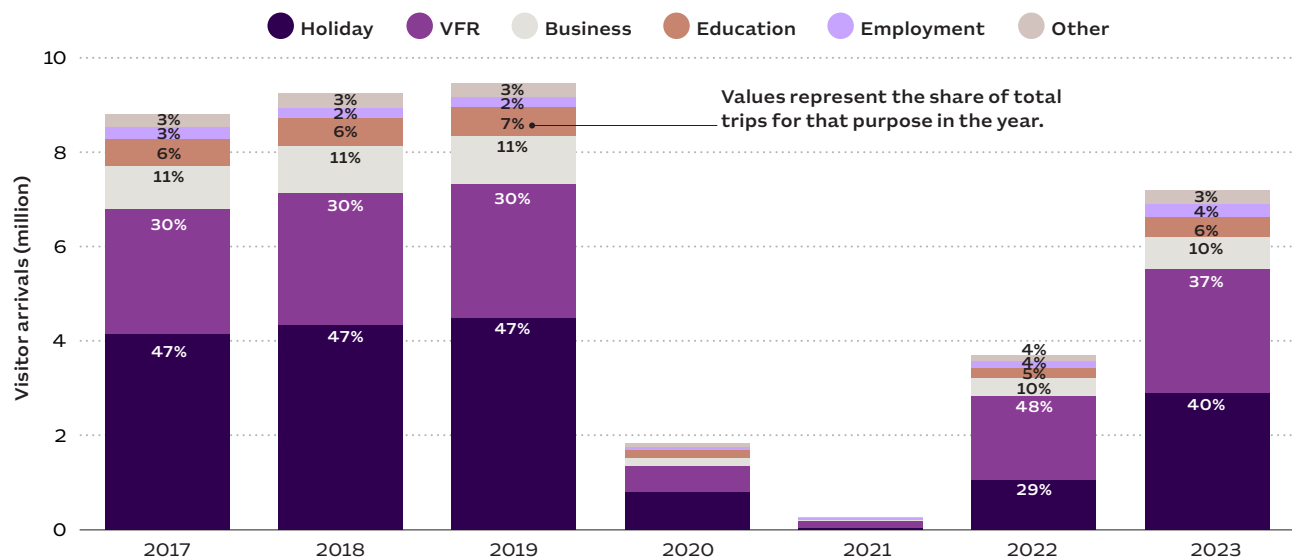
The share of arrivals for employment purposes was higher in 2023 (4%) than it was before the pandemic (2% in 2019). This reflects the marked increase in the number of international visitors arriving for the purpose of employment, which was 33% higher in 2023 than in 2019, and was the only category of visitor to record an increase relative to pre-pandemic. Conversely, the shares of business and education arrivals were still marginally below their pre-pandemic level in 2023. Arrivals for the purpose of education increased by 108% in

2023 compared to the previous year but remained 33% lower than the pre-pandemic level. Arrivals for the purpose of business increased by 78% in 2023 compared to the previous year but remained 32% lower than the pre-pandemic level.

In summary, in 2023, the number of international visitors for the purpose of:

- holiday was 2.9 million, which was 173% higher than the number in 2022, but down 36% on the number in 2019
- VFR was 2.6 million, up 49% on 2022, but still down 8% on the 2019 level
- business was 688,000, up 78% on 2022, but down 32% on the 2019 level
- education was 415,200, up 108% on 2022, but down 33% on the 2019 level
- employment was 287,600, up 92% on 2022 and up 33% on the 2019 level.
- other was 283,500, up 113% on 2022, but down 6% on the 2019 level.

Figure 4. International short-term visitor arrivals to Australia by main purpose, 2017 to 2023.



Source: ABS, Overseas Arrivals and Departures, data to December 2023.

2. Prior to the pandemic, 41% of international holiday makers visited regional Australia, while 33% of international VFR travellers visited regional Australia. In 2023, 35% of international holiday makers visited regional Australia, while 32% of international VFR travellers visited regional Australia. Note that these shares are consistently higher than the share of international travellers visiting regional Australia that report their main purpose of visit was either business, education or 'other'.

In line with the more advanced recovery in international visitor nights and spend overall compared with arrivals, in 2023, international visitor nights and spend in Australia for VFR and for employment purposes surpassed their 2019 level. Meanwhile, holiday trips remained the least recovered travel purpose group relative to 2019 in terms of visitor nights and spend in Australia (Figure 5). Estimates of international visitor nights and spend in Australia are sourced from TRA’s International Visitor Survey (IVS), and cover only short-term visitors aged 15 and over, while the arrivals numbers also include visitors aged under 15.

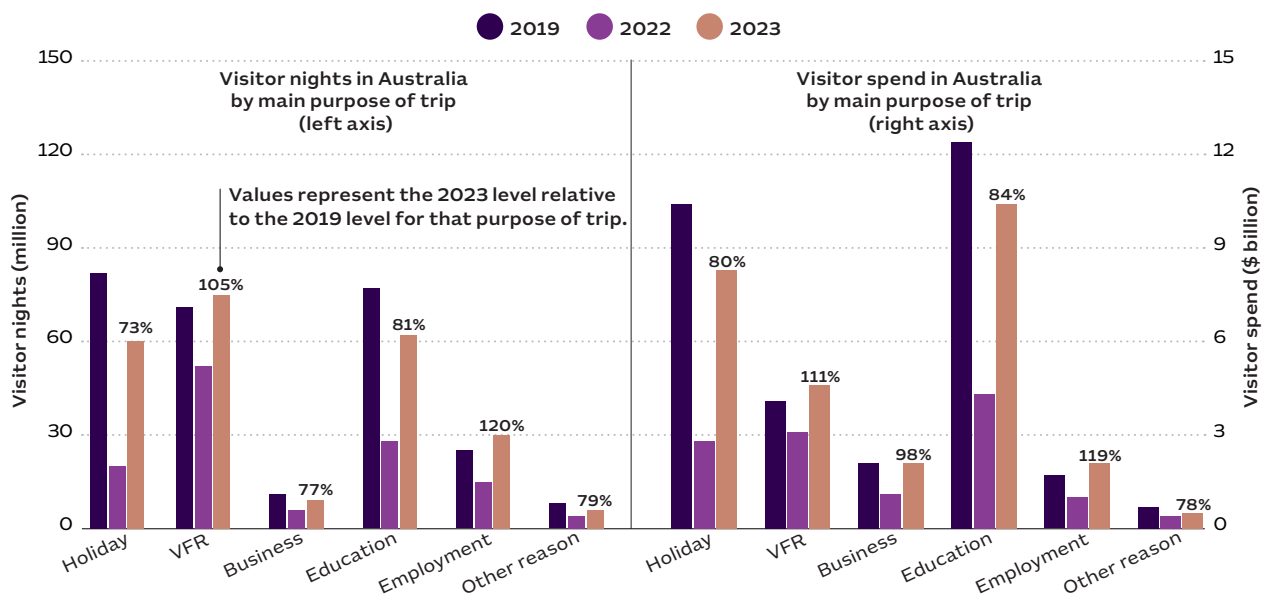
By purpose group, there were:

- 60 million **holiday** nights (which was 197% higher than in 2022, but down 27% on the number in 2019) and \$8.3 billion in international holiday spend in Australia (which was 198% higher than in 2022, but down 20% on the number in 2019)
- 75 million **VFR** nights (up 43% on 2022 and up 5% on the 2019 level) and \$4.6 billion in VFR spend (up 46% on 2022 and up 11% on the 2019 level)

- 9 million **business** nights (up 38% on 2022, but down 23% on the 2019 level) and \$2.1 billion in business spend (up 84% on 2022, but down just 2% on the 2019 level)
- 62 million **education** nights (up 125% on 2022, but down 19% on the 2019 level) and \$10.4 billion in education spend (up 140% on 2022, but down 16% on the 2019 level)
- 30 million **employment** nights (up 100% on 2022 and up 20% on the 2019 level) and \$2.1 billion in employment spend (up 113% on 2022 and up 19% on the 2019 level).

TRA forecasts arrivals for VFR purposes to surpass their pre-pandemic level in 2024, while arrivals for holiday are expected to fully recover in 2025. International business arrivals are expected to surpass the 2019 level the following year, in 2026. TRA expects that changed business practices, such as broader take up of video conferencing technology, along with increasing carbon emissions concerns, will see business travel take longer to return to its pre-pandemic high.

Figure 5. International visitor nights and spend by main purpose of trip in 2019, 2022 and 2023.



Values represent the 2023 level relative to the 2019 level for that purpose of trip. Short-term visitors only (<12 months).

Source: Tourism Research Australia, IVS, December 2023.

International arrivals by source market

While overall short-term visitor arrivals in 2023 recovered to 76% of their 2019 level, trends varied by source market. Among Australia's top 20 source markets, there were 3 that more than recovered their pre-pandemic level in 2023 (Figure 6). These were:

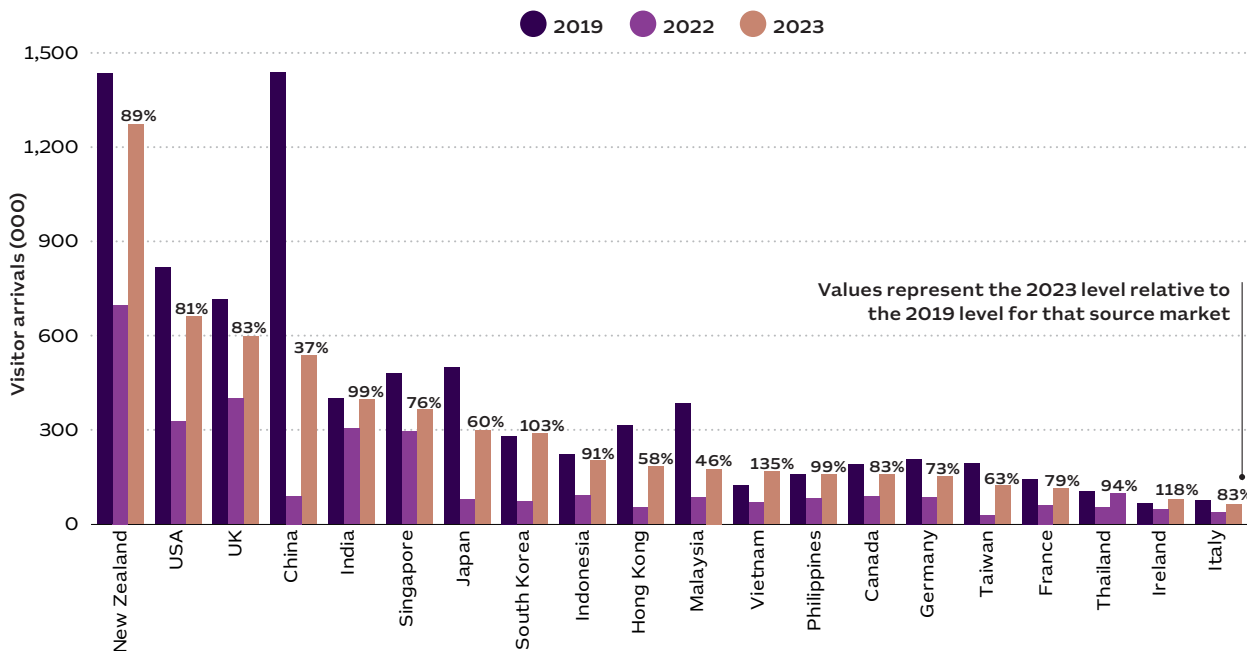
- Vietnam – 166,600 arrivals in 2023, which was 35% higher than the number of arrivals in 2019 (123,500)
- Ireland – 79,200 arrivals in 2023, which was 18% higher than in 2019 (67,300)
- South Korea – 288,000 arrivals in 2023, which was 3% higher than in 2019 (280,500).

Arrivals from India and the Philippines reached 99% of their pre-pandemic levels in 2023 and are also considered to have effectively fully recovered.

Beyond those listed above, there were also several source markets ranked 21 to 40 in the top source markets for Australia in 2023 that recorded more arrivals in 2023 than they did in 2019, including:

- Fiji (120% of 2019 level), which saw 55,000 arrivals in 2023
- Nepal (144% of 2019 level), which saw 54,800 arrivals in 2023
- Colombia (182% of 2019 level), which saw 39,600 arrivals in 2023
- Pakistan (123% of 2019 level), which saw 25,700 arrivals in 2023
- Bangladesh (102% of 2019 level), which saw 20,600 arrivals in 2023
- Vanuatu (110% of 2019 level), which saw 18,800 arrivals in 2023
- Cambodia (118% of 2019 level), which saw 18,600 arrivals in 2023.

Figure 6. International short-term visitor arrivals from the top 20 source markets in 2023, compared with 2019 and 2022.



Source: ABS, Overseas Arrivals and Departures, data to December 2023.

Arrivals from China have recovered by less than most other markets, given the much later restart of outbound travel from China, in early 2023. Arrivals from China were just 37% of their pre-pandemic level in 2023. Nevertheless, at 535,800 arrivals in 2023, China was still Australia's 4th largest inbound market after New Zealand (1,272,100 arrivals), the United States (659,700) and the United Kingdom (596,900).

Arrivals from Malaysia and Hong Kong have also been slow to recover and were 46% and 58% of their pre-pandemic levels in 2023 respectively. In particular, the recovery in leisure travellers from these two countries has been slower, and arrivals of younger travellers from Malaysia have been slower to recover than for older travellers. It is unsurprising that some travellers maintained a preference for domestic and short-haul travel in 2023 after

such an extended period of international travel restrictions, especially given many consumers globally face tight budget pressures. Nevertheless, Australia is expected to see growing numbers of international travellers from these countries as their outbound travellers become increasingly confident to travel longer distances, aviation links continue to increase and travel prices stabilise.

Among those countries that rank in Australia's top 20–60 source markets, arrivals in 2023 from the following continued to lag the overall recovery: Sweden, Belgium, Poland, Finland, Russia, Saudi Arabia, Czech Republic. Arrivals from these markets were likely influenced by growing consumer concerns about the carbon emission of long-haul flights, as well as other disruptions such as uncertainty related to the conflict in Ukraine.

Approved Destination Status (ADS) scheme and group travel from China

On 10 August 2023, China's Ministry of Culture and Tourism announced that Australia was added to the group of countries on the ADS pilot program. Following this announcement, Austrade and the Department of Home Affairs worked with inbound and outbound tourism operators in Australia and China to ensure all arrangements were in place to receive Chinese tour groups on ADS visas.³

On 25 September 2023, the ADS scheme recommenced in Australia. There were 24 Inbound Tour Operators (ITOs) approved to be included as part of the reactivation. Others were subsequently added after they met requirements and as at 30 April 2024, 61 ADS ITOs had been approved to operate ADS tours. Since travel for Chinese tour groups on ADS visas recommenced, 1,904 ADS tour groups have visited Australia (between 25 September 2023 and 30 April 2024) and the number of visitor visas granted through the ADS scheme had reached 21,444 by 30 April 2024.

According to IVS data, in 2023, there were 4,300 travellers from China that reported being on a group tour, and they spent \$24.6 million in Australia. In 2019, there were 293,000 travellers from China that reported being on a group tour and they spent \$711 million in Australia. This suggests there is a lot of scope to grow, as the number of group travellers from China was only 1.5% of the pre-pandemic level in 2023, while spend was at 3.5% of the pre-pandemic level in 2023. ADS travellers are an important market in their own right, as well as having a high rate of future repeat visitation.

3. The ADS scheme is managed by Austrade. The 2024-25 Federal Budget provided Austrade with \$8.1 million over the next four years and funding of \$2.5 million per year on an ongoing basis thereafter. The announced funding will allow for activities such as: the continued assessment and approval of agents to take part in the regulated scheme and building the cohort of ADS accredited agents; improving the supply and quality of tour guides, including training to attract more locally-employed multilingual guides; undertaking compliance to support traveller's experiences; research and data analysis to better support policy and business decisions; and supporting and strengthening bilateral tourism engagement with the Chinese Government.

Arrivals from Southeast Asia

Several countries within Southeast Asia (SEA) have been identified as offering major opportunity for Australia's visitor economy in the recent government strategy and report, *Invested: Australia's Southeast Asia Economic Strategy to 2040*, see: [Chapter 8: Visitor economy | Australian Government Department of Foreign Affairs and Trade \(dfat.gov.au\)](#). This reflects the region's proximity to Australia, strong economic and population growth trends, growing middle class population, increasing flight route connections and continued development of economic, political and community links with Australia.

In 2023 there were 1.2 million short-term visitor arrivals from Southeast Asia.⁴ This was around 503,000 more arrivals than in 2022 (growth of 72% in the year). Compared to 2019, arrivals from the SEA region were at 79% of their pre-pandemic level (around 311,000 fewer arrivals in 2023 than in 2019), although some markets such as Vietnam significantly exceeded their 2019 arrivals as noted earlier.

The region, when taken as a whole group, accounted for 1 in 6 international arrivals to Australia in 2023 and was the largest source market after New Zealand. Before the pandemic, arrivals from SEA outnumbered arrivals from New Zealand and from China: in 2019 there were 1.5 million arrivals from SEA compared with 1.4 million arrivals from each of China and New Zealand. In 2019, arrivals from the region also accounted for 1 in 6 total arrivals to Australia.

TRA forecasts that arrivals from the region will return to their pre-pandemic level in 2024 and then grow strongly during the next 5 years to reach over 2 million arrivals in 2028.



Average spend per trip has typically been lower for Southeast Asian trips to Australia than the average for all countries, including in 2023 (Figure 7, left side). However, on a per night basis, the average spend in Australia is higher for trips by SEA visitors than for the average visitor (Figure 7, middle panel). Note that the 4 SEA (SEA4) countries included in the analysis accounted for 70% of total SEA arrivals in 2023.⁵ The higher average spend per day reflects a shorter average stay from SEA4 visitors.

Over the period from 2010 to 2019:

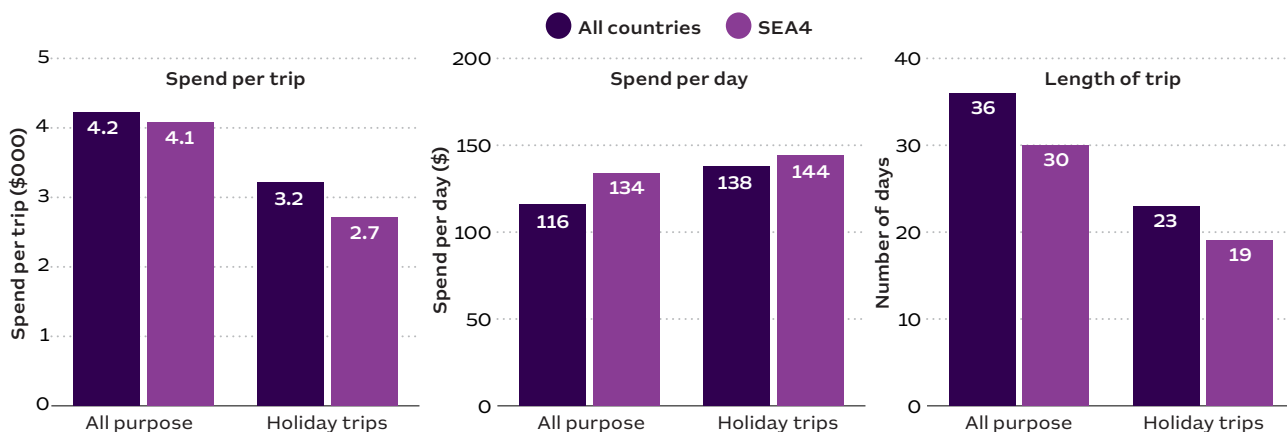
- SEA4 visitors stayed on average 8.3 fewer days than the average visitor (26.1 days for SEA4 compared with 34.4 days for all visitors)
- SEA4 holidaymakers stayed on average 11.6 fewer days than the average international holiday maker (12.6 days for SEA4 compared with 24.2 days for all visitors).

In 2023, the average trip length of SEA4 visitors was much higher, at 30.4 days for all purposes of visit and 18.8 days for holiday trips (Figure 7, right side). Shorter trips from these destinations may be influenced by leave entitlements and the shorter travel distance, whereas longer average trip lengths from long-haul markets may be related to the high fixed costs of travelling to Australia.

4. Southeast Asia includes Singapore, Indonesia, Malaysia, Vietnam, Philippines, Thailand, Cambodia, Timor-Leste, Brunei Darussalam, Laos, and Myanmar.

5. The 4 SEA countries included in the chart analysis are Singapore, Malaysia, Thailand, and Indonesia. The inclusion of Vietnam and Philippines would increase the coverage of the region to 97%, but these 2 countries are not yet benchmarked in the IVS data.

Figure 7. Average trip spend (left), average spend per night (middle), and average length of trip (right) for all international visitors and for visitors from 4 Southeast Asian markets, in 2023.



SEA4 includes the 4 Southeast Asian markets individually benchmarked in historical IVS data (Singapore, Malaysia, Thailand and Indonesia). All countries includes all countries, based on aggregate values.

Source: Tourism Research Australia, IVS 2024.

International visitor activities

International visitors typically have a longer trip length than domestic visitors. During their trips they also tend to have more stopovers and engage in more activities than domestic travellers. Of note, however, domestic travellers may take multiple trips each year with trips sometimes having a different purpose.

In 2023, an estimated 1 in 7 international visitors engaged in First Nations activities.⁶ This was higher than the average of 1 in 9 international visitors over the period from 2013-2019, and significantly higher than the 1 in 91 domestic visitors that engaged in First Nations activities in 2023. There were nearly 1 million international trips in 2023 that incorporated a First Nations activity. This was more than the number of trips that incorporated a First Nations activity in 2019. The accelerated recovery in First Nations tourism relative to the aggregate is consistent with efforts to accentuate the attraction and availability of cultural activities unique to Australia.

There was also an increase in the share of international trips to Australia that included

attendance at an organised sporting event in 2023 compared with 2019. In 2023, 1 in 15 international trips included attendance at an organised sporting event compared with 1 in 19 in 2019. With a spike occurring in the September quarter, the FIFA Women’s World Cup was likely a driving influence in this result.

Some of the activities that have seen increased participation by international travellers in 2023 relative to the pre-pandemic period include: playing golf, whale or dolphin watching, playing a sport, visiting a distillery, and bushwalking. On the other hand, activities that have seen lower participation rates in 2023 include: visiting a casino, attending movies/cinema, attending festivals/fairs or cultural events, visiting history/heritage buildings, sites or monuments, and going on a guided tour/excursion.

Prior to the pandemic, there had been strong growth in the number of international trips that participated in Indigenous culture activities, visiting wineries, visiting national/state parks, attending festival/fairs/cultural events, and visiting history/heritage buildings/sites/monuments.

6. First Nations activities include: experiencing Aboriginal art/craft and cultural displays; visiting an Aboriginal site/community; attending an Aboriginal performance; going on a tour with an Aboriginal guide; participating in traditional activities; having an Aboriginal food experience; having a camping experience on Aboriginal land.

THE PERFECT KICK OFF TO AN EPIC HOLIDAY.

COME AND SAY *G'day*



australia.com
Gold Coast



Image courtesy of Tourism Australia

Marketing Australia – FIFA Women’s Football World Cup

Case study by Tourism Australia

The FIFA Women’s Football World Cup was a cornerstone event in Australia’s Green and Gold Decade and offered an unparalleled opportunity to present our country on the global stage. With its widespread international appeal, extensive coverage, and alignment to our message of welcome, the tournament was an ideal platform. More generally, it showcased the benefits of major events as tourism drawcards.

Drawing over 2 billion viewers worldwide,⁷ the event showcased the exceptional talent of women footballers on the pitches of Australia and New Zealand. Tourism Australia used these moments to reveal the splendours of a holiday Down Under through an integrated, highly targeted, multimarket campaign. The advertising campaign had over 70 million impressions, while earned activity (such as PR and media hosting) exceeded \$80 million in value.

To enhance Australia’s presence, Tourism Australia hosted respected football personalities such as Ian Wright from the UK and Laura Wontorra from Germany and forged strategic partnerships with international broadcasters like Fox Sports in the USA.

Over the coming decade, Australia will host other prestigious sporting events including Rugby World Cups, the T20 Cricket World Cup, a Lions Tour, the Netball World Cup, and the Olympic and Paralympic Games. These all provide further opportunities to showcase Australia’s unique and appealing offering to international travellers.

7. [Women’s World Cup 2023 viewership to cross 2 billion, double from 2019: Euromonitor International – Euromonitor.com](https://www.euromonitor.com/women-s-world-cup-2023-viewership-to-cross-2-billion-double-from-2019)

International education travel

International students are a valued part of the visitor economy and the Australian community. They live, study and work in Australian communities and contribute both economically and socially. Because they stay for a long time in Australia, international students spend more on average than other types of international visitors. Many students travel in Australia during their stay, are a motivation for their family and friends to visit Australia and tend to act as ambassadors for Australia after their return home. In addition, some international students work during their stay, often in visitor economy businesses. Just as importantly, international students contribute to the cultural richness and vibrancy of Australian multicultural communities.



Image courtesy of Austrade

Prior to COVID-19, there was strong growth in demand from international students. Between 2002 and 2019, the number of international student enrolments more than tripled to over 950,000 and the value of international education exports increased six-fold, to over \$40 billion. During the pandemic years, the number of international students in Australia steadily declined as new students could not enter the country and existing students completed their courses and returned to their home country. There was also an increase in the number of students remaining offshore while studying.

Since the Australian border reopened, there has been a strong rebound in demand from international students to study in Australia. In 2023, the value of international education exports, the number of international students in Australia, international course commencements and enrolments, and temporary graduate visa numbers all reached record highs. These metrics include both long-term and short-term international students in Australia and therefore are not directly comparable with data sources that report on short-term visitors only (less than 12 months) such as ABS data on short-term visitor arrivals (Overseas Arrivals and Departures) and TRA data on international visitors for the purpose of education (IVS).

- In 2023, international education exports totalled \$47.8 billion, which was 80% higher than in 2022, and 19% higher than in 2019 (pre-pandemic).
- As at 30 September 2023, there were 660,537 student visa holders in Australia (primary and secondary visa holders, excluding defence and foreign affairs sectors). This was an increase of 58% compared to the prior year, and an increase of 5% compared to September 2019. (The number of student visa holders in Australia is higher during semester than at the end of the year, as many students return home for the summer holiday break.)⁸

⁸ As at 31 December 2023, there were 544,617 student visa holders in Australia (primary and secondary visa holders, excluding defence and foreign affairs sectors). This was an increase of 20% compared to the prior year, and an increase of 14% compared to December 2019.

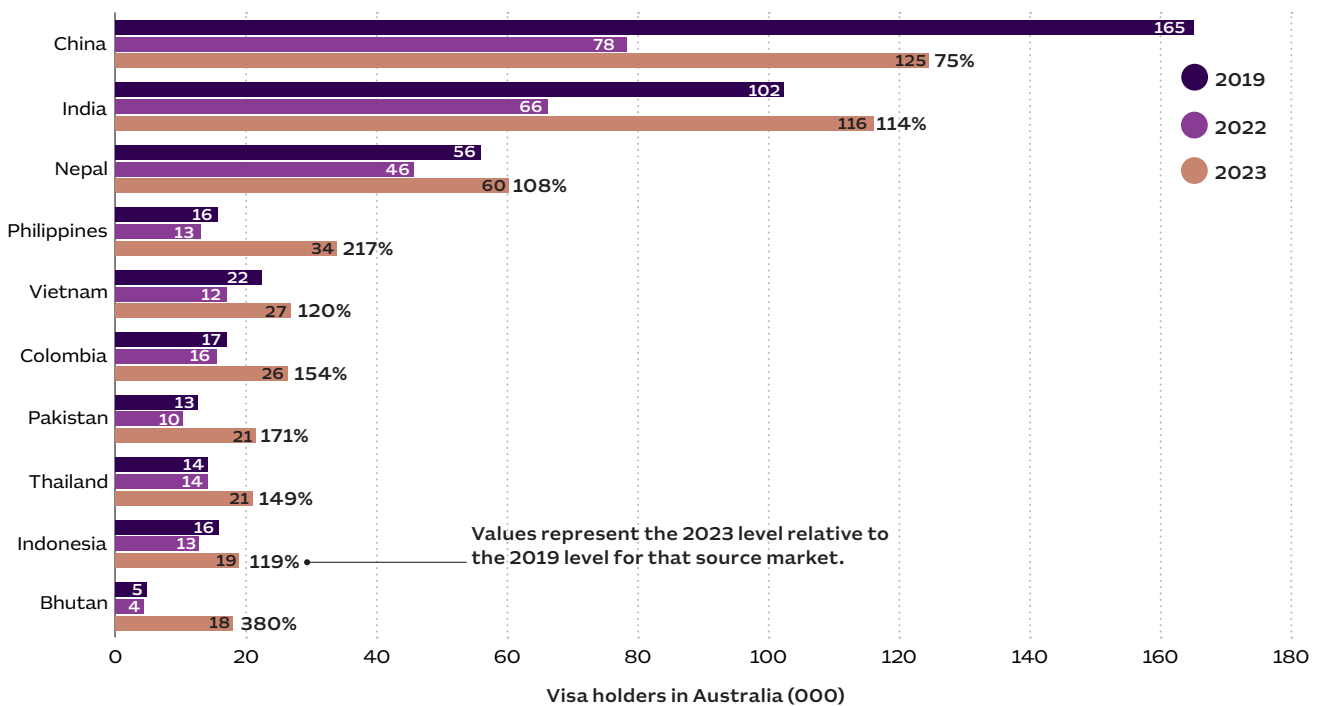
- Course commencements for the year to December 2023 (561,162) were up 44% compared to the same period in 2022, and up 10% compared to 2019 (pre pandemic).
- Course enrolments for the year to December 2023 (975,229) were 31% higher than the previous year (742,332), and up 2.4% compared to year to December 2019 (952,379).
- Between July and December 2023, 76,639 Temporary Graduate Visas (primary and secondary) were granted to former student visa holders. This was 45% more than in the same period last year, and up 97% compared to the pre-pandemic level.

In 2023, China had the highest number of student visa holders (primary and secondary) in Australia (124,581), followed by India (116,156), Nepal (60,280), the Philippines (33,908), Vietnam (26,845) and Colombia

(26,348) (Figure 8). Together these top 6 source markets accounted for 59% of student visa holders in Australia as at 30 September 2023. (The top 10 source markets shown in Figure 8 accounted for 71% of student visa holders at the time.)

The rate of growth in international student arrivals observed in 2023 is not expected to continue in 2024. This reflects a decline in visa grant rates and the expected impact of regulatory changes related to international student visas. The average offshore primary student visa grant rate for the period July 2023 to February 2024 was 11 percentage points lower than in pre-pandemic years (78% compared with 89% pre-pandemic). The decline in primary offshore visa grant rates has been larger for some source countries, and in the vocational education and training sector.

Figure 8. Student visa holders in Australia as at 30 September, for top 10 source markets in 2023, compared with 2019 and 2022.



Source: Department of Home Affairs, Temporary entrants visa holders pivot table, accessed March 2023.

Australian resident outbound travel

In 2023, there were 10 million residents who returned to Australia from short-term overseas trips (resident returns). This was 91% more than the previous year, and 12% below the number of resident returns in 2019, which was 11.3 million. Therefore, in 2023, outbound travel was 88% of the pre-pandemic level. TRA's latest tourism forecasts project that the number of outbound trips will approach its pre-pandemic number in 2024.

The recovery in Australian outbound travel has been faster than for international inbound travel to Australia. This was anticipated and consistent with:

- strong demand for outbound travel and Australian desire to travel broadly, including to relatively low-cost destinations in the region
- recovery in aviation links, especially to popular outbound travel destinations
- Australians' relative comfort with longer-haul travel (compared with signs of hesitancy internationally for longer-haul travel)

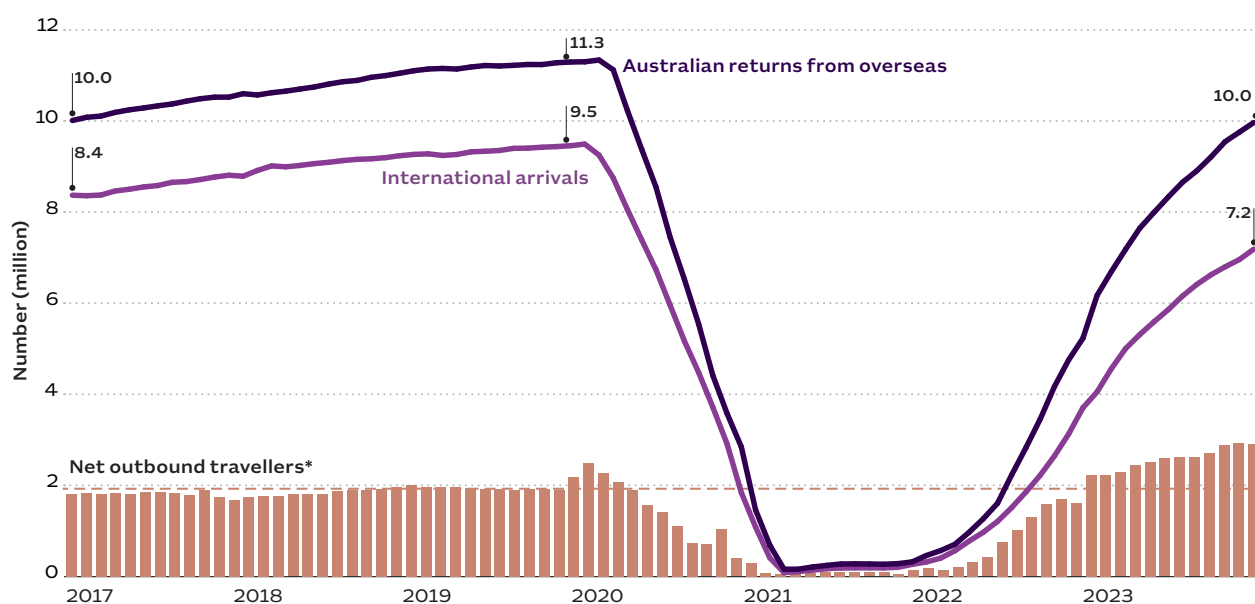
- the delayed rebound in key inbound source markets (e.g. China).

Prior to the pandemic, departures typically outnumbered arrivals by around 1.9 million trips per year (the net outbound travel number). In 2023, there were 2.8 million more resident returns than international arrivals (Figure 9).

Net outbound travel is forecast to decline in coming years as inbound travel maintains a faster growth rate than outbound travel. Nevertheless, the long-established trend of more outbound than inbound travel is forecast to persist going forward.

The estimated spend by Australians on outbound travel was \$73.1 billion in the year ending September quarter 2023, which was double the outbound spend in 2022 and 12% above the pre-pandemic level of spend (for the year 2019). Note that outbound travel data from TRA's National Visitor Survey is only available with a 3-month lag given the extended recall period used for survey participants for outbound trips. In 2019, the estimated outbound spend by Australians was \$65.1 billion, around double the estimated

Figure 9. Rolling annual sum of international inbound and Australian resident outbound travel, with net outbound travel number, January 2017 to December 2023.



* Difference between Australian returns and international arrivals, rolling annual sum. Dashed line shows average for 2019.

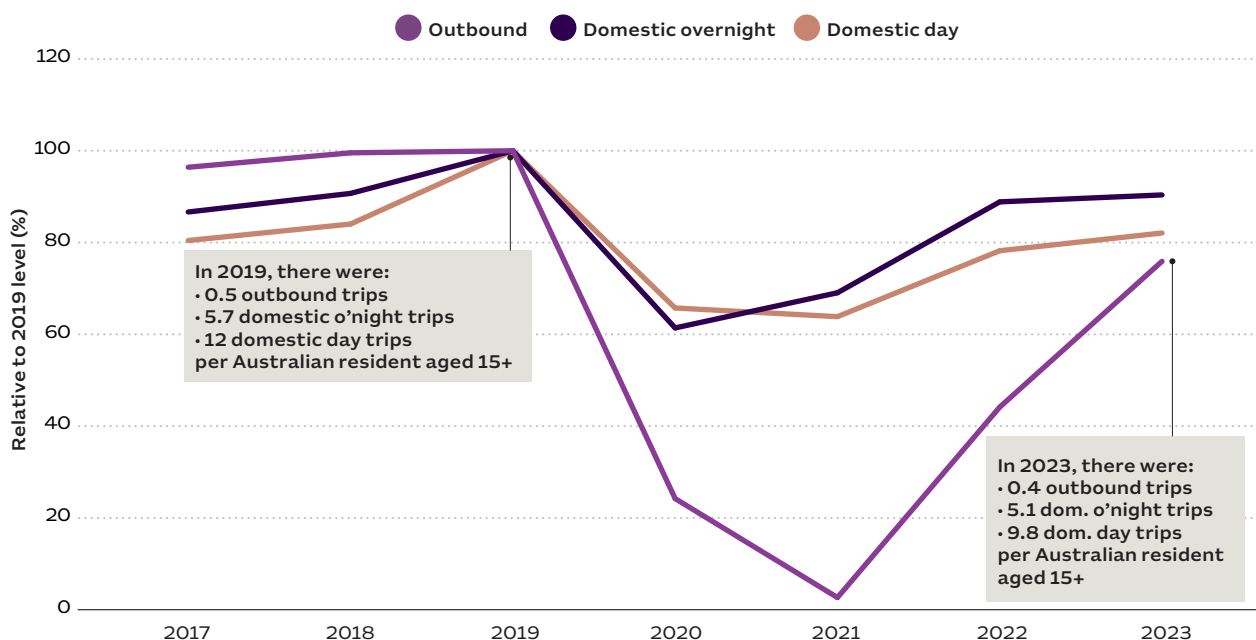
Source: ABS Overseas Arrivals and Departures, Australia. Data to December 2023.

spend by international visitors in Australia. In 2023, the estimated outbound spend (for the year ending September) had increased to 2.6 times the estimated inbound spend.

The number of outbound trips per person (aged over 15 in the Australian estimated resident population) in the year to September 2023 had increased from the low during the pandemic but remained below the pre-pandemic level. The recovery in outbound trips per person relative to the pre-pandemic level was less advanced than for domestic travel, in line with a more pronounced and prolonged disruption to outbound travel relative to domestic travel (Figure 10). It had been expected that, as international outbound travel became more readily available and popular in 2023, there would be some impact on growth in domestic travel demand. Household budget pressures are likely to have constrained Australians looking to undertake both outbound and domestic travel in 2023.



Figure 10. Relative level of trips per person per year, by outbound, domestic overnight and domestic day trips, 2017 to 2023.



Note: Data for 2023 refers to September quarter 2023, all other years refer to December quarter.

Source: TRA, National Visitor Survey 2024; ABS, National, state and territory population, September 2023.

Australian resident outbound travel by purpose of travel

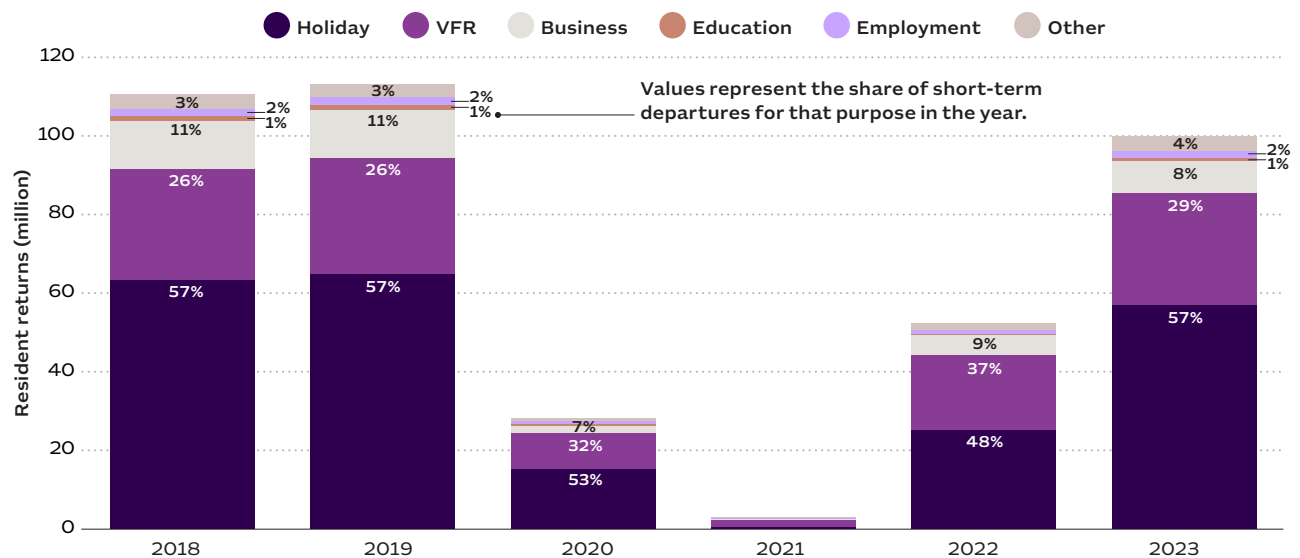
In 2023, resident returns from trips for holiday purposes remained the largest category of outbound travel (57%). This share has largely recovered to its pre-pandemic level (Figure 11). As was the case for international arrivals, the share of resident returns of trips for the purpose of VFR remained higher in 2023 than it was prior to the pandemic (29% compared with 26% in 2019), although it declined compared to the previous year (37% in 2022).

The share of resident outbound travel for the main purpose of business remained lower, at 8% in 2023 compared with 11% in 2019. Resident returns for business purposes remained the furthest below its pre-pandemic level in 2023 at 35% fewer returns than in 2019. The share of resident outbound travel for the main purpose of education also remained lower in 2023 relative to pre-pandemic, although has

historically been low (around 1%), especially compared to international inbound arrivals for education (which has been around 6%).

Compared to international holiday arrivals, Australian overseas holiday departures recovered much faster. In 2023, Australian holiday returns were 12% below the 2019 level (compared to 36% below for international holiday arrivals). Holiday travel has typically accounted for a larger share of Australian outbound travel than for international inbound travel, while outbound VFR travel has been a smaller share than inbound. On the other hand, overseas business and employment departures have recovered by less than for inbound business and employment. In 2023, Australian business returns were 35% below the 2019 and employment returns were 10% below, compared to 32% below for pre-pandemic for international business arrivals and 33% above for international employment arrivals.

Figure 11. Australian short-term resident returns by main purpose, 2018 to 2023.



Values represent the share of short-term departures for that purpose in the year. Data for 2017 is not shown due to the change in categorisation of short-term resident returns across main purposes that year.

Source: ABS, Overseas Arrivals and Departures, data to December 2023.

Australian resident outbound travel by destination

The most popular destination for Australians to visit in 2023 was Indonesia (Figure 12).⁹ There were 1.37 million short-term resident returns from Indonesia in 2023, and this was the first year ever that Indonesia attracted more Australian visits than New Zealand. Nevertheless, there were 2% fewer resident returns from Indonesia in 2023 than there were before the pandemic. On the other hand, several countries in the top 20 destinations for 2023 received more Australian visitors in 2023 than they did prior to the pandemic including:

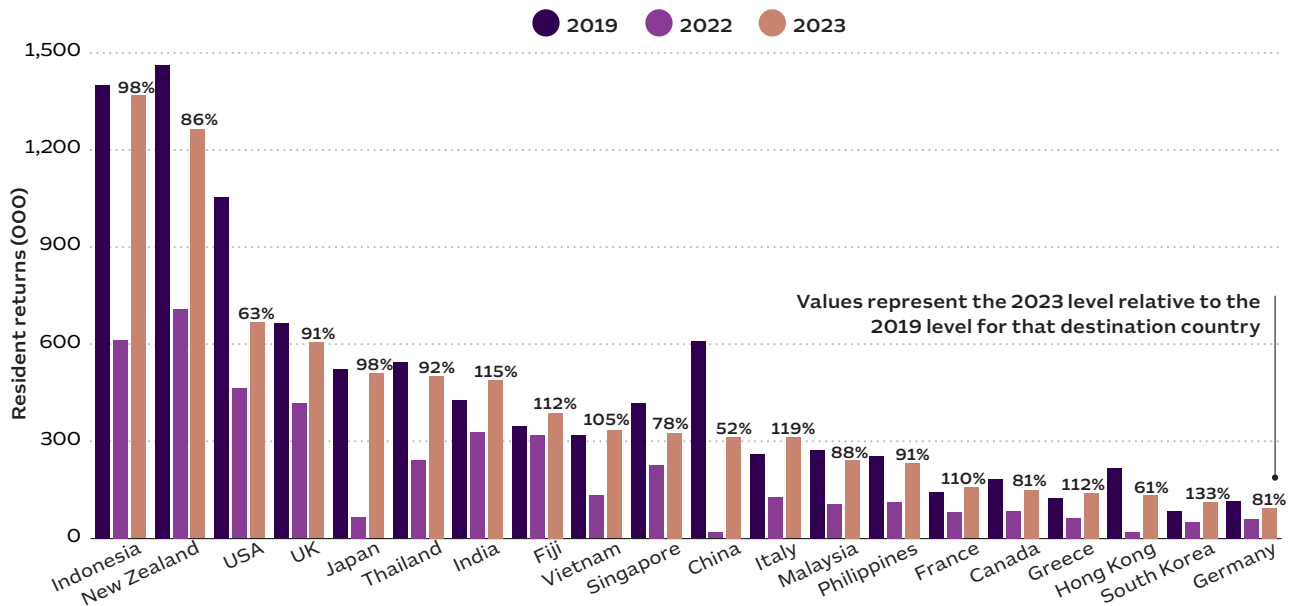
- India – Australian visits in 2023 (489,000) were 115% of the 2019 level (426,100)
- Fiji – Australian visits in 2023 (387,500) were 112% of the 2019 level (345,000)
- Vietnam – Australian visits in 2023 (332,600) were 105% of the 2019 level (317,100)
- Italy – Australian visits in 2023 (311,700) were 119% of the 2019 level (261,200)
- France – Australian visits in 2023 (157,500) were 110% of the 2019 level (143,400)
- Greece – Australian visits in 2023 (139,300) were 112% of the 2019 level (124,900)
- South Korea – Australian visits in 2023 (112,000) were 133% of the 2019 level (84,200).

It is likely that returning aviation capacity, and the commencement of new direct routes servicing these destinations, supported the growth in the year. See Aviation section of this report for more detail.



9. Destination of visit indicates the main destination reported by returning Australian residents. Travellers may have visited other countries on the same trip.

Figure 12. Australian short-term resident returns from the top 20 destinations in 2023, compared with 2019 and 2022.



Source: ABS, Overseas Arrivals and Departures, data to December 2023.

Australian travel to China and Hong Kong has lagged relative to most other markets, as was the case for arrivals to Australia from these countries. The extended travel restrictions in those countries are likely the main cause, as well as the delayed return in aviation capacity. Australian travel to Japan increased dramatically in 2023, after it had been slow to recover in 2022. The recovery in Australian travel to Japan was much more advanced at the end of 2023 (which reached 98% of the pre-pandemic level) than the recovery in Japanese arrivals to Australia (which reached 60% of the pre-pandemic level).¹⁰ Similarly, the outbound recovery was more advanced than the inbound recovery for France, Italy, Malaysia, South Korea, India, and China. On the other hand, the inbound recovery was more advanced in 2023 for Vietnam, the USA, Philippines, Thailand, Canada and New Zealand.



10. This dichotomy is consistent with broader trends in international travel to Japan compared with Japanese outbound travel. For example, in the calendar year to April 2024, international arrivals to Japan were 105% of their equivalent 2019 levels. In contrast, Japanese outbound travel in January to March 2024 was only 60% of the pre-pandemic level. (Source: Japanese Tourism Statistics, April 2024, [Data list | Japan Tourism Statistics \(jnto.go.jp\)](https://www.jnto.go.jp/en/data), accessed May 2024).



Domestic demand

Overview of domestic tourism demand

Domestic tourism accounts for a large majority of Australia's total visitor economy (domestic visitor spend accounted for 77% of total visitor spend in Australia in 2019). This share was much higher in 2022 (91%), partly as a result of the early stage of international travel recovery in that year. Demand for domestic travel was also bolstered in 2022 by:

- pent-up demand for travel, experiences, reconnecting, and the associated well-being benefits of travel
- eagerness to freely travel around Australia after a period of travel restrictions, reduced availability of outbound travel options combined with effective marketing and policy support targeting local travel options (along with a slower rebound in international inbound travel)
- elevated savings accumulated during the pandemic, which meant Australians could afford more travel.

The significant growth in domestic tourism spend, which outpaced other measures of domestic tourism demand, reflected changes to prices (inflation), travel patterns and traveller preferences. These were discussed in detail in last year's [State of the Industry report](#) and include:

- accelerated price growth across the economy and higher costs of travel-related goods¹¹

- strong growth in higher average spend categories of travel (such as business travel and interstate travel) that had been slower to recover in previous years
- strong demand for more luxury-end travel experiences
- an increase in the number of trips involving higher cost activities (such as flights, paid accommodation, ticketed events) compared to the previous year.

In contrast to the rapid recovery in 2022, there was a moderation in domestic leisure travel growth in 2023. The moderation reflected two main drivers:

1. The impact of reduced discretionary spending by Australians as household budget pressures rose:
 - As was anticipated, Australians drew on savings and leave accumulated during the pandemic to support their preferences in the immediate aftermath. In 2023, the household saving rate was at its lowest level in 15 years,¹² and discretionary spending, including on domestic travel, was reigned in.
 - Elevated inflation through to 2023 led to higher costs of many goods and services, including essential items, and interest rates also rose rapidly and were higher than many had previously expected. These factors put pressure on household budgets and discretionary household spending was curbed in response, according to various measures.

11. A major feature globally in 2022 was the high inflation rates that persisted in many economies. Australia was no exception. Over the year to December 2022, consumer prices in Australia rose by 7.8%, the largest increase in 32 years. Price growth was also elevated in the travel sector. Over the year to December 2022, the consumer price index for domestic holiday travel and accommodation increased by 20%. This was 2½ times the rate of price growth across the whole economy and was the fastest increase in domestic travel prices on record (since 1983) in this series.

12. See [Domestic Economic Conditions | Statement on Monetary Policy – August 2023 | RBA](#)



2. The increased availability of international travel:

- For those that did not face budget pressures in 2023, outbound travel options offered competition for Australians' tourism dollars. Australians took twice as many short-term international outbound trips in 2023 than in the same period the previous year. This effect had been largely anticipated as Australians became more confident in international travel, and the cost and availability of outbound travel options improved.

The impact of these factors on travel demand varies across categories of domestic travel (for example, leisure versus business, overnight versus day trips, interstate versus intrastate) and this is discussed further below. Nevertheless, total domestic tourism spend was \$142.3 billion in 2023. This was up 9% (\$12 billion) on the total domestic spend in 2022, and up 33% (\$35.2 billion) on the pre-pandemic level. These strong results, despite the challenging environment, point to resilience in tourism demand, the attractiveness of Australia's tourism offerings, and the willingness of travellers to adjust travel plans to address budget pressures where necessary (this is also discussed below and can include adjustments to the destination selected, length of trip, type of travel/accommodation).¹³

TRA forecasts that over the next 5 years:

- domestic overnight trips will increase by 15% to reach 128.9 million in 2028 (10% higher than pre-pandemic)
- domestic day trips will increase by 21% to reach 262.3 million (up 6% on 2019)
- domestic overnight trip spend will increase by 21% to reach \$132 billion in 2028 (up 64% on the 2019 level)
- domestic day trip spend will increase by 23% to reach \$40.5 billion (up 54% on 2019)
- total domestic spend will increase by 21% to reach \$172.6 billion (sum of overnight and day trip spend, 61% higher than pre-pandemic)
- domestic visitor nights will increase by 16% to reach 466.9 million (up 12% on 2019).

This attests to the persistent, compelling desire and need to travel to connect, explore, unwind, and recharge. Other factors that support the solid growth outlook for domestic travel include:

- effective marketing to stimulate domestic travel demand alongside innovation and adaptation in the sector to align with consumer trends such as sustainability, connection and wellness
- continued investment in the sector throughout recent years which has evolved the offerings available to domestic travellers
- an easing in tourism sector workforce shortages after acute labour shortages in 2022 affected the visitor economy's ability to service demand.

In addition, parts of the visitor economy are still in the process of returning to pre-pandemic levels after experiencing a slower recovery than other sectors in the period since the pandemic (e.g. business travel and day trips).

13. See Australian Bureau of Statistics, [Monthly Household Spending Indicator, February 2024](#), CommBank iQ Cost of Living Insights, [Consumers cut back discretionary spend but leave room for travel and entertainment](#), Reserve Bank of Australia, [Domestic Economic Conditions | Statement on Monetary Policy – February 2023](#) including [Box B: Insights from Liaison](#).



Image courtesy of VisitCanberra

Domestic advertising: There's more than they're telling us

Case Study by VisitCanberra

VisitCanberra launched its new domestic campaign, *There's more than they're telling us*, in February 2023. The campaign offers a unique persona for the brand that challenges the rusted-on negative perceptions of Australia's capital. Aiming to build awareness and increase consideration of Canberra as a leisure destination, the new campaign acknowledges that the breadth of Canberra's tourism offering is unknown and unassumed by much of the nation, offering up witty reasons as to why. Utilising a refreshed tone of voice and style of creative that puts locals at the centre of the campaign, the assets showcase the charm and warmth of the people who shape the destination.

After a year in market, the campaign has seen considerable success in its key audiences: New South Wales, Southeast Queensland, and Victoria, with particular emphasis on Canberra's three-hour drive market. Across social media, online video, Broadcast Video-on-demand, TV, YouTube, display and audio channels, the campaign achieved 57.4 million digital impressions and an offline reach of 6.7 million across out of home and radio as of 15 February 2024.

This campaign exposure has resulted in a 26% increase in awareness of what there is to see and do in Canberra and a steady rise in consideration for Canberra as a leisure destination, with an 8% increase measured from March to November 2023 (Brand Tracking for VisitCanberra by Luma Research, 2023).

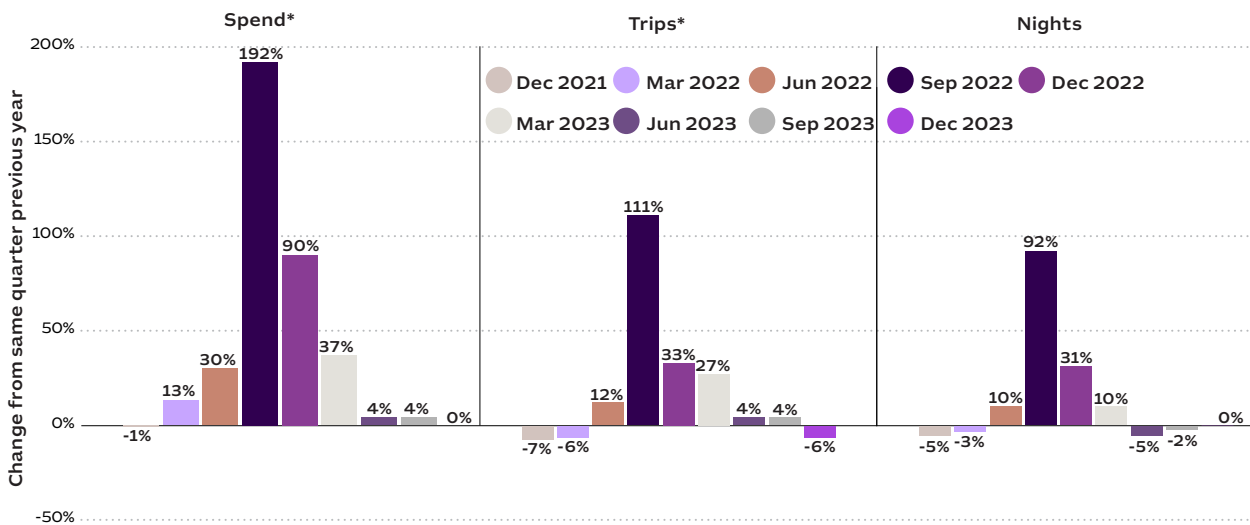
The campaign remains in market as part of an always-on strategy, with the third phase live from late March 2024.

Domestic travel

Domestic tourism spend in the December quarter 2023 was unchanged from the December quarter 2022, which was a marked softening compared with the rapid pace of growth the previous year, when domestic tourism spend in the December quarter 2022 was 90% higher than the December

quarter 2021 (Figure 13). The slowdown in growth over the year was also apparent for domestic trip numbers and nights. Much of this ‘normalisation’ in pace of growth after the temporary accelerated growth in 2022 had been anticipated, in line with the temporary nature of several supporting factors discussed above.

Figure 13. Domestic trip spend, number of trips, and nights, growth over the year to quarter, December quarter 2021 to December quarter 2023.



* Includes domestic overnight and day trips.

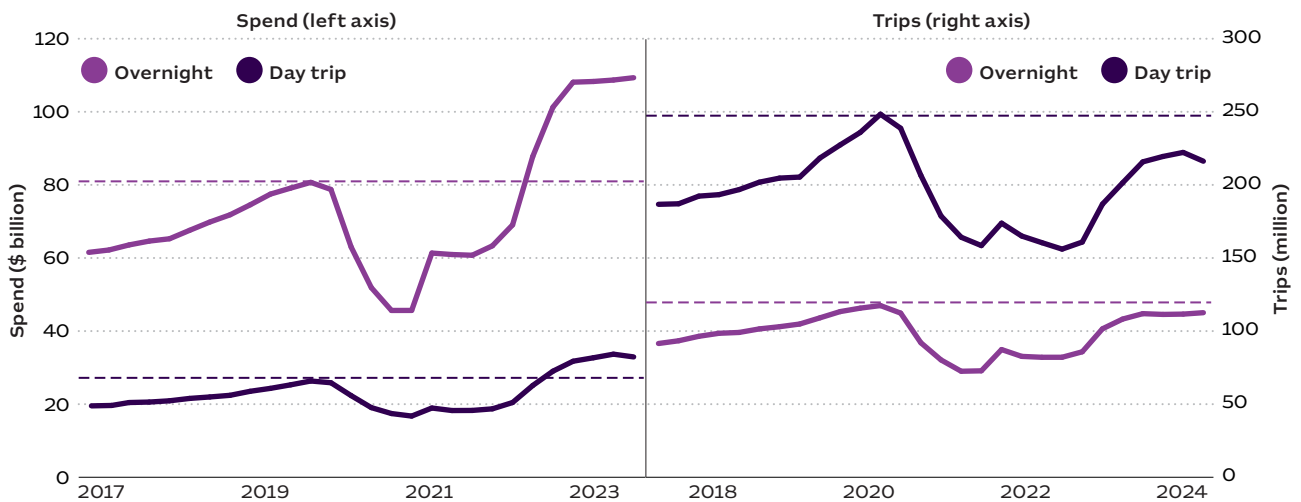
Source: TRA, National Visitor Survey, December 2023.



Within total domestic travel, overnight travel has recovered by more than day trips (Figure 14). The decline in trip numbers over the year to December quarter 2023 shown in the middle panel of Figure 13 above was driven by a decline in day trips, while overnight trips remained flat.

There were around twice as many day trips as overnight trips taken domestically in 2023. However, the spend on overnight trips was significantly higher than for day trips, which meant that domestic overnight spend accounted for 77% of total domestic spend in 2023.

Figure 14. Spend and trip numbers for domestic overnight and day trips, 2017 to 2023.



Dotted lines show the December 2019 level.

Source: Tourism Research Australia, National Visitor Survey, data to December 2023.

The recovery in cruise tourism in 2023 was more rapid than had been previously expected. Cruise tourism in Australia suffered longer disruptions to travel than other types of travel, due to additional policy regulations

to control the spread of COVID-19. Industry reports suggest that Australian cruise passenger numbers have recovered to pre-pandemic levels, and that the average age of cruise passengers has fallen.¹⁴



14. See [The Value of Cruise Tourism](#) and [Australian cruise passenger numbers recover](#) (cruising.org.au).

Domestic day trips

In calendar year 2023, across the visitor economy there were:

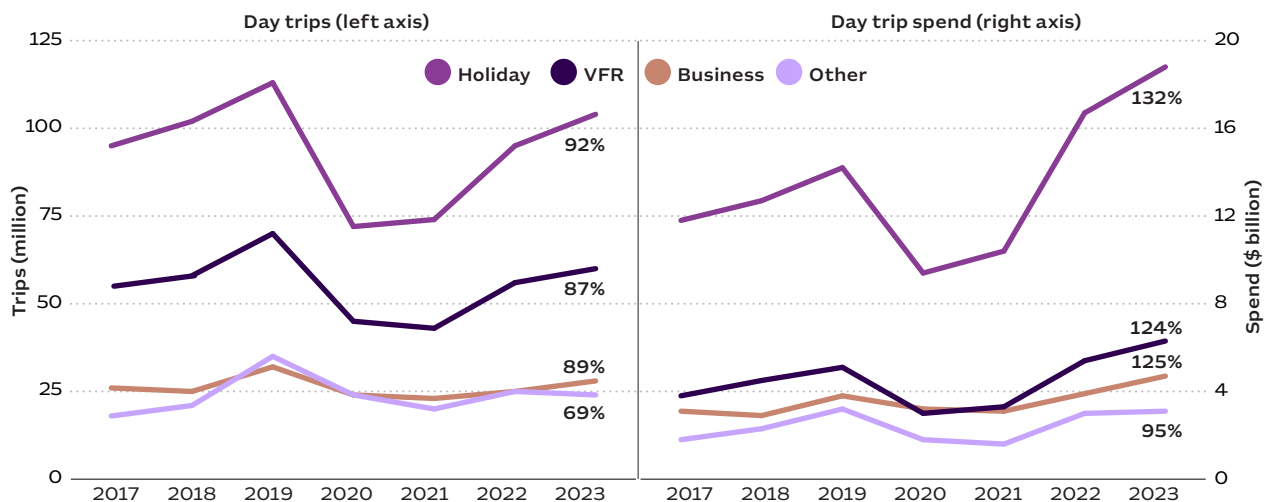
- 216.2 million domestic day trips (87% of the number in 2019), an increase of 7% compared with 2022
- \$32.9 billion in domestic day trip spend (125% of the 2019 level), an increase of 13% compared with the previous year.

The recovery in domestic day trips has been slower than for overnight trips. In particular, the number of domestic day trips taken for the purpose of business in 2023 was 31% below the 2019 level (23.8 million in 2023 compared with 34.6 million in 2019) and

showed little signs of growth over the year (Figure 15). Financial pressures on business and government likely contributed to the soft outcome, as well as the impact of more prevalent online business communication methods. Increased monitoring of carbon emissions related to business travel may have also dampened demand in this sector. These factors are expected to have a larger impact on domestic business day trips, than on domestic business overnight trips.

The lack of recovery in day trips in 2023 was more evident in interstate day trips than intrastate¹⁵ day trips. The slow recovery in day trips in 2023 was also more obvious in Tasmania and the Northern Territory.

Figure 15. Domestic day trips and day trip spend by purpose of trip, annual, 2017 to 2023.



Values represent the 2023 level relative to the 2019 level for that purpose of trip.

Source: TRA, National Visitor Survey, data to December quarter 2023.

15. Interstate trips are those that cross a state or territory border, while intrastate trips occur within the same state or territory as the travellers' residence.

Domestic overnight trips

In 2023, there were:

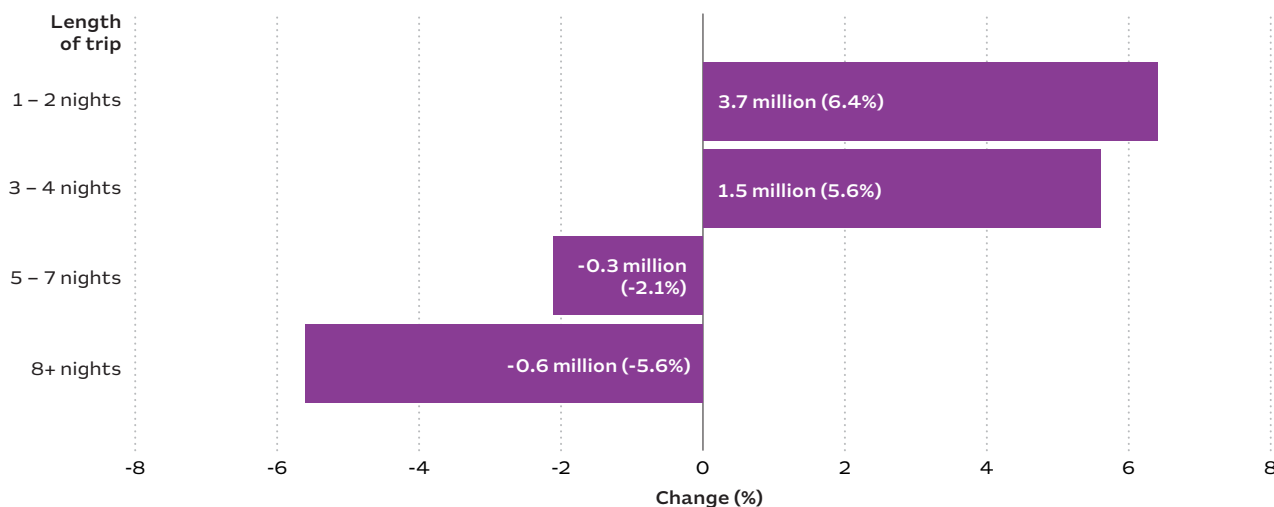
- 112.6 million domestic overnight trips (96% of the number in 2019), an increase of 4% (4.4 million trips) compared with 2022
- 402.4 million domestic nights away (96% of the number in 2019), an increase of 1% (2.7 million nights) compared with 2022
- \$109.3 billion in domestic overnight trip spend (135% of the 2019 level), an increase of 8% (\$8 billion) compared with the previous year.

Trends in domestic overnight travel in 2023 varied by purpose of trip and destination. There were signs that travellers adjusted their travel plans compared to the previous year, perhaps to reduce the cost of trips. For example, Australians took more short trips (4 nights or less) and fewer extended trips (5 nights or more) in 2023 compared with 2022 (Figure 16). In 2023, among the domestic overnight trips, there were:

- 6% more (additional 3.7 million) trips that were 1 to 2 nights
- 6% more (additional 1.5 million) trips that were 3 to 4 nights
- 2% less (300,000 fewer) trips that were 5 to 7 nights
- 6% less (600,000 fewer) trips that lasted over a week.



Figure 16. Domestic overnight trips by length of trips, 2023, change compared to 2022.



Bars indicate the change in % in trips in 2023 compared to 2022, while the written values report the change in number of trips in the year for that length of trip.

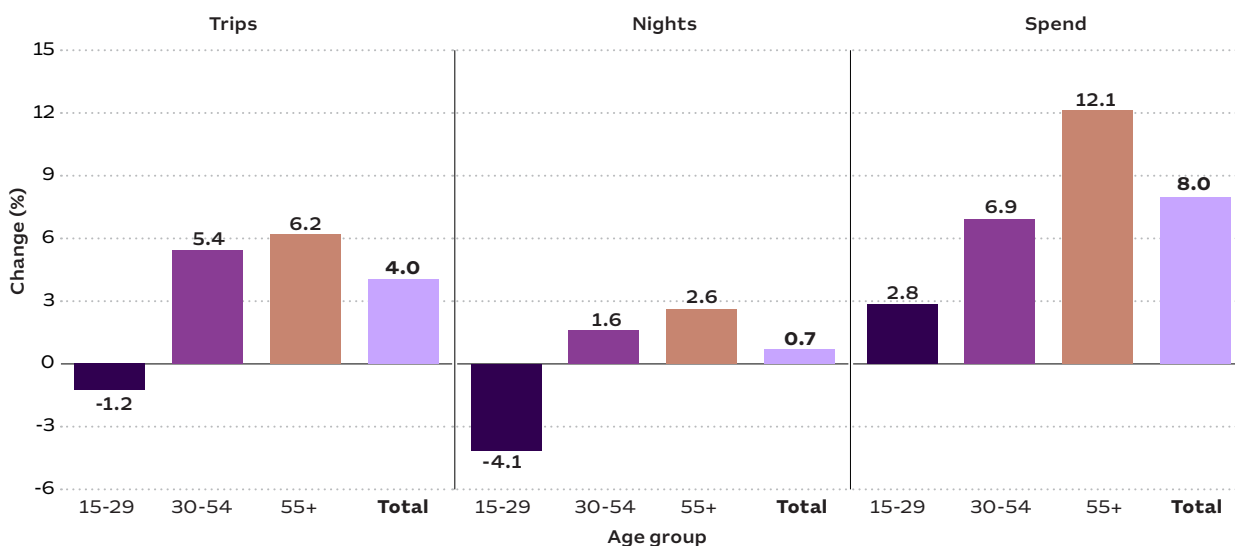
Source: Tourism Research Australia, National Visitor Survey, data to December 2023.

Cost-of-living pressures likely affected various cohorts of the population differently, reflecting differences in access to savings, alternative income sources, and the share of income spent on non-discretionary items and household mortgage repayments. Throughout the year, there was evidence that younger age groups had pulled back on discretionary spending by more than older age groups.¹⁶

Overall, in 2023, the number of domestic overnight trips increased by 4% compared to 2022, but the number of trips taken by the

younger cohort of travellers (those aged 15 to 29) decreased by 1.2% while the number of trips taken by the older cohort of travellers (those aged 55 or over) increased by 6.2% (Figure 17). Similarly, in 2023, the number of nights away for the younger cohort of travellers decreased by 4.1% while the number of nights away for the older cohort of travellers increased by 2.6%. Growth in spend over the year in 2023 was also more muted for the younger cohort (2.8%) and was much stronger for the older cohort (12%).

Figure 17. Domestic overnight trips, nights and spend by age group, 2023 compared to 2022.



Source: Tourism Research Australia, National Visitor Survey, data to December 2023.

16. See [Domestic tourism results September 2023 | Tourism Research Australia](#) and CommBank iQ Cost-of-Living Insights report [Consumers cut back discretionary spend but leave room for travel and entertainment \(commbank.com.au\)](#) including the downloadable chart Spending per capita growth between age bands

Helix personas with NVS data

In 2023, TRA completed a government-funded project to map Roy Morgan's Helix Personas to the NVS database. This allows subscribers to access travel characteristics and spend behaviour estimates of Australian residents that have been grouped into distinct marketing categories. The Helix Persona mapping project was recommended by the Industry Data and Expert Analysis (IDEA) Working Group, to improve the use of official tourism statistics by increasing the utility of the NVS for broader use in tourism.

Helix Personas psychographic marketing profiles are widely used throughout the media landscape and by key stakeholders to gain a deeper understanding of motivations and mindsets of various population groups. There are 54 different Helix persona profiles (or mindsets) that group the population according to shared values, beliefs, and attitudes. These traits were determined based on being the best predictors of consumer behaviour. The 54 Helix personas are grouped into communities that include 'metrotechs', 'hearth and home', 'fair go' and 'leading lifestyle'.

TRA used the NVS to establish a set of travel behaviours and characteristics associated with a demographic profile for both travellers and non-travellers. The integration of Helix Personas with NVS data then connects consumer values and attitudes with actual travel behaviour. The product has increased availability of market-ready industry-specific information for governments, businesses, tourism representative bodies and researchers. It is also expected to allow product developers, marketers and investors to:

- more readily segment consumers
- more accurately identify consumer trends
- help find an audience, and to reach and communicate with this audience
- improve the effectiveness of marketing by helping understand which media channels to use and the messaging required to increase travel and spend.

Case Study: Using Roy Morgan Helix Personas

By Department of Jobs, Skills, Industry and Regions, (Victoria).

The Tourism & Events Research team from the Victorian Government's Department of Jobs, Skills, Industry and Regions created a bespoke PowerBI visitor profiling dashboard to support the development of visitor servicing strategies funded through the [Visitor Servicing Fund](#). This is a first in Australia, and the dedicated Helix Personas Visitor Profiling capability developed by Tourism Research Australia enables exploration of visitors to tourism regions, and comparisons across persona profiles. The dashboard also enables exploration of the visitor servicing needs of Helix Persona segments, and their use of information sources (such as visiting a Visitor Information Centre) on their overnight trip compared to Victorian travellers overall.

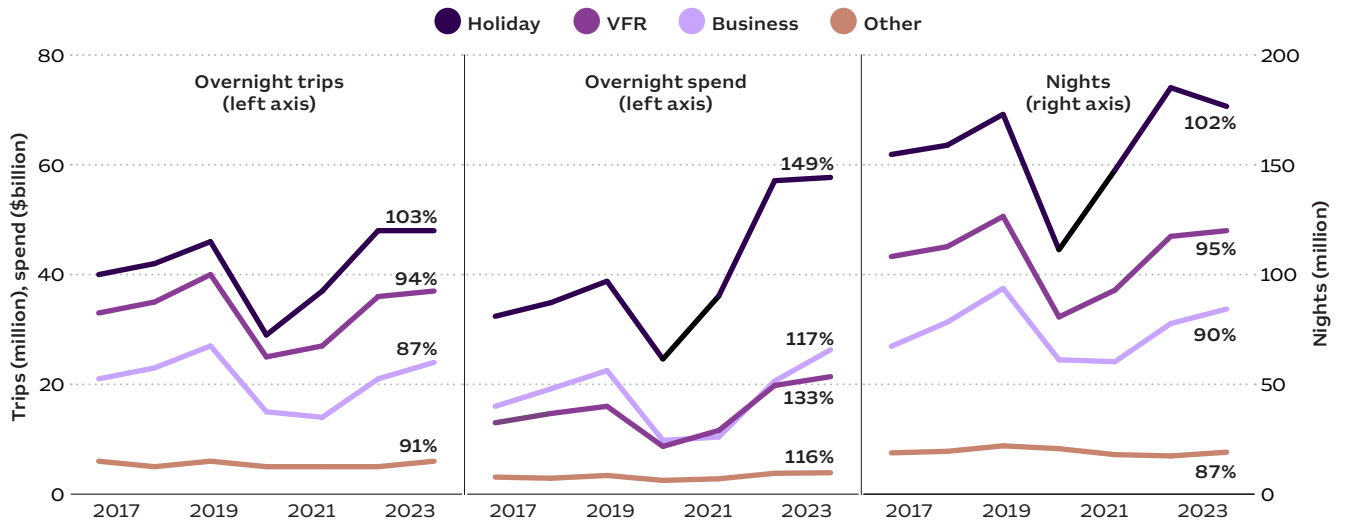
It is envisaged the additional profiling capability provided by Helix Personas will guide insightful, improved and targeted delivery of contemporary visitor servicing across Victorian destinations.

By purpose

In contrast to day trips for business purposes, growth in overnight business trips contributed to an increase in domestic overnight travel demand in 2023. On the other hand, demand for domestic holiday travel stalled after recovering to above pre-pandemic levels in the previous year.

Nevertheless, at the end of 2023, overnight trip numbers and nights for business purposes remained further from its pre-pandemic level than the leisure categories of travel (Figure 18).

Figure 18. Domestic overnight trips, spend and nights by purpose of travel, 2017 to 2023.



Values represent the 2023 level relative to the 2019 level for that purpose of trip.

Source: TRA, National Visitor Survey, data to December quarter 2023.

Image courtesy of Austrade





Business events data

TRA has recently published new data on business events.¹⁷ This new data will be updated quarterly on the [TRA website](#) in conjunction with the release of the quarterly tourism data releases. The new business events dataset shows that:

- in calendar year 2023, there were 22.4 million trips related to business events across domestic overnight, day trips and international travel
- these travellers spent 52.9 million nights on their travels in Australia and contributed \$20.9 billion to the Australian economy (of which domestic overnight business event travellers contributed \$16.9 billion, and domestic day trips contributed \$1.4 billion in 2023)
- key items of spend in the year included \$10.4 billion on food, drink and accommodation, \$4.4 billion on domestic airfares, \$1.1 billion on tours and entertainment and \$1 billion on conference registration fees
- 44% of international visitors that attended a conference, convention, seminar or corporate event were accompanied on their trip, with almost one-third of these visitors accompanied by a group of 6 or more travellers
- those accompanying, rather than attending, business events had higher participation in a range of activities including eating out (97% compared to 92%), shopping (75% compared to 65%), sightseeing (72% compared to 64%), visits to botanical gardens (39% compared to 31%), visits to national parks (40% compared to 27%) and visits to museums and galleries (33% to 26%)
- international business events visitor numbers (742,000 in 2023) reached 71% of the pre-pandemic level recorded in 2019.

To generate this data, a comprehensive set of questions co-designed with the then Business Events Council of Australia (BECA) and the Association of Australian Convention Bureaux (AACB) were added to TRA's visitor surveys in 2023. The project was funded by the Australian Government to improve the accuracy and availability of data on the business events sector. Further additions to the breadth of published data are likely in coming quarters including additional research in partnership with the Australian Business Events Association (ABEA).

17. The initial data release was made available through an interactive dashboard on TRA's website on 27 March 2024. Future insights will be added to the dashboard, including information on source markets, state/territory detail, repeat visitation, activities and additional days beyond event participation.



By interstate or intrastate travel

Interstate travel (which is travel that crosses a state or territory border) was affected to a greater extent than intrastate travel (travel within the same state or territory) during the pandemic due to state border closures and travel restrictions. At the end of 2023, the number of interstate trips remained further below its pre-pandemic level (at 91% of the 2019 level) than intrastate trips (98%; Figure 19).

In 2023, compared with the previous year (2022):

- Intrastate trips were up by 4%, nights away were up by 1% and spend was up by 9%
- Interstate trips were up by 5%, nights away were unchanged and spend was up by 7%.

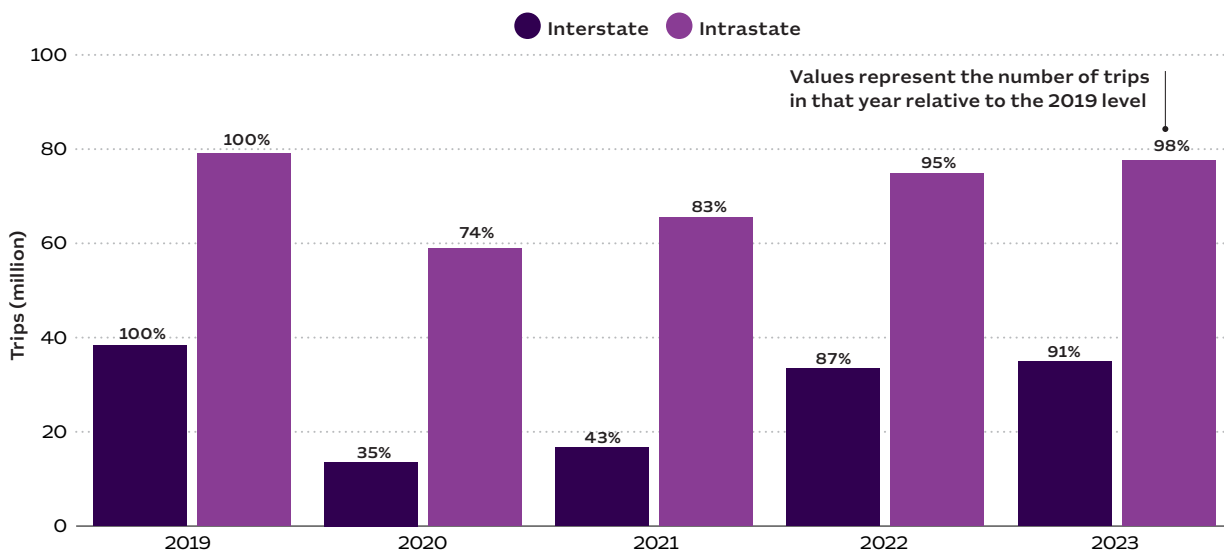
Throughout the year, budget pressures may have led to travellers taking shorter interstate trips. In the December quarter

2023, nights away on interstate trips were down by 5% compared with the December quarter 2022 and interstate trip spend was down by 4% compared with the previous year. In contrast, intrastate trip spend was 11% higher in the December quarter 2023 than the prior year, and intrastate trip nights were 3% higher. Nevertheless, there were more interstate (up 2%) and intrastate (up 4%) trips taken in the December quarter 2023 than in the prior year. This suggests that travellers continue to prioritise the need to travel, but may make adjustments to manage costs.

In 2023, average spend on an:

- interstate trip was \$1,649 (or \$329 per night) and the average trip length was 5 nights (down from 5.3 nights in 2022)
- intrastate trip was \$666 (or \$228 per night) and the average trip length was 2.9 nights (down from 3.0 nights in 2022).

Figure 19. Domestic overnight trips by interstate or intrastate trip, 2019 to 2023.



Source: Tourism Research Australia, National Visitor Survey, data to December 2023.

By regional or capital city travel

A similar, but less pronounced, set of trends occurred for domestic overnight trips to capital cities¹⁸ versus trips to regional Australia. Throughout the pandemic, the decline in trips to regional Australia was less severe than for trips to capital cities, likely due to:

- more frequent lockdowns in capital cities than in the regions
- easier access to socially-distanced and outdoor activities in the regions
- the slowdown in business travel affecting regions less than the capital cities.

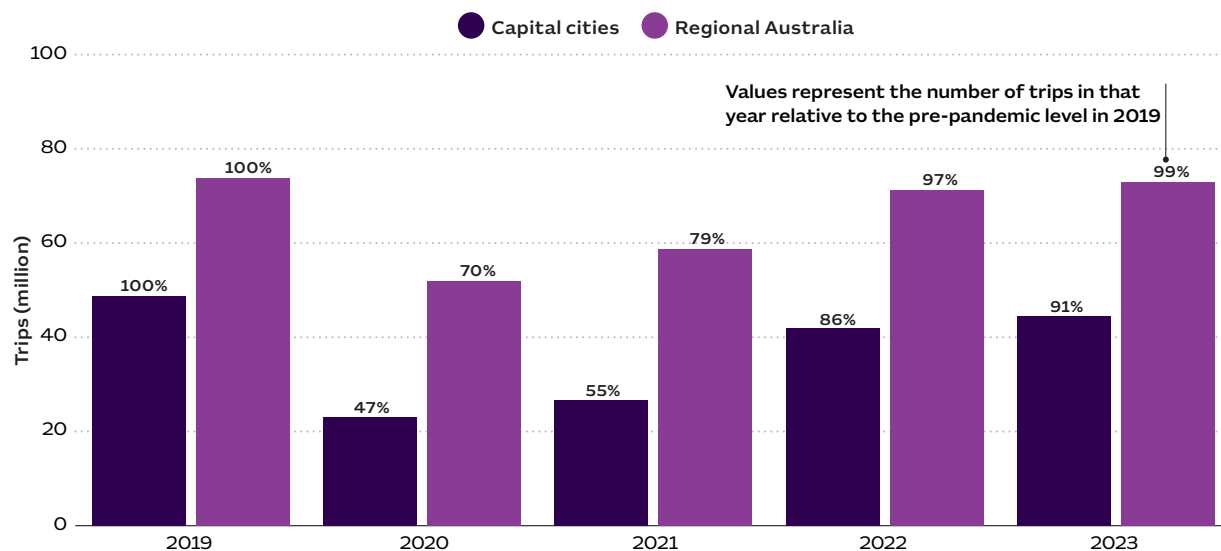
As a result, the share of domestic visitor spend on overnight trips generated in the regions increased from 52% in 2019 to be 66% and 65% in 2020 and 2021 respectively. The regional share of domestic overnight spend has since eased back as travel to the capital cities picked up pace relative to domestic travel to the regions. In 2023,

regional Australia accounted for 53% of domestic overnight spend. In 2023, the number of domestic overnight trips:

- to capital cities increased by 6% (an additional 2.7 million trips) to be 9% below the 2019 level
- to regional Australia increased by 2% (an additional 1.6 million trips) to be 1% below the 2019 level (Figure 20).

Consistent with the overall trend, growth in the number of nights away was weaker in the year than growth in the number of trips, while growth in spend was stronger. The number of nights away in regional Australia declined by 1% in 2023 compared with 2022 but rose by 5% for capital cities. Domestic overnight spend in capital cities increased by 14% in 2023 to be 31% above the 2019 level, while spend in regional Australia increased by 3% in 2023 compared to 2022, and was 40% above the 2019 level.

Figure 20. Domestic overnight trips by capital city or regional Australia destination, 2019 to 2023.



Source: Tourism Research Australia, National Visitor Survey, data to December 2023.

18. Capital cities includes the 8 capital cities and the Gold Coast.

Among the capital cities, domestic overnight visitor numbers to Sydney and Darwin remained the furthest below their pre-pandemic level (down 14% and 17% respectively), while Canberra and the Gold Coast were the most recovered in 2023 at 3% above and 2% below their 2019 level respectively. Among regional destinations, the number of domestic overnight trips to regional Western Australia was 1.6% above the pre-pandemic level in 2023 and less than 1% below the pre-pandemic level for regional Queensland (Qld) and regional Victoria (Vic). On the other hand, the number of domestic overnight trips to regional Northern Territory was 19% below its pre-pandemic level in 2023, and trips to regional Tasmania (Tas) and regional South Australia (SA) were 6% lower.

In 2023, the average spend on capital city trips was \$1,143, or \$360 per night (average trip length of 3.2 nights), while the average spend on regional trips was \$801, or \$224 per night (average trip length of 3.6 nights). Compared to last year, the average spend on an overnight trip in a capital city increased by 7% (and spend per night increased by 9%, as the trip length declined slightly), while the average spend on an overnight trip in regional Australia increased by just 1% (and spend per night increased by 5%, as the trip length declined by more than for capital cities).





Image courtesy of South Australian Tourism Commission

River Revival Vouchers for the Murray River

Case Study by South Australian Tourism Commission

To drive tourism recovery in South Australia's Murray River regions following the once-in-a-century flooding event in 2022-23, a targeted voucher program and marketing campaign was launched in February 2023.

The River Revival Voucher program and associated 'Rise Up For our River' marketing campaign sought to drive visitation and expenditure to the state's Riverland and Murray River Lakes & Coorong tourism regions.

Working closely with industry to inform the response and recovery strategy, it included three rounds of river revival vouchers for accommodation, experiences, houseboats, and guided tours. To date, the first **two rounds of vouchers have resulted in over 12,500 bookings** with tourism operators across the two regions and a combined **\$10.7 million** in economic impact.

Consumer feedback was overwhelmingly positive, revealing the program not only injected expenditure in to the regions, but greatly increased awareness of what the Murray River has to offer – and enticed consumers to make a trip they otherwise wouldn't have planned.

Latest data (year ending December 2023) shows tourism spend in the two regions has not only recovered but surpassed its pre-flood value with total visitor expenditure across the 2 regions now valued at a combined \$612 million, well up on the pre-flood value of \$441 million in December 2022.

With a third round of vouchers underway in 2024, the program has provided a much-needed boost to flood-affected tourism businesses and has helped showcase the incredible and diverse offerings available in this part of South Australia.

Domestic travel by state/territory

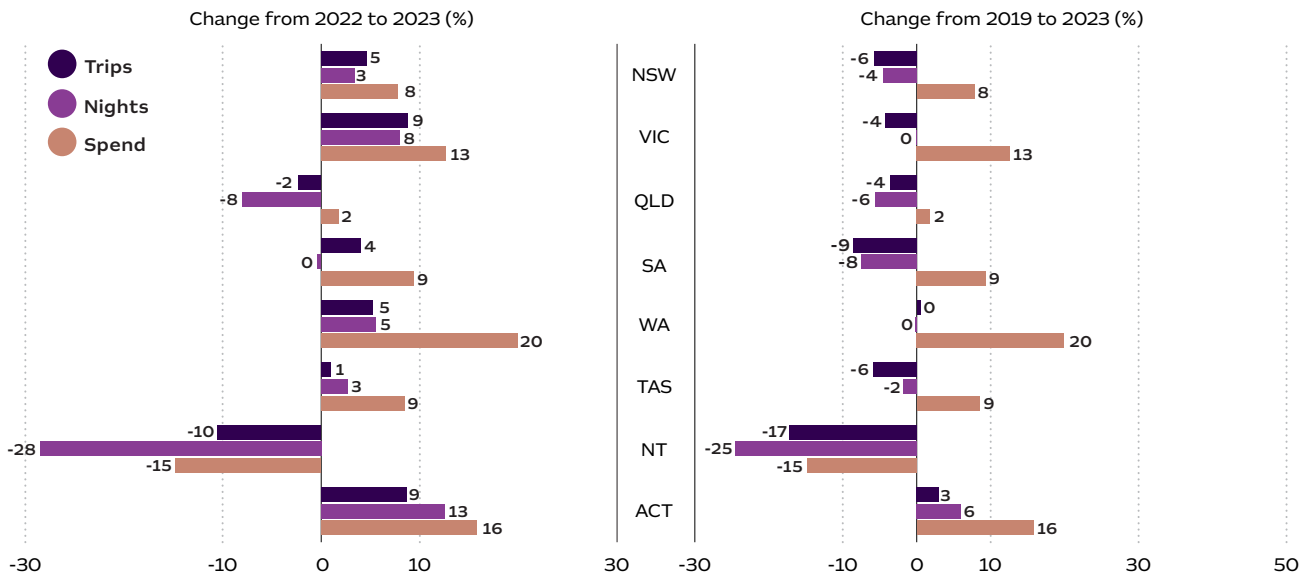
Domestic overnight visitation varied across the states/territories in the year, although overall domestic tourism demand was stronger in 2023 than the previous year for all states and territories except for the Northern Territory (NT) and Queensland (Figure 21, left panel). Domestic overnight visitor spend was higher in 2023 for all states/territories than it was pre-pandemic, while trip numbers were only above the pre-pandemic level for the Australian Capital Territory (ACT) and Western Australia (WA; Figure 21, right panel).

The relatively weak outcomes in 2023 for the Northern Territory and Queensland came directly after exceptionally strong outcomes in 2022. In contrast, the strong outcomes in 2023 for WA follow directly after mild outcomes in 2022 (when interstate travel

became an available option for Western Australians). Stronger outcomes in 2023 for Victoria, New South Wales (NSW) and the ACT are consistent with those states and territories having had further to recover over the year, due to the deeper impact from COVID-19 related lockdowns there.



Figure 21. Domestic overnight trips, nights, and spend, by state/territory, change in 2023 compared to 2022 (left panel) and compared to 2019 (right panel).



Source: Tourism Research Australia, National Visitor Survey, data to December 2023.

Mobility data

TRA commenced publication of a new domestic tourism measure via the [Domestic Mobility Data](#) dashboard on World Tourism Day, 27 September 2023. The new dataset is based on de-identified, mass aggregation of mobile phone data and is extrapolated using population estimates from the Australian Bureau of Statistics (ABS).

The data is published monthly, around 10 days after the reference period, on the TRA website. It is therefore an extremely timely indicator of domestic travel demand.

Data is currently available for:

- Australia as a whole, as well as each of the states/territories
- the number of trips as well as the number of nights away
- domestic overnight and domestic day trips
- the breakdown of interstate and intrastate overnight trips.

This monthly mobility data shows the softening in demand for domestic overnight travel over 2023 (Figure 22, top panel). The number of domestic overnight trips reached a record high in January 2023, with 12% more trips than in January 2022. Demand remained solid in the early months of 2023,

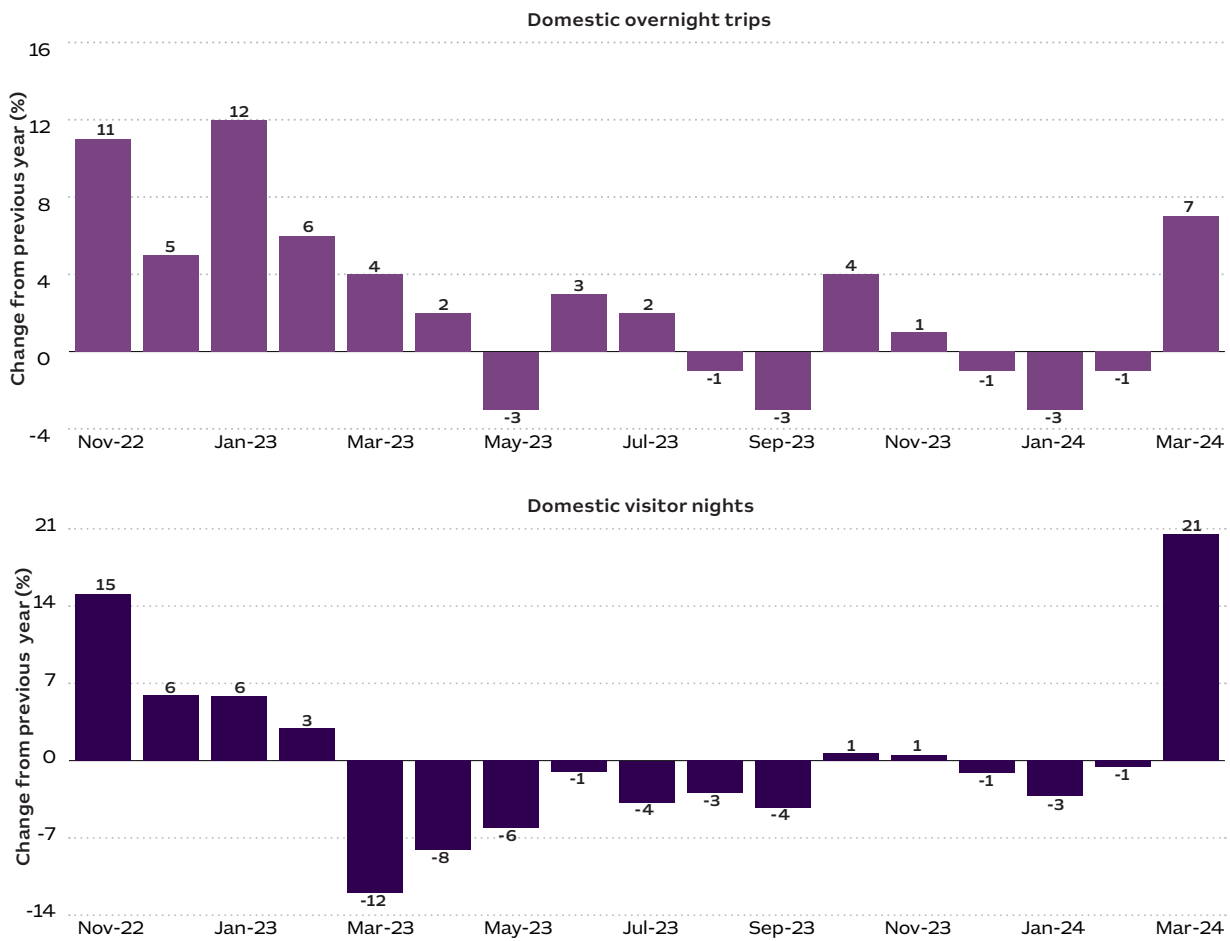
following on from a strong end to 2022 when Australian residents had higher household savings, there was pent-up demand for travel, and Australians favoured domestic trips over international travel. However, from the middle of the year, domestic travel demand waned and was generally softer compared with the same month from the previous year, with the exception being those months influenced by school holiday travel. For the year as a whole, there were 2.4% more overnight trips in 2023 than in 2022 according to TRA's domestic mobility data.

Data for early 2024 suggest that the softening in domestic travel demand has continued with domestic overnight trip numbers down slightly compared to the record highs of early 2023.

Domestic visitor nights also declined over the year, with domestic travellers looking for shorter trips and more affordable travel options (Figure 22, bottom panel). For the year as a whole, there were 2.2% fewer domestic visitor nights in 2023 than in the previous year. Note that March 2024 contained Easter public holidays in contrast to the previous year, showing the influence the timing of such major events and holidays can have on travel patterns.



Figure 22. Domestic overnight trips and nights, change compared to the same month in previous year, November 2022 to March 2024.



Source: TRA Mobility data, sourced from DSpark Pty Ltd, using specific validation methods assessed as meeting international quality standards.

TRA’s mobility dataset is being expanded to include domestic travel by Australians to each of the tourism regions, in addition to the state and territory measures currently available. The timeliness and large sample size of this dataset make it ideal for use as part of a new domestic tourism dataset that will replace the current National Visitor Survey from the beginning of 2025. The new data collection will use a combination of survey data, mobility data and resident population information to measure domestic tourism.

Sustainability in tourism

Sustainable tourism is central to the visitor economy's future success. This is recognised in Australia's national visitor economy strategy, THRIVE 2030. According to Booking.com's annual [Sustainable Travel Report](#), in 2023, 74% of travellers said they want travel companies to offer more sustainable travel choices (up from 66% in 2022). As travellers increasingly expect and prefer sustainable and eco-friendly travel options, it is crucial that Australia delivers on these expectations to remain a desirable destination.

To help the Australian tourism sector progress sustainability objectives, Australian Tourism Ministers launched the **National Sustainability Framework for the Visitor Economy** in November 2023.¹⁹ The Framework marked a pivotal point in advancing sustainability across the visitor economy in Australia as it declared that sustainability is no longer optional or a feature of niche tourism products, but rather an imperative for the future success of every business in the visitor economy.

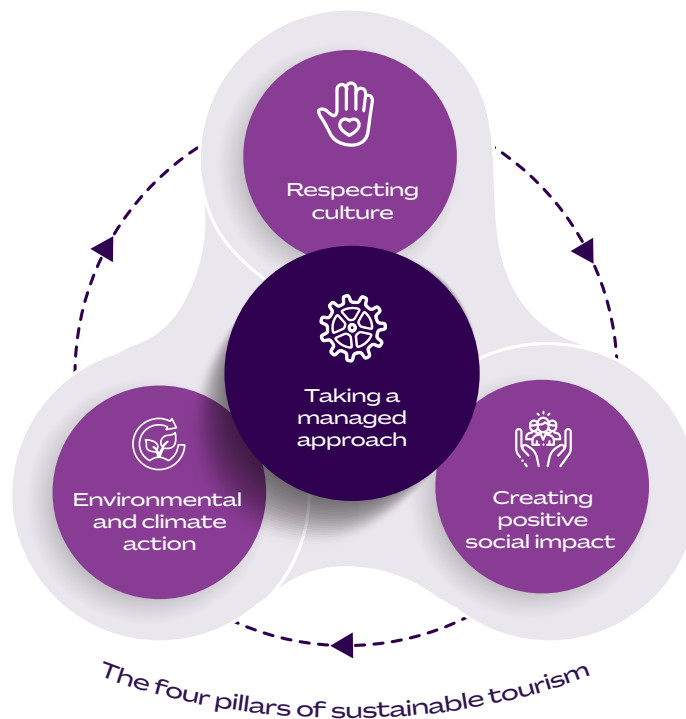
The Framework, the first of its kind for Australian tourism, sets out a vision for a sustainable visitor economy as follows:

Australia is a world leader in sustainable tourism, delivered by thriving businesses that protect and enhance the environment, respect and nurture our diverse cultures, and empower local communities.

The Framework provides a nationally agreed understanding of sustainable tourism to bring the sector together with a consistent approach. The Framework signals a clear commitment by all Tourism Ministers to provide leadership and direction on sustainable tourism development, and to collaborate in building industry capability.

The Framework contains a series of goals and priorities for a sustainable visitor economy across the four pillars of sustainable tourism (Graphic 1).

Graphic 1: The four pillars of sustainable tourism.



19. The National Sustainability Framework was developed collaboratively by Austrade in partnership with all State and Territory Governments, Tourism Australia, Earthcheck Pty Ltd, and with input from a wide range of industry, First Nations, and government stakeholders.

Sustainable tourism seeks to protect Australia’s unique natural and cultural drawcards, preserving them for future visitors. This includes action by the sector to protect and conserve our environment and biodiversity, reduce emissions and offer environmentally friendly experiences.

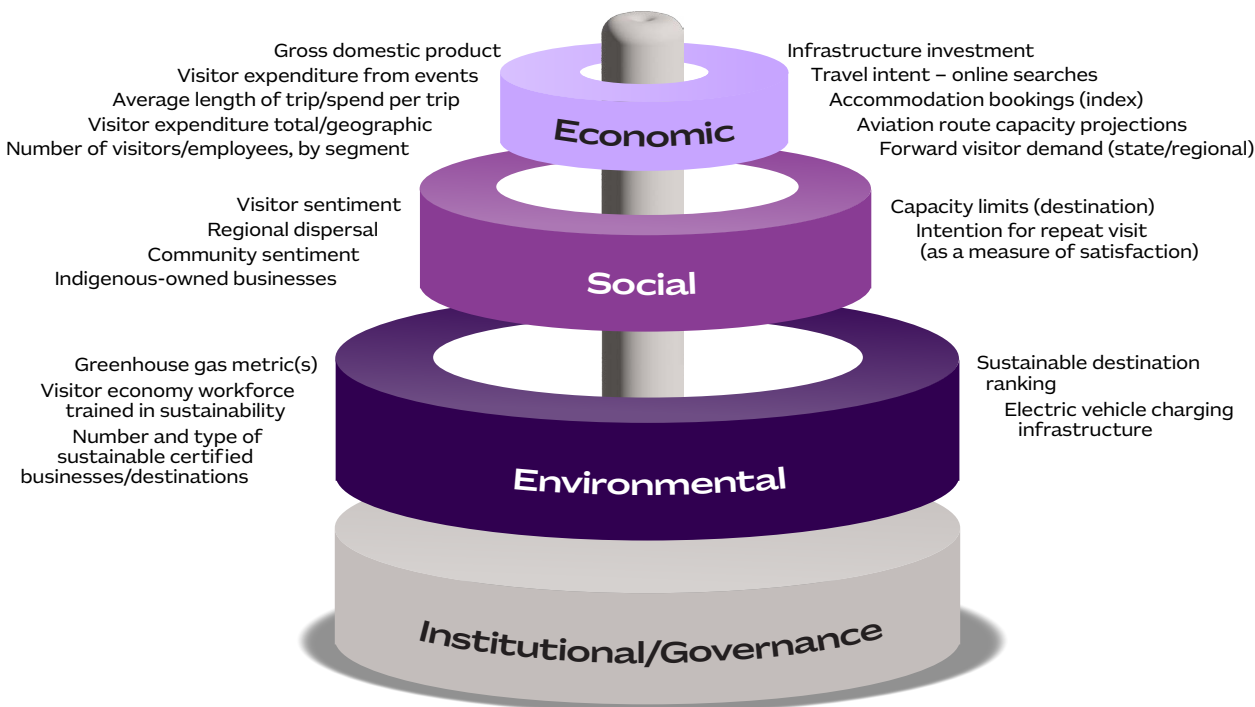
An educational guide – the **Sustainable Tourism Toolkit** – accompanies the Framework and supports tourism businesses to act on sustainability. The toolkit provides practical, easy-to-understand information and advice to help them respond to growing consumer demand for sustainable travel choices. It is suitable for businesses both starting and progressing their sustainability journey. Operating more sustainably helps businesses become more efficient, improve profitability, and increase resilience over time. The toolkit is available in 2 formats:

- a short online version of the [Sustainable Tourism Toolkit on business.gov.au](https://www.business.gov.au)

- a detailed version of the [Sustainable Tourism Toolkit for download](#).

To better measure the long-term progress of Australia’s visitor economy, TRA will release a dashboard of indicators across the 4 pillars of sustainable tourism. This will be the first time that national indicators for the visitor economy will be published on social and environmental measures as well as economic measures. The release of the Longitudinal Indicators for the Visitor Economy (LIVE) Framework will progress the goals of the National Sustainability Framework by measuring aspects of sustainable tourism including the carbon intensity of Australia’s visitor economy. The proposed LIVE framework²⁰ recommends 3 separate pillars – economic, social and environmental – for monitoring the visitor economy’s performance (Graphic 2). It also recognises the importance of governance and other institutional elements as a 4th pillar needed for a healthy visitor economy.

Graphic 2: Conceptual LIVE framework: Longitudinal Indicators for the Visitor Economy.



20. The LIVE framework was a key recommendation of the [Industry Data and Expert Analysis \(IDEA\) Working Group](#) which was established for 12 months to April 2023 as part of the implementation governance for the THRIVE 2030 Strategy. The proposed LIVE framework was informed by earlier research by the Griffith Institute for Tourism, and by the United Nations World Tourism Organization (UNWTO) framework for [Measuring the Sustainability of Tourism](#). The Working Group considered over 70 indicators to measure visitor economy performance which were condensed into an initial short-list of 21 indicators. The Working Group expected the initial shortlist to evolve over time as community and policy priorities emerge.



Image courtesy of Visit Victoria

Sustainable growth and the Peninsula Hot Springs

Case Study by Department of Jobs, Skills, Industry and Regions (Victoria)

The Victorian Government is supporting sustainable growth in Victoria's tourism sector by investing in infrastructure projects that encourage year-round and off-peak visitation and improve customer experiences.

In 2023, the Victorian Government launched the Experience Victoria 2033 (EV33) plan, outlining how the government will continue to work towards sustainable destinations, experiences, and growth. The goal is that by 2033, Victoria will be recognised for bold and innovative tourism products that attract visitors from across the world.

In line with the sustainability aspects of EV33, the Peninsula Hot Springs is receiving a major upgrade through a \$3.3 million Regional Tourism Investment Fund grant. The grant supports the first stage of their Masterplan, including 3 luxurious eco lodges accommodating up to 20 people, 3 massage spa pods and a relaxation centre. The upgrades commenced in May 2023 and are due for completion in mid-2024.

The environmentally friendly eco lodges are constructed in Geelong using innovative methods that significantly reduce carbon emissions. By using Cross-Laminated Timber and screw piles, they have eliminated the need for carbon intensive structural steel and concrete. Solar power, thermally efficient windows and hydronic heating further reduce carbon emissions and increase guest comfort and sustainability.

This passion for the environment and sustainability goes beyond everyday operations at the Peninsula Hot Springs – they seek to inspire guests to be conscious of their environmental behaviour as well.

With current visitation to the Peninsula Hot Springs at over 500,000 people per year, the completed Masterplan is expected to grow visitation to over 800,000, making it a premier wellness tourism destination in Australia.

Travellers with accessibility needs

TRA collects data on domestic travellers in Australia with accessibility needs via the Disability Supplementary section of the National Visitor Survey. Specific questions for travellers with accessible needs were included in surveys conducted in the June quarter 2023. Key insights from this data snapshot (June quarter 2023) include:

- The estimated total value of domestic travel by people with accessibility needs and people who travelled with them ('travellers with accessibility needs') in the June quarter 2023 alone was **\$6.8 billion, 21% of total domestic tourism spend** in that quarter.
- The estimated number of domestic trips, both overnight and day trips, by travellers with accessibility needs in the June quarter 2023 was **18.5 million, 23% of all domestic trips** that quarter.
- Travellers with accessibility needs were **more likely to take intrastate trips relative to other travellers**: 73% of overnight trips of travellers with accessibility needs were intrastate trips, while the remaining 27% of overnight trips were interstate. This compared with 67% of overnight trips for other travellers being intrastate and 33% being interstate.
- Travellers with accessibility needs were less likely to travel alone, in a couple or with a business associate than other travellers. Travellers with accessibility needs were **more likely to travel with a group**, including with family or friends.



- Travellers with accessibility needs were **more likely to stay in private accommodation** than other travellers. For travellers with accessibility needs, 50% of overnight stopovers were in private accommodation and 47% in commercial accommodation, while for other travellers, 46% of overnight stopovers were in private accommodation and 51% in commercial accommodation.
- Travellers with accessibility needs were less likely to travel by aircraft to their destination than other travellers – 17% compared with 23% – and were **more likely to use self-drive vehicles** than other travellers – 77% compared with 71% for other travellers.



All data and estimates presented here are for domestic travel in the June quarter 2023. They are also restricted to people aged 18 years or older. Note that the “travellers with accessibility needs” group is the sum of all NVS respondents who identified as having a disability or travelled with a person who did.

The THRIVE 2030 Strategy acknowledges the considerable opportunity for the visitor economy in developing and promoting accessible and inclusive travel, tourism, hospitality, and leisure activities. In line with the Strategy, several initiatives have promoted an accessible and inclusive visitor economy. In particular, the Accessible Tourism Pilot project, led by Austrade and delivered by Push Adventures worked with tourism participants to improve the standard of tourism experiences for the accessible travel community. This project included mentoring, site visits, advice, and evaluation.

Austrade has published further guidance to help all tourism businesses become more accessible and inclusive in the WELCOME Framework. The framework brings together important aspects for tourism operators to consider in making their products and services more accessible. It also guides them in understanding the needs of, and promoting their business to, the accessible tourism community. The Framework was endorsed and released by the Federal Minister for Trade and Tourism along with all State and Territory Ministers on 20 May 2024.



Image courtesy of Tourism and Events Queensland

Year of Accessible Tourism in Queensland

Case Study by Tourism and Events Queensland and Department of Tourism and Sport (Queensland)

The Queensland Government declared 2023 as Queensland's Year of Accessible Tourism with a \$12 million investment to lead the state's transformation as an accessible tourism destination of choice.

With 20% of the population having a disability, the Year of Accessible Tourism was an opportunity to ignite change and create opportunities for the tourism industry, laying the foundations for the Brisbane 2032 Olympic and Paralympic Games to be the world's most accessible and inclusive sporting event for athletes and spectators. Its key aims were to:

- increase awareness of the:
 - importance of accessible tourism experiences for all
 - the economic opportunity of accessible tourism
- help the Queensland tourism industry better cater to visitors of all abilities and provide greater destination experiences for all holidaymakers in Queensland
- elevate the profile of accessible tourism experiences available in Queensland
- build or enhance industry capability and services that meet the accessibility needs of visitors and tourism workers.

Targeted initiatives in 2023 delivered outcomes across infrastructure and experience development, awareness and capability development, and the promotion of accessible tourism experiences. During the Year of Accessible Tourism in Queensland:

- **279 accessible tourism projects** received grant funding
- **more than 300 tourism operators** and local government representatives engaged in training and consultations
- **180 new accessible tourism images and 6 travel itineraries** were developed by Tourism and Events Queensland (TEQ)
- TEQ delivered a dedicated marketing campaign to drive awareness of accessible tourism, grow advocacy and position Queensland as an accessible and inclusive destination of choice.
 - Complementing this was the highly successful 11-episode podcast, ***Accessed That***, which charted at number one on the Apple Podcast travel charts, achieving 5,800 downloads and ranking in the top 5% of podcasts globally.

The Year of Accessible Tourism was extended into 2024 to amplify and embed outcomes from 2023, recognising the ongoing efforts required for continuous improvement of accessibility within the Queensland tourism industry.



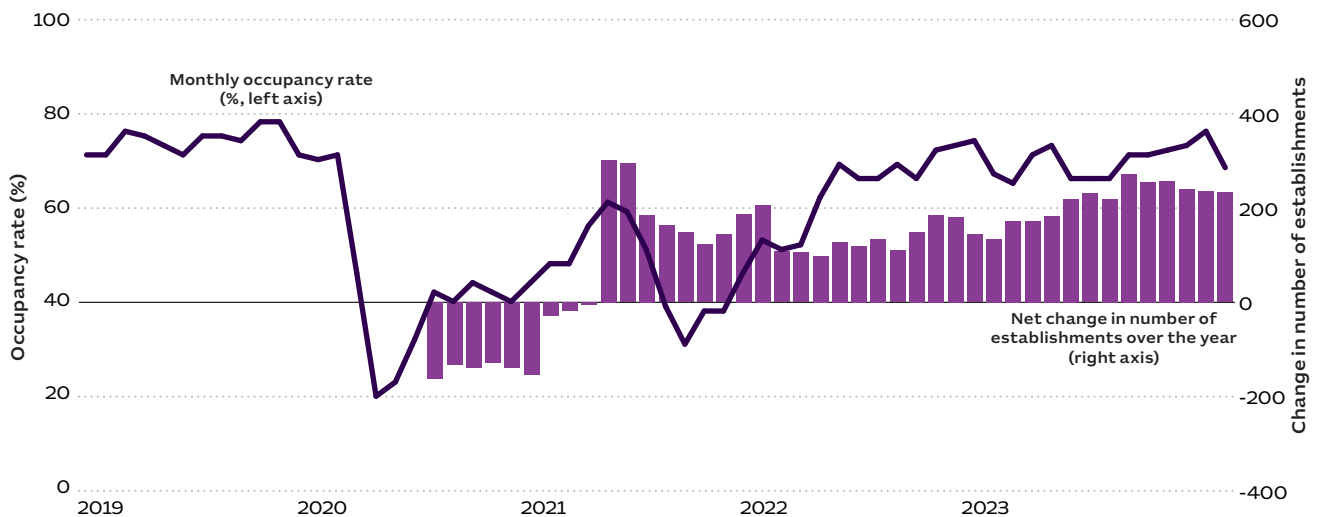
Supply measures – capacity of the Australian visitor economy

Accommodation

The number of commercial accommodation establishments in Australia increased to a record high in 2023, according to data from STR.²¹ As at December 2023, there were 6,188 accommodation establishments with 10 or more rooms in Australia, an increase of 243 establishments (4.1%) over the year (Figure 23). This was 7.4% higher than the number of establishments prior to the pandemic (5,759 at December 2019).

Additions to accommodation supply were in line with rising demand for accommodation. The average occupancy rate for commercial accommodation increased in Australia in 2023 and was 70% on average across the year (Figure 23). This was higher than in the past 3 years, which averaged 43%, 47%, and 65% respectively, but below the 2019 (pre-pandemic) year-average occupancy rate of 74%.

Figure 23. Monthly occupancy rate and annual change in supply of Australian accommodation establishments, 2019 to 2023.



Source: STR

21. STR is a global data analytics company that produces hotel benchmarking and stocktake monitors for the accommodation sector globally. It was acquired by CoStar Inc, a global provider of real estate data, analytics and news. The STR Global database reports supply, demand and revenue for hotels & resorts, motels/private hotels/guest houses, serviced apartments and holiday parks with 10 or more rooms.

The average daily rate (ADR) charged for a room increased by 4.5% in 2023 compared to the average for 2022. However, there was some variation over the year, with the ADR much higher in the early part of the year than it was for the same period in 2022, then more in line with the previous year's values later in the year. In December 2023, the ADR was \$263, down by 1% on the ADR for December 2022 of \$265.

On the other hand, revenue per available room (RevPAR) was generally stronger again in 2023. On average over the year, RevPAR increased by 11% in 2023, to be 19% above its pre-pandemic level (Figure 24). RevPAR is a closer representation for the earnings of accommodation providers than the room rate, as it adjusts for the occupancy rate. Solid occupancy rates along with higher RevPAR are welcome signs of strong demand for accommodation. They also supported the continued investment in Australian accommodation supply (see Investment section of this report).

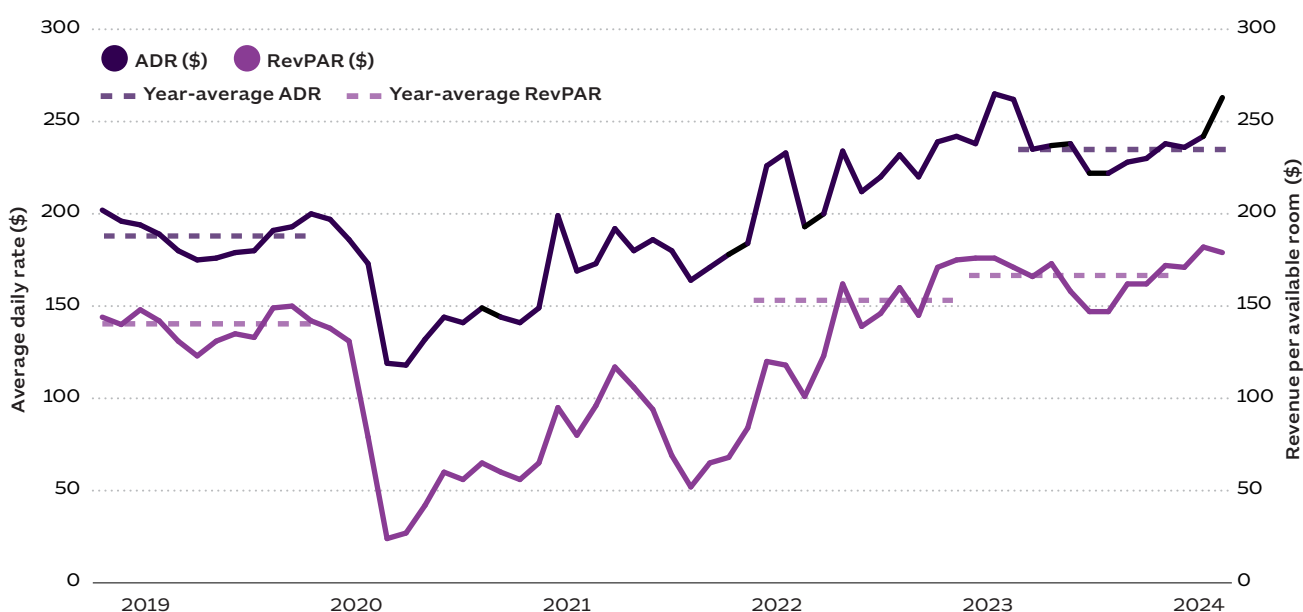
By class of accommodation establishment

By accommodation class, a net increase of 481 to the supply of 'midscale and economy' class accommodation establishments accounted for much of the growth in total supply over the period from 2019 to 2023. The number of 'luxury and upper upscale' establishments also increased over this period by 47 properties, while the number of 'upscale and upper midscale' establishments declined by 99 properties.

The trends discussed above in occupancy rate, ADR and RevPAR were similar across the 3 accommodation class groups in 2023. Occupancy rates, the year-average ADR and RevPAR increased for all 3 accommodation classes in 2023 relative to the previous year, while the ADR was lower at the end of the year compared to the same time the previous year for 'midscale and economy' class and 'upscale and upper midscale' establishments. On average over 2023, for the:

- luxury class group, the occupancy rate was 6 percentage points higher, the ADR was 3% higher and RevPAR was 13% higher

Figure 24. Average daily room rate and revenue per available room, 2019 to 2023.



Source: STR

- upper class group, the occupancy rate was 3 percentage points higher, the ADR was 3% higher and RevPAR was 8% higher
- economy class group, the occupancy rate was 4 percentage points higher, the ADR was 5% higher and RevPAR was 11% higher.

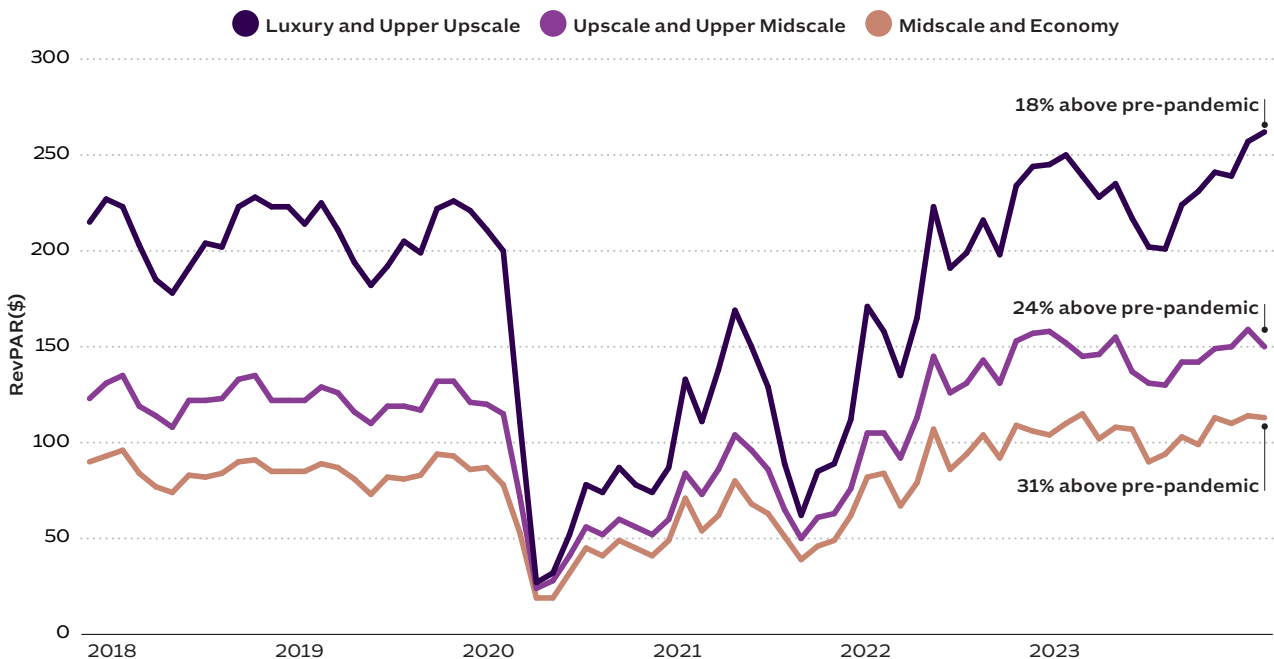
The average gap in RevPAR for luxury class over the other classes was broadly re-established in 2023, after room rates for the luxury class had declined by much more early in the pandemic (Figure 25). The average gap in RevPAR for the midclass over the economy class increased above the pre-pandemic average in 2022 and increased further in 2023.

The average occupancy rate in 2023 increased markedly in New South Wales, Western Australia and Victoria compared to the previous year (Figure 26, top panel). Conversely, the average occupancy rate in 2023 declined in Tasmania and the Northern Territory compared with 2022, which offset some of the strong bounce back in travel there in 2022 immediately following the most challenging part of the pandemic.



The average occupancy rate in 2023 was largely unchanged in South Australia, the Australian Capital Territory and Queensland. Compared to pre-pandemic, the average occupancy rate in most states and territories was lower in 2023, however, the occupancy rate in 2023 was above that in 2019 for Western Australia and was unchanged for Queensland and the Northern Territory.

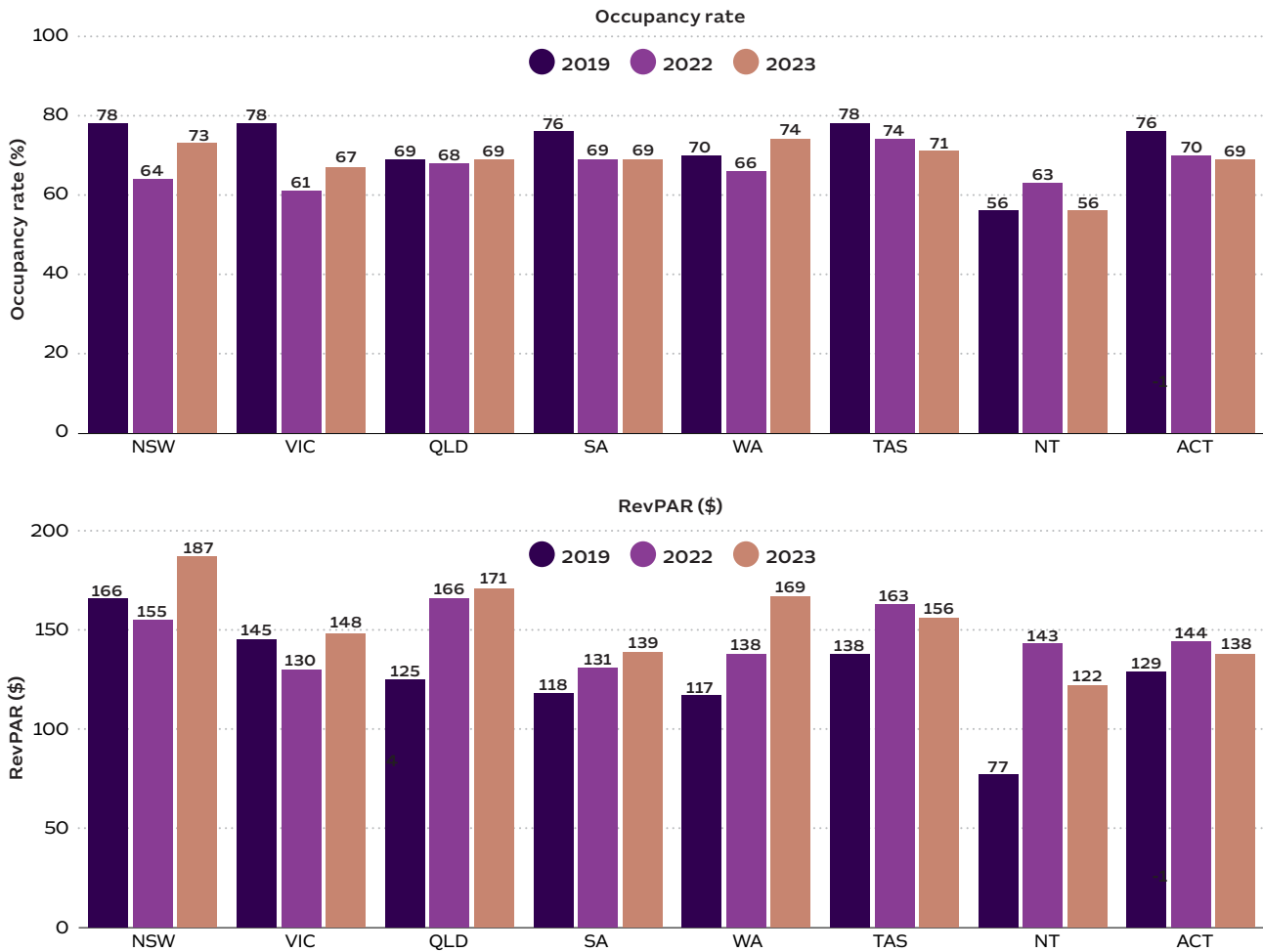
Figure 25. Revenue per available room by accommodation class, monthly data, January 2018 to December 2023.



Source: STR

Similar trends to those described above were observed for the average RevPAR in 2023 across the states and territories (Figure 26, bottom panel). In 2023, the average RevPAR increased strongly in New South Wales, Victoria, and Western Australia, but decreased in Tasmania and the Northern Territory. The average RevPAR in 2023 was higher in all states and territories than in 2019, with Western Australia, the Northern Territory and Queensland recording the largest gains.

Figure 26. Average occupancy rate (top panel) and Revenue per available room (bottom panel) by state and territory in 2019, 2022 and 2023.



Source: STR

Aviation

Globally, airlines faced impediments to rapidly reviving aviation capacity in the post-pandemic period. It took time to replenish workforces (including roles such as pilots, flight crew, ground staff, maintenance workers and engineers), resume flights

of grounded aircraft, meet maintenance requirements and iron-out supply chain disruptions. However, substantial progress was made in 2023 to increase both domestic and international aviation capacity in Australia as well as improve airline operations.

The number of seats available on domestic flights increased by 12% in 2023, from 65.3 million in 2022 to 72.9 million in 2023. Domestic seat capacity in 2023 was still 6% below the pre-pandemic number of 77.5 million domestic aviation seats in 2019. The average passenger load factor for domestic flights was 80.5% overall for 2023, which was slightly higher than the previous year and in line with the high levels of the years prior to the pandemic (Figure 27, left panel).

As the international border opened much later than the state borders, the recovery in international aviation capacity has lagged relative to that of domestic aviation but made substantial progress in 2023. International flight seat capacity rose by 85% in 2023, from 12.2 million seats to 22.6 million seats in 2023 (Figure 27, right panel). This was still 16% below the pre-pandemic number of 26.8 million international aviation seats in 2019. The average passenger load factor for international flights also increased further in 2023 to 82% overall for the year, which was in line with the pre-pandemic peak.

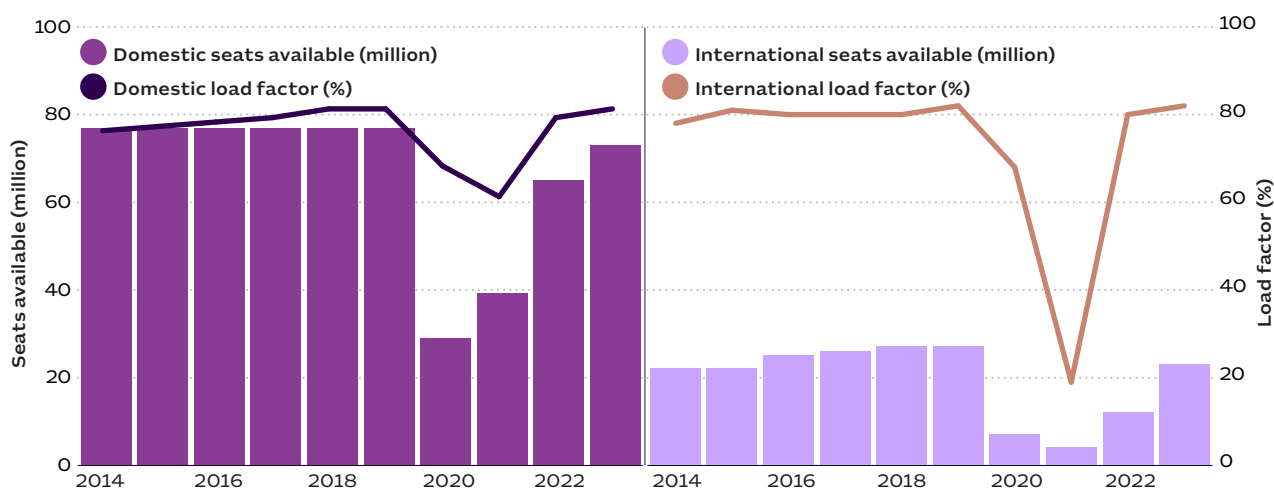
As per the increased number of seats available, the number of international flights into Australia also increased markedly in 2023, by 66%, to be just 13% below the

pre-pandemic peak. There were 89,800 flights into Australia in 2023 compared with 103,200 in 2019; there were just 54,100 flights into Australia in 2022 and 25,700 in 2021.

Flight routes to new destinations continued to open in 2023, leading to greater connectivity to some regions, while other regions maintained much lower aviation capacity compared to pre-pandemic (Figure 28). In 2023, 81% of the more than 10 million additional international seats into Australia came from South-East Asia (3.5 million), North-East Asia (2.9 million) and New Zealand (2 million). The number of seats available from South Asia was more than double the 2019 level in 2023, and this was the only region that had more aviation capacity overall in 2023 than it did in 2019. The number of flight seats was close to the pre-pandemic level for South-East Asia, Europe, and the Pacific Islands. However, aviation capacity remained below the pre-pandemic level in 2023 for seats into Australia from Africa, North-East Asia, and South America.

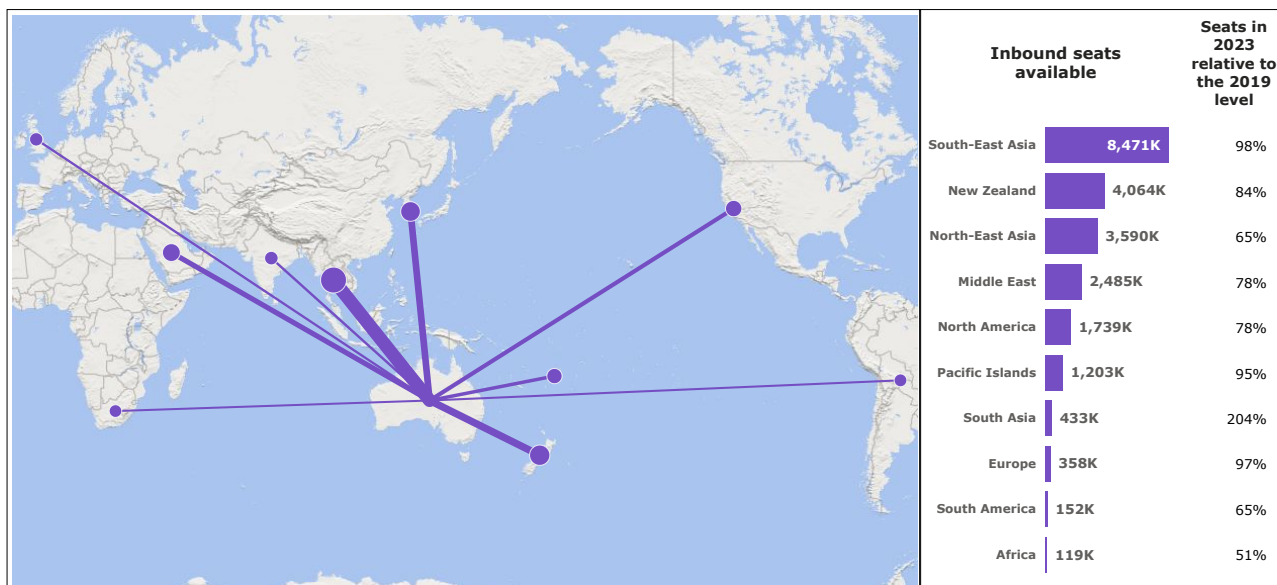
The forward schedule for the number of flights into Australia suggests further increases in 2024 compared with 2023.

Figure 27. Domestic and international flight seat capacity and load factors, 2014 to 2023.



Source: BITRE aviation data, airline activity.

Figure 28. International inbound airline seats available by region for calendar year 2023.



Source: BITRE, International Airline Activity, Flight seats, data to December 2023 as at March 2024.

Air fares

Domestic airfares have been volatile for the past few years in response to the major changes when air travel was extremely limited during 2020 and 2021 and then faced pressure to rapidly return in 2022. Overall, in 2023, airfares were more stable and business class and economy class airfares remained lower than they were before the pandemic (Figure 29).

Data from the BITRE²² index of domestic air fares²³ shows that in 2023, on average:

- Business class airfares were around 20% lower than in 2019, but around 10% higher than in 2022.
- Economy class fares were around 7% lower than in 2019, but around 15% higher than in the previous year.

- Best discount airfares were 27% above the pre-pandemic level, but unchanged on average in the year compared to the average of the previous year.

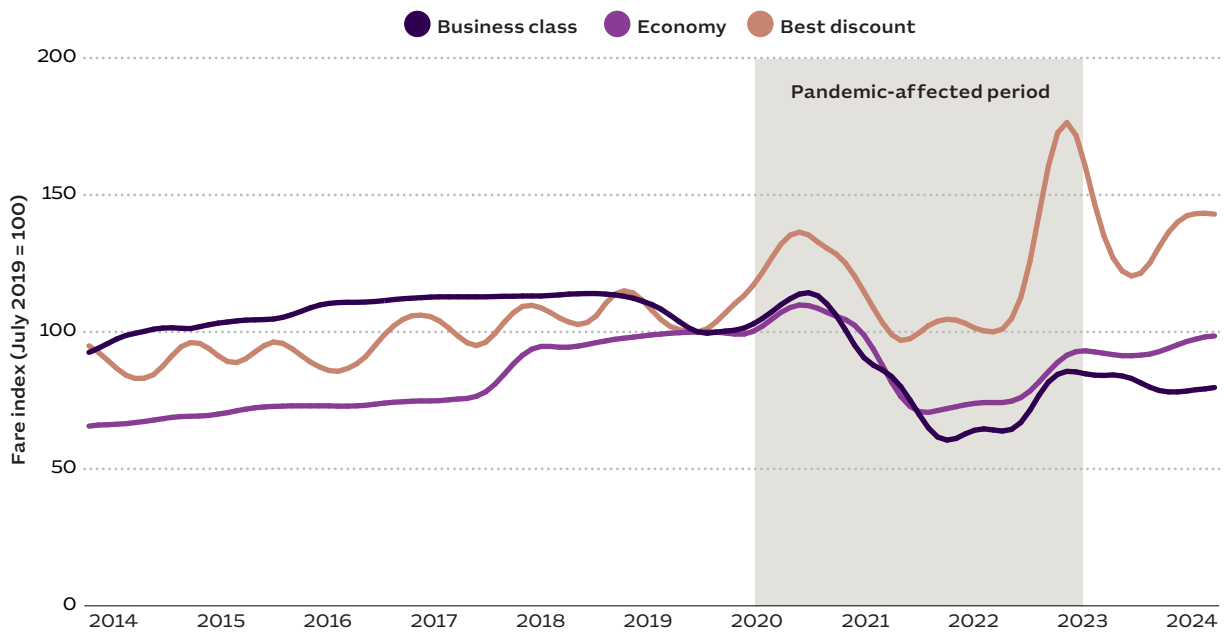
The BITRE's CPI-adjusted air fares indexes show that in 2023, on average:

- real business class fares were 33% lower in 2023 than in 2019, but 5% higher than in 2022 on average across the year
- real economy class fares were on average 20% below the pre-pandemic level in 2023, but 8% higher than the previous year
- The best discount airfares index in real terms was 9% higher than in 2019, but was 5% lower than the previous year. Of note, the best discount real air fare in December 2023 was 17% lower than in December 2022.

22. The Bureau of Infrastructure and Transport Research Economics (BITRE) provides economic analysis, research and statistics on infrastructure and transport issues to inform Australian Government policy development and wider community understanding. BITRE is part of the Data, Analytics and Policy Division of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

23. BITRE's Air Fares Indexes are constructed from a monthly survey of airline internet booking sites for the top 70 routes in the Australian domestic network. The series is a price index of the lowest available fare in each fare class, weighted over selected routes (for fares available on the last Thursday of the month, the 'nominated day of travel'). It does not measure real airline yields, or average fares paid by passengers. During the period of "Half Off" air fares made available through Tourism Aviation Network Support (TANS), the BITRE Best discount index uses the cheapest available fare using "Half Off" fares where available.

Figure 29. Domestic airfares by category, smoothed index level, January 2014 to March 2024.



Note: data are smoothed (13-month moving average).

Source: BITRE, Domestic Air Fares Index (non-CPI adjusted).





Image courtesy of Tourism Western Australia

Affordable Airfares Program 2023

Case study by Tourism Western Australia

Tourism Western Australia's Affordable Airfares Program was developed to address concerns around the affordability of regional airfares across Western Australia and the impact this was having on tourism, particularly into key tourism hubs in the north of the state that rely on air access.

The program was developed and piloted in 2019 and, after much success and positive feedback from industry, it continued into 2024.

The 2023 program delivered affordable airfares on three regional routes from Perth to Broome, Kununurra and Exmouth. Through a competitive Expression of Interest process, Tourism Western Australia worked with Virgin Australia and Qantas to provide 31,270 discounted fares across the three routes between March and December 2023. 84% of discounted fares were utilised as part of the 2023 program, supported by cooperative marketing activity with each airline partner to promote bookings and travel to the regional tourism destinations.

Industry consultation was conducted by a research consultancy following completion of the 2023 program. The findings highlighted the positive impact on tourism with stakeholders affirming that the program succeeded in driving incremental leisure visitation to the region. Increased affordability made these destinations competitive travel options and drove an increase in bookings for local tourism businesses providing an economic boost to the regions.

The 2024 program is underway and includes a pilot for a fourth regional route, Broome to Kununurra, to encourage tourists to visit both Broome and Kununurra on a single itinerary.

Employment

The pandemic had a devastating impact on the visitor economy workforce. Repeated and prolonged closures in 2020 and 2021 led to workforce reductions for many tourism businesses. As demand for travel then increased, many businesses in the visitor economy faced challenges finding sufficient workers to effectively deliver their operations. In 2022, workforce and skills shortages were prevalent and severe across the visitor economy. In response to workforce shortages, some businesses reported making changes to their business models, which may reduce their need for workers going forward.

In 2023, the tourism workforce continued to rebuild, supported by progress in addressing workforce barriers and the return of international migration. Over the year, tourism filled jobs increased, while vacancies declined. Analysis suggests the severity of labour shortages eased in 2023, though skills shortages remained elevated relative to the pre-pandemic period, especially for particular roles such as waiters and chefs.

In some parts of the visitor economy, the number of employers looking to recruit additional staff has declined and finding suitable labour appears to have become less difficult.²⁴ International worker numbers have also increased significantly. Over the same time, national and state-specific policy measures have sought to support the visitor economy to rebuild its workforce. For example: Austrade has supported the Australian Government's Disability Employment Local Tourism Navigators Pilot, run by the Department of Social Services, with a communications campaign to attract mature Australians to work in tourism, and overseen the Choose Tourism program with states and territories to attract workers to tourism and promote underutilised cohorts to tourism employers.

Further analysis and detail on the tourism workforce is contained in the [Tourism Workforce Report](#) published by TRA in 2023.

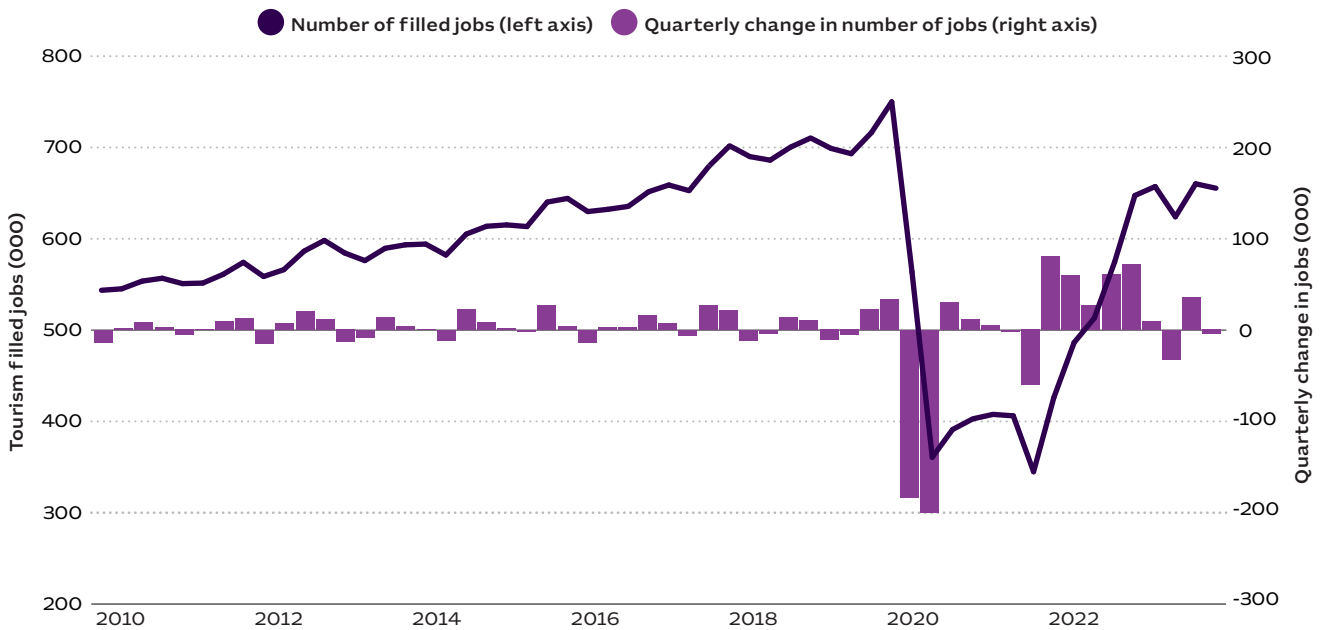
Filled jobs

At the end of 2019, there were 750,000 filled jobs in the visitor economy. The impact of the pandemic reduced this number to a low of 405,100 jobs in September 2021, a decline of 54% or 393,600 jobs. At the end of the December quarter 2023, there were 655,400 filled jobs in the visitor economy (Figure 30). This was an increase of 310,500, or 90% since the low point of September 2021. While tourism filled jobs increased by 8,000, or 1.2%, over the year to December 2023, the number of jobs remained 94,600, or 13%, below the pre-pandemic level. The pace of recovery in tourism jobs in 2023 was much slower than in 2022.



24. Based on insights from the Accommodation and Food Services industry in the quarterly [Recruitment Experiences and Outlook Survey](#) | Jobs and Skills Australia.

Figure 30. Tourism filled jobs, quarter-end number (line, left axis) and quarterly change (bars, right axis), 2010 to 2023.



Source: ABS, Tourism Satellite Account: Quarterly tourism labour statistics, Australia, December 2023.

In contrast to the slow and prolonged return of tourism job numbers, the Australian economy overall had gained more than 1.5 million jobs at the end of 2023 compared to the December 2019 level (Figure 31). Jobs growth was also faster in the broader economy in 2023 with a 2.8% increase compared with the 1.2% increase in tourism filled jobs specifically between December 2022 and December 2023.

At the end of 2023, the visitor economy accounted for 1 in 24 filled jobs in the economy (or 4.2% of jobs), down from the peak of 1 in 19 jobs (or 5.3% of jobs) in the December quarter 2019.

Figure 31. Economy wide jobs and tourism filled jobs, March 2018 to December 2023.



Source: ABS, Tourism Satellite Account: Quarterly tourism labour statistics, Australia, December 2023.

Revisions to tourism filled jobs estimates

Tourism filled jobs estimates are produced by the Australian Bureau of Statistics (ABS) on a quarterly basis. These figures are computed by applying tourism value-added industry ratios to the Australian Labour Account measure of employment in industries that produce tourism products. This approach is used because tourism is not a stand-alone industry identified within the Australian and New Zealand Standard Industrial Classification (ANZSIC).

The tourism value-add ratios are updated with each annual Tourism Satellite Account and applied to the quarterly estimates of tourism-filled jobs in the September quarter each year. The rapid changes brought about by COVID-19 have resulted in a higher-than-normal level of revisions in recent years.

In the September quarter 2023, the revisions resulted in substantial adjustments to estimates of tourism filled jobs over the previous 4 years. The June quarter 2023 saw the largest revision and was revised down by 13% or 90,300 jobs: from 713,000 jobs (the previous estimate) to 622,700 jobs.

The revised data reports that the pre-pandemic peak was slightly lower than previously estimated, and that the low point in tourism-filled jobs occurred in the September quarter of 2021 (due to the Delta strain of COVID-19 outbreak-related lockdowns), rather than in the June quarter of 2020 as was previously reported. Moreover, the recovery in filled job numbers was found to be much less progressed than was implied by the previous data release.

In 2023, the tourism-related industry with the largest increase in filled jobs was the education and training sector, which gained 23,500 filled jobs between December 2022 and December 2023, up 73%. This sector saw a disproportionately large reduction in tourism-filled jobs during the pandemic. This was because international students are counted as 'tourists', only if they are physically present in the country and here for no more than 12 out of the last 16 months. Therefore, when the borders closed and international students remained in Australia for an extended period, they were no longer counted as tourists, and the workers providing services to them were no longer counted as being tourism-related employment. Even though workers in jobs delivering education services to international students were no longer reported as being in the visitor economy, they may have been delivering education services to domestic students or online students. Despite the large gain in jobs in 2023, the number of filled jobs in the education and training sector remained further below its pre-pandemic in 2023 than other industries.

Other tourism-related industries with increases in filled jobs in the year to December 2023 were:

- Sports and recreation services, which gained 7,500 filled jobs, up 22%
- Air, water, and other transport, which gained 3,600 filled jobs, up 11%
- Cultural services, which gained 3,500 filled jobs, up 27%
- Travel agency and information centre services, which gained 2,400 filled jobs, up 7%.

In contrast, the accommodation sector recorded the largest decline in filled jobs in the year. There were 15,900 filled jobs lost in this sector between December 2022 and December 2023, a fall of 17%. The number of filled jobs in the accommodation sector at the end of 2023 was 24% lower than it was in 2019 (Figure 32).

Other tourism-related industries with decreases in filled jobs in the year to December 2023 included:

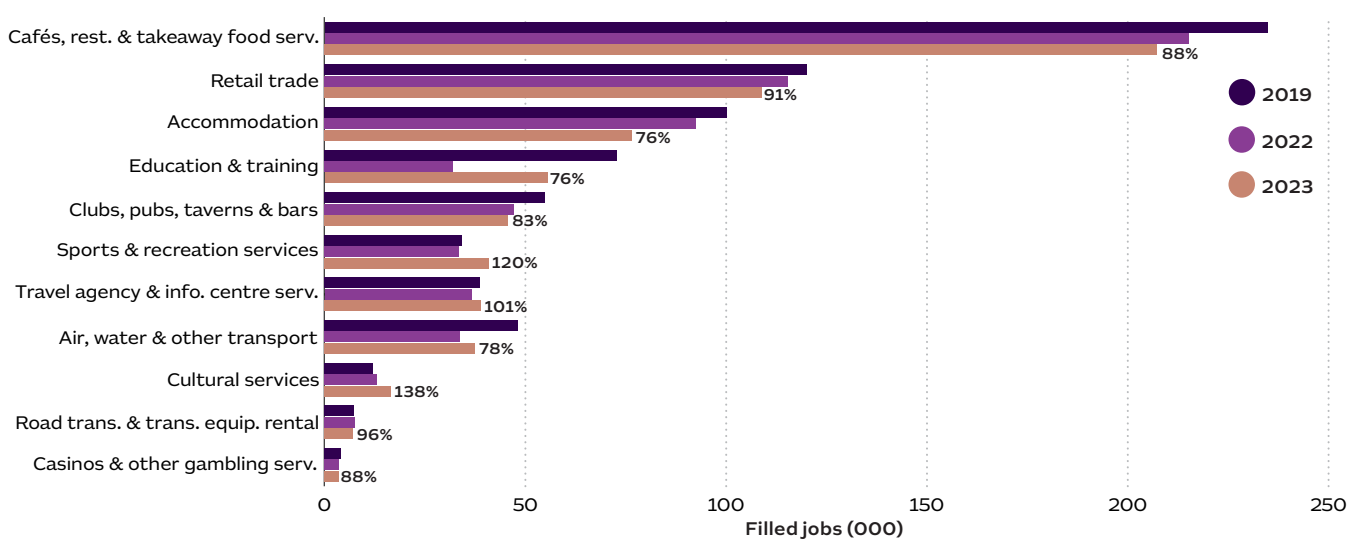
- Cafes, restaurants, and takeaway food services, which lost 7,800 filled jobs, down 4%
- Retail trade, which lost 6,500 filled jobs, down 6%
- Clubs, pubs, taverns, and bars, which lost 1,500 filled jobs, down 3%.

The measure of tourism filled jobs reported above includes both main jobs and secondary jobs. Separating total filled jobs into either main or secondary jobs, the increase in jobs over the year was primarily driven by growth in secondary jobs (Figure 33). Over the year to December 2023, the number of main tourism jobs increased by 3,200, or 0.5%, while the number of secondary tourism jobs increased by 4,800, or 8%. Compared to the pre-pandemic period, there were 4% more secondary tourism jobs in December 2023 than in December 2019. In contrast, there were 14% fewer main jobs in tourism than there were before the pandemic.



The share of secondary jobs in the visitor economy was 9.6% in the December quarter 2023, which remained above the pre-pandemic level and above the average for the Australian economy as a whole of 7.1%.

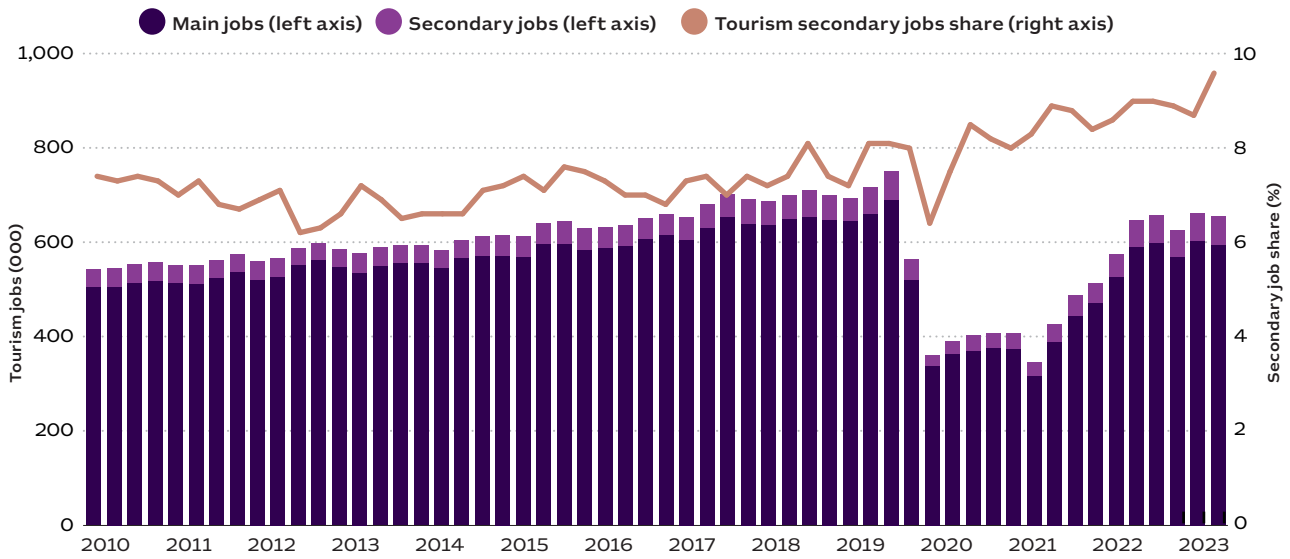
Figure 32. Tourism filled jobs by tourism-related industry in December 2019, 2022 and 2023.



Values represent the 2023 level relative to the 2019 level for that tourism-related industry.

Source: ABS, *Tourism Satellite Account: quarterly tourism labour statistics, December 2023.*

Figure 33. Tourism filled jobs by main or secondary job (left axis) and share of secondary jobs in tourism (right axis), December 2010 to December 2023.

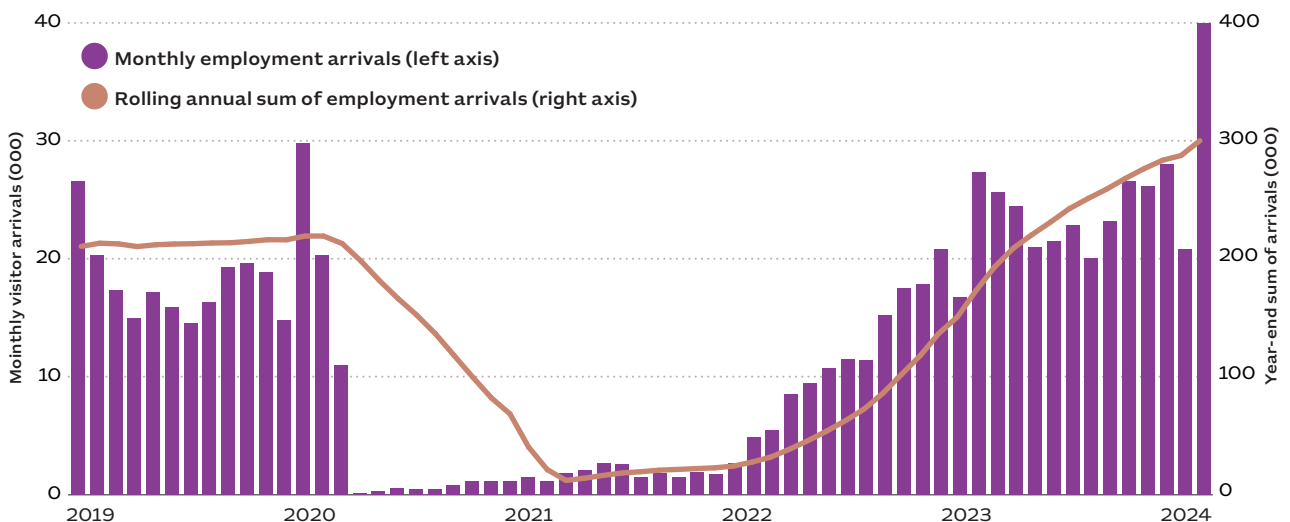


Source: ABS, *Tourism Satellite Account: quarterly tourism labour statistics*, December 2023.

Supply of potential international workers

There was strong growth in international arrivals for the purpose of employment in 2023. Throughout 2023, there were 288,000 employment arrivals, up 92% from 150,000 arrivals in 2022 (Figure 34). In January 2024, employment arrivals were particularly strong with nearly 40,000 short-term international employment arrivals, 50% more than the equivalent pre-pandemic period (January 2019).

Figure 34. Short-term international arrivals for the purpose of employment, monthly arrivals (bars) and year-end sum of arrivals (line), January 2019 to January 2024.



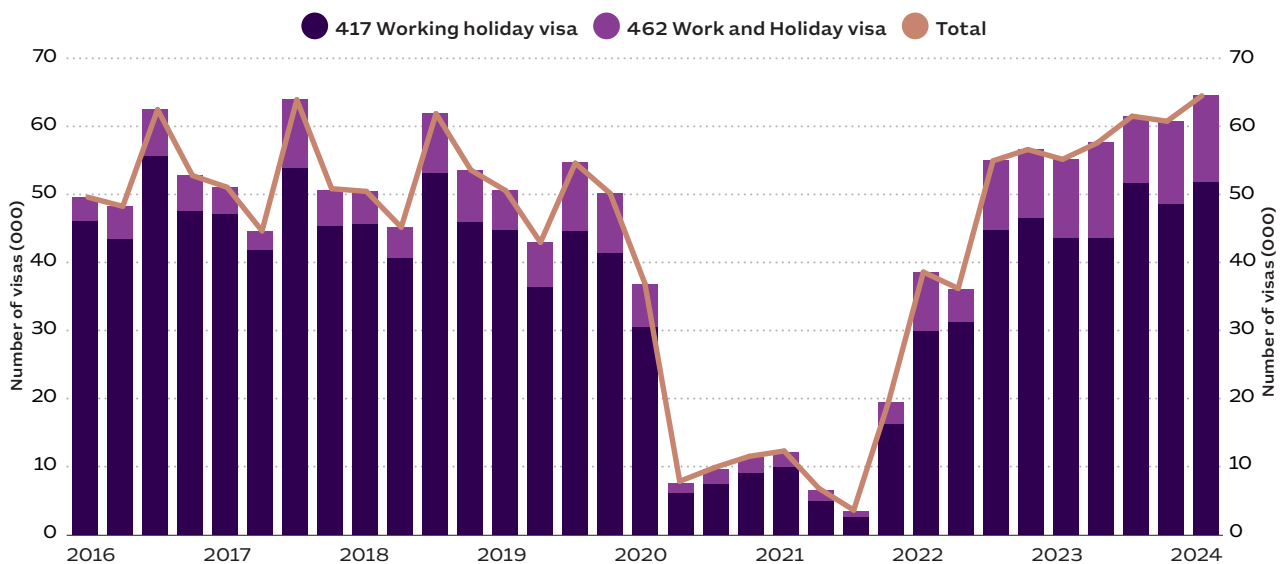
Source: ABS, *Overseas Arrivals and Departures, Australia*, January 2024.

Working holiday makers (WHMs) are another source of workers for the visitor economy (in addition to their demand for tourism goods and services). The Department of Home Affairs reported that in 2023 there were a total of 235,208 WHM visas granted (subclass 417 and subclass 462), up by 26% from 186,251 in 2022 (Figure 35). Growth over the year was higher for Work and Holiday visas (subclass 462) than for Working Holiday visas

(subclass 417). Compared to the 2019 year, there were 19% more WHM visas granted in 2023: there were 12%, or 20,058, more 417 visas²⁵ and 54%, or 16,868, more 462 visas.²⁶

The visitor economy has also typically relied on international students as source of temporary and casual labour and there was strong growth in international student numbers in Australia in 2023.

Figure 35. Working Holiday Maker visas granted, by visa type, quarterly data, March quarter 2016 to March quarter 2024.



Source: Department of Home Affairs, Working Holiday Maker visas granted pivot table 2023-24 to 31 March 2024.

Job vacancies

Tourism-related job vacancies rose rapidly from October 2021 and peaked at 26,274 in August 2022 (Figure 36). In 2023, the number of job vacancies for tourism-related occupations trended down so that by the end of 2023, tourism-related job vacancies had declined by 44% from the August 2022 peak. On average, in 2023, tourism job vacancies were 26% lower than in 2022, but still 82% above the pre-pandemic average level of 9,645 in 2018-2019.

25. For the visa subclass 417, the following 8 partner countries typically contribute the majority of visa holders in Australia: the UK, South Korea, Ireland, Taiwan, France, Germany, Japan, and Italy. These countries accounted for 85% of 417 visas granted in 2012 and 2013, but the share trended down to 75% in 2019 and was 73% in 2023.

26. The visa subclass 462 is a relatively new program, as it came into operation in early 2005. The number of partner countries for this visa has steadily increased from 16 countries in 2016 to 28 countries in 2023 (while the number of partner countries for the 417 visa remained constant at 19 countries). In 2023, the following 8 partner countries accounted for 84% of 462 visas granted: Indonesia, Argentina, Vietnam, the US, Chile, Thailand, China, and Spain.

Job vacancies for tourism-related jobs declined further in January and February 2024 to be at their lowest level since September 2021. Despite the marked decline, total tourism-related job vacancies in February 2024 were 60% higher than in February 2019, while Australia-wide job vacancies were 39% higher than pre-pandemic. The very elevated number of job vacancies was particularly obvious for waiters: 133% higher in February 2024 than in February 2019; and hotel-related roles: in February 2024 the number of job vacancies for housekeepers was 108% above the pre-pandemic number and for hotel service managers was 134% higher than in February 2019.

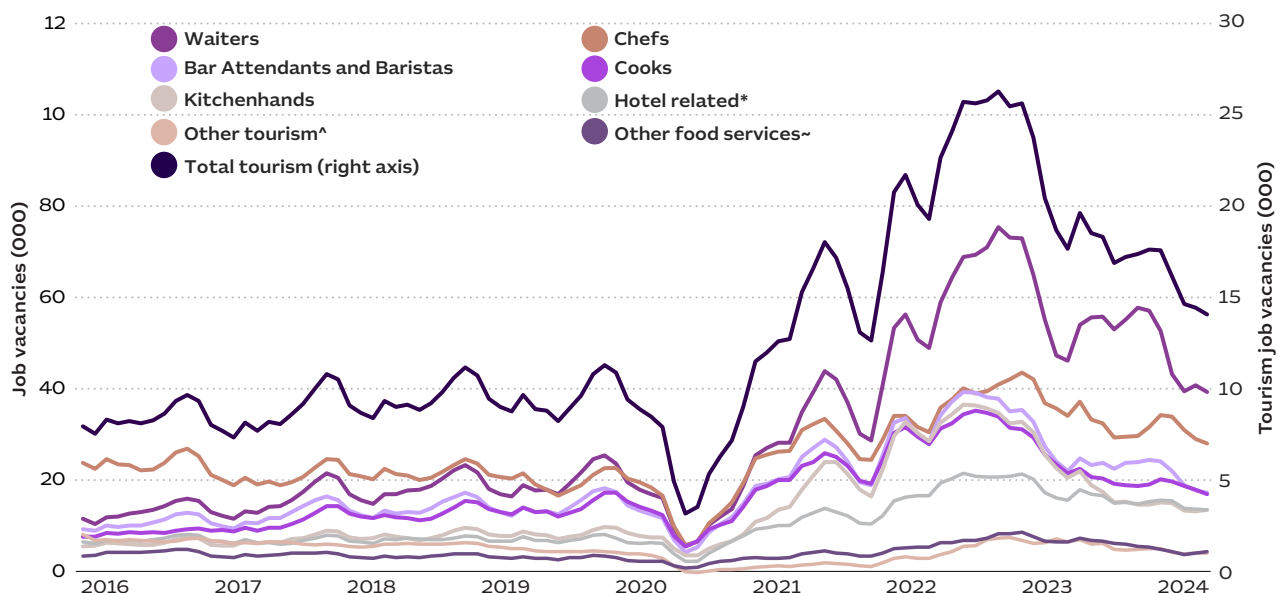
This suggests the severity of labour shortages eased in 2023, though skills shortages remained elevated relative to the pre-pandemic period, especially for particular roles. In 2023, the Skills Priority List (SPL) reported that 36% of occupations, or 332 out of 916 occupations, were in national

shortage. This is 5 percentage points higher than the share of occupations that were in national shortage in the previous year (31% of occupations in 2022) and 17 percentage points higher than in 2021 (19% of occupations). The rise in share of occupations facing shortages is said to reflect ‘the cumulative impact of recruitment challenges, stemming from a persistently tight labour market which began tightening from late 2021’.²⁷

Occupations relevant to the visitor economy that are listed as having a shortage in 2023 include:

- Accommodation and hospitality managers
- Air transport professionals
- Train drivers
- Cooks, chefs, bakers, pastrycooks
- Waiters
- Travel consultants
- Tour guides.

Figure 36. Online job vacancies advertised for tourism-related occupations, monthly, January 2016 to February 2024.



* Sum of housekeepers, hotel and motel managers, hotel service managers

^ Sum of tourism and travel advisers, gaming workers, travel attendants

~ Sum of cafe workers, food trades assistants, fast food cooks

Source: Jobs and Skills Australia, IVI Data detailed occupation, accessed March 2024.

27. See: Skills Priority List 2023 Key Findings Report (page 6).

Direct and indirect tourism jobs by state/territory

Data in the annual state Tourism Satellite Account release by TRA shows strong growth in filled jobs across all states/territories in 2022-23, although there were still fewer direct tourism filled jobs in every state/territory in 2022-23 than there were

prior to the pandemic (Table 1). Growth in total filled jobs (which includes both direct and indirect jobs) was stronger over the year than growth in direct jobs, and the total number of tourism jobs was closer to its pre-pandemic level. There were more total jobs in Queensland, South Australia, Western Australia and the ACT in 2022-23 than there were in 2018-19.

Table 1. Tourism direct jobs and total jobs by state and territory, 2022-23

State	Direct jobs (000) In 2022-23	Total jobs* (000) In 2022-23	Growth in the year (%) Direct jobs (Total jobs) 2022-23 compared to 2021-22	Relative to pre-pandemic (%) Direct jobs (Total jobs) 2022-23 compared to 2018-19
NSW	172.6	292.3	63 (76)	-15 (-8)
Victoria	163.6	257.5	50 (62)	-15 (-9)
Queensland	145.7	259.7	29 (42)	-3 (5)
South Australia	40.6	69.8	32 (45)	-5 (2)
Western Australia	66.7	110.8	24 (35)	-6 (1)
Tasmania	19.0	42.9	10 (21)	-17 (-9)
Northern Territory	7.5	16.3	21 (36)	-10 (-3)
ACT	10.5	20.3	63 (78)	-5 (4)
Total	626.2	1069.6	42 (53)	-11 (-4)

* Total jobs includes both direct and indirect jobs.

Source: Tourism Research Australia, State Tourism Satellite Account 2022-23.



Businesses

There were 355,570 tourism businesses in Australia in June 2023. This means 1 in 7, or 14%, of Australian businesses were tourism related. The number of tourism businesses declined by 5,262 (1.5%) in the year to June 2023 compared with June 2022, but remained 41,197, or 13%, higher than in June 2018 (314,373).

Tourism businesses are spread across 9 industry sectors. The largest sector in the tourism-related business group is Retail trade (Table 2). In June 2023, this sector accounted for 44% of all tourism-related businesses. The bulk of the decline in business numbers between June 2022 and June 2023 (83% of the decline) was accounted for by the 2 industry sectors of

retail trade and taxi transport. For more details, see [Tourism businesses in Australia: June 2018 to June 2023](#).

The tourism sector is predominantly made up of small businesses, with 95% of tourism businesses in 2023 employing fewer than 20 people. The largest groups of tourism-related businesses were non-employing businesses and micro businesses. Taken together, 78% of

tourism-related businesses employed fewer than 5 people; 5% of tourism businesses employed between 20 and 199 people; and only 0.3% employed over 200 people. The decline in tourism business numbers between 2022 and 2023 was most prominent in the micro business sector (1–4 employees), where business numbers declined by 8,598 (7.7%) while all other categories increased in number over the year.

Table 2. Tourism businesses in June 2023 by industry sector

Industry sector	Number of businesses June 2023	Share of total %	Change since June 2022 Number (%)
Retail trade	155,755	44%	-2,211 (-1.4%)
Cafés, restaurants and takeaways ¹	95,958	27%	-386 (-0.4%)
Cultural, sports and recreation services	36,422	10%	664 (1.9%)
Taxi transport ²	34,704	10%	-2,909 (-7.7%)
Accommodation	14,217	4%	-325 (-2.2%)
Travel agency and tour operator services	8,524	2%	-130 (-1.5%)
Air, water and rail transport	5,765	2%	-146 (-2.5%)
Motor vehicle hiring	2,998	1%	245 (8.9%)
Casino and gambling services	1,227	0.3%	-64 (-5.0%)
Grand total	355,570	100%	-5,262 (-1.5%)

1. Includes pubs, clubs, taverns and bars.

2. Includes ride-sharing services.

Although most tourism-related businesses are either non-employing or micro (1-4 employees), the tourism industry as a whole actually contains a larger proportion of businesses that employ 5 or more people than Australian businesses generally. For example, 22% of tourism-related businesses employ 5 or more people compared with only 11% for Australian businesses from all industries taken together.

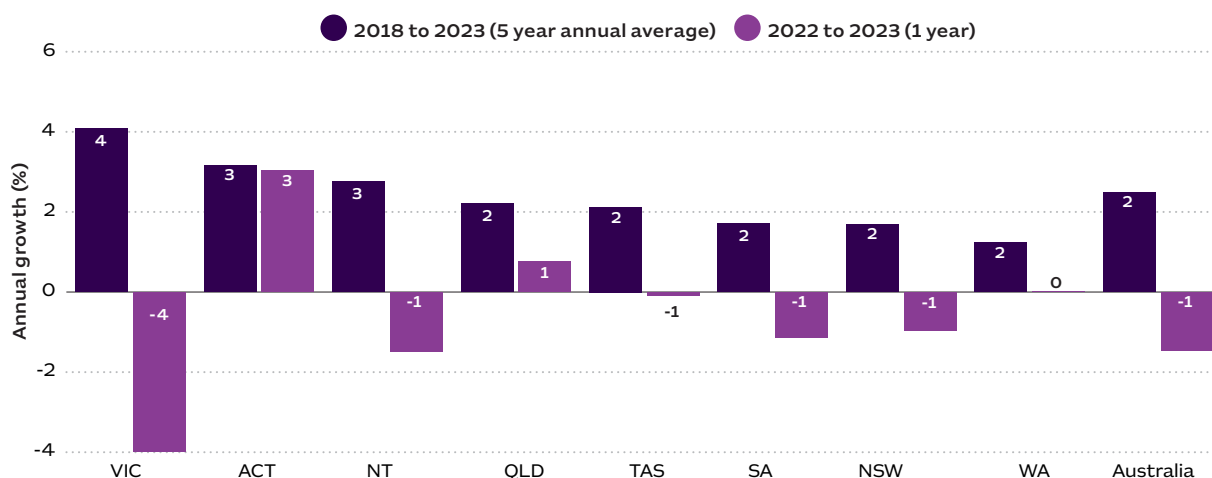
70% or 248,551 of Australia's tourism-related businesses were located in capital cities, while 30%, or 107,019 were in regional areas. In 2023, the number of tourism businesses declined by 0.7% in regional Australia and by 1.8% in the capital cities.

Capital cities had one tourism business for every 68 residents, which was a higher rate than in regional areas, where there is one tourism business for every 85 residents.

Change by state/territory

Tourism business numbers rose across all states and territories between June 2018 and June 2023, and Victoria recorded the highest average annual growth rate, followed by the ACT and NT (Figure 37). All states and territories then saw a decline in the number of tourism businesses in the year to June 2023 except for the ACT, Queensland, and WA. Victoria recorded the largest decline in business numbers in the year to June 2023.

Figure 37: Change in the number of tourism related businesses by state/territory, 2023 compared with 2018 (5-year annual average growth rate) and with 2022 (change over the year).



Source: Tourism Research Australia, *Tourism businesses in Australia June 2018 to June 2023*.

Investment

In line with growing demand for tourism and a positive medium-to-long-term outlook, investment in Australia’s tourism sector continued to grow in 2022-23. In 2022-23 Australia’s tourism investment pipeline consisted of 307 projects (worth \$20 million or more) valued at \$56.1 billion. The value of the pipeline increased by 27%, or \$11.8 billion, on the 2021-22 figure of \$44.3 billion, noting an updated methodological approach to this report identified additional projects that may already have been in progress the previous year. See [TRA’s annual Tourism Investment Monitor | Tourism Research Australia](#) for more detail.

Continued investment in the visitor economy is vital to support its capacity to grow sustainably and adapt to changing future tourism demand and traveller expectations. In 2022-23, many projects progressed through the pipeline stages, including 123 new entrants valued at \$14.3 billion or 25% of the total value of investment (this was nearly double the number of new projects

in the previous year – there were 68 new projects added to the pipeline in 2021-22). The continued flow of new projects into development indicates investor confidence in the longer-term prospects of the industry.

Across the 3 tourism sectors, the pipeline of tourism investment projects (Figure 38) was split by:

- aviation – 19 projects valued at \$18.8 billion
- arts, recreation and business services – 129 projects valued at \$25.1 billion
- accommodation – 159 projects valued at \$12.2 billion,²⁸ with the potential to add 24,300 rooms²⁹ to accommodation supply.

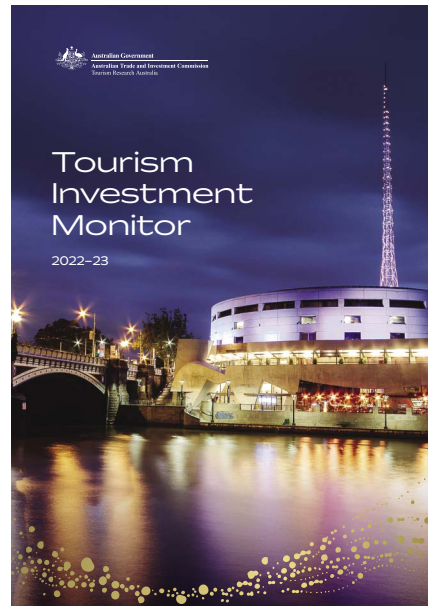
The most significant growth in the investment pipeline in 2022-23 was in the arts, recreation, and business services sector. With an additional 51 projects, investment in this sector rose by 56% or \$9.0 billion to \$25.1 billion in 2022-23. Many of these were new projects to the 2022-23 pipeline that were identified by reviewing Government budget papers, an additional data source used for the first time.

28. There were 14 projects for which the full investment value was unavailable. Therefore, the estimated total value of investment understates the real value.

29. The number of rooms was not available for one project at the time the Tourism Investment Monitor 2022 23 was finalised in January 2024.

Among the more prominent projects in the arts, recreation, and business services pipeline as at 30 June 2023 were the:

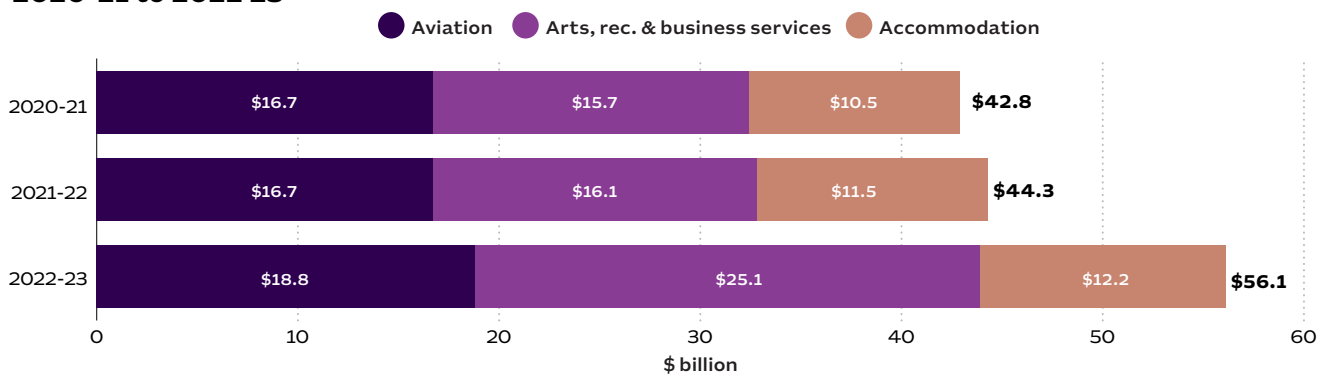
- New and upgraded venues for Brisbane hosting of the 2032 Olympic Games (new and in planning) – \$1.9 billion
- Redevelopment of Melbourne Arts Precinct (under construction) – \$1.7 billion
- Redevelopment of Adelaide Festival Plaza (under construction) – \$1.0 billion
- New Powerhouse Museum in Parramatta (under construction) – \$0.9 billion
- New Sydney Fish Markets (new and under construction) – \$0.8 billion
- New arts, entertainment, and sports precinct at Macquarie Point in Hobart (newly proposed) – \$0.7 billion
- Barangaroo precinct cultural and recreational transformations (new and in planning) – \$0.6 billion
- Redevelopment of Canberra’s Australian War Memorial (under construction) – \$0.5 billion
- Darwin sports stadium and entertainment precinct (newly proposed) – \$0.5 billion.



The investment pipeline increased for all states and territories. The largest increase was in Queensland, accounting for 42%, or \$4.9 billion, of the total increase in the investment pipeline in 2022-23, with planning for the 2032 Olympics and Paralympics strongly contributing.

The pipeline of mixed-use projects³⁰ was also very large, offering significant value to the visitor economy and to the stock of hotel rooms. In 2022–23 there were 174 mixed-use developments valued at \$73.0 billion³¹ with the potential to add 28,200 rooms³² to accommodation supply.

Figure 38: Value of the tourism investment pipeline in Australia by sector, 2020-21 to 2022 23



Source: Tourism Research Australia.

30. Mixed use projects may combine short-term accommodation, residential, commercial and leisure spaces. They will typically contain food and beverage or retail services and hotel or short-stay rental properties. As such, they contribute significant value to the visitor economy. However, the Tourism Investment Monitor pipeline does not include mixed-use developments because of the difficulty in attributing an explicit value to the tourism-specific component of such projects.

31. There were 13 mixed-use projects for which the full investment value was unavailable. Therefore, the estimated total value of investment understates the real value.

32. The number of rooms is not always available for projects, particularly newly announced mixed-use projects. Given this, the estimated number of rooms reported here is likely to be an underestimation. Of the mixed-use projects, 16 had no room numbers available at the time the Tourism Investment Monitor 2022-23 was finalised in January 2024.



Image courtesy of Tourism Western Australia

FIFA Women's World Cup 2023™

Case study by Tourism Western Australia

The FIFA Women's World Cup 2023™ – proudly supported by the Western Australian Government through Tourism WA – shone a global spotlight on Perth as one of the Australian host cities.

West Australians and out-of-State visitors embraced the history-making tournament with more than 85,000 spectators flocking to Perth's five matches (of which three sold out). Furthermore, nearly 41,000 fans attended the Forrest Place FIFA Fan Festival and HBF Park viewing sites. Millions of global viewers also tuned in to see some of the world's best footballers from Canada, Colombia, Denmark, Haiti, Jamaica, Morocco, Panama, Republic of Ireland and the People's Republic of China battle it out at Perth Rectangular Stadium. The match between Denmark and the People's Republic of China alone was watched by a staggering 45 million viewers in China – showcasing Perth's world class sporting facilities to the huge Chinese inbound visitor market, ahead of Australia being reinstated as an approved destination for Chinese group travellers.

The post-event economic impact study revealed that the tournament injected over \$25 million into the Western Australian economy through event holder and visitor spend.

Hosting the FIFA Women's World Cup 2023™ was a once-in-a-lifetime opportunity to realise a truly meaningful legacy. The social benefits included more than \$35 million invested in upgrades to Perth Rectangular Stadium, Dorrien Gardens and the State Football Centre. In addition, thousands of young women and girls have been inspired to join the game. Football West reported a 54.5% increase in overall female player registrations, 101.9% increase in female coach registrations and 580% increase in female referee registrations.

Post the FIFA Women's World Cup 2023™, Tourism WA is excited to welcome even more football fans from around the world to Western Australia to experience the state as an incredible holiday and events destination.

Looking forward

Australia's visitor economy has made substantial progress towards achieving sustainable development and ambitious spending targets. In 2023, Austrade released the National Sustainability Framework for the Visitor Economy and TRA is developing a framework of Longitudinal Indicators for the Visitor Economy to actively measure progress on sustainable development of the sector. The LIVE Framework will routinely report on progress across a range of economic, social and environmental indicators.

Spending targets for the visitor economy set in the national THRIVE 2030 Strategy were surpassed in 2023, noting spend measures were boosted in part by elevated inflation immediately following the pandemic. Total short-term visitor expenditure in Australia was 23% above its pre-pandemic level in 2023 and is forecast to continue rising strongly to reach over \$220 billion by 2028, 61% above the level in 2019. This includes:

- international visitor expenditure in Australia exceeding pre-pandemic levels in 2024 before increasing to \$50.7 billion by 2028, 61% above the level in 2019
- domestic overnight trip expenditure reaching \$132.0 billion by 2028, 64% above the level in 2019
- day trip expenditure reaching \$40.5 billion by 2028, 54% above the level in 2021.

In 2023, international tourism demand continued its rapid growth off a low base and international arrivals were at 76% of the pre-pandemic level in 2023 overall, while, in September 2023, monthly international arrivals peaked at 84% of the pre-pandemic

equivalent during the year.³³ In the period January to March 2024, international arrivals were at 89% of the pre-pandemic level. Arrivals are expected to continue to grow and TRA forecasts international arrivals will set new records from 2025.

Domestic tourism demand softened in 2023 relative to the temporary, elevated level in 2022. However, TRA expects domestic tourism demand to strengthen over each of the next 5 years. Moreover, domestic visitor nights in all states and territories are expected to trend higher over the next 5 years.

International outlook

The recovery of international tourism has progressed generally in line with earlier expectations, off an extremely low base. There were 7.2 million international visitors to Australia in 2023, almost twice as many as the previous year (3.7 million).

The number of international arrivals is forecast to increase by a further 26% in 2024 to reach 9.3 million (98% of the pre-pandemic level). The number of short-term visitor arrivals is expected to surpass the pre-pandemic level in 2025 to set a new record of 10.2 million international visitors in the year. The number of international visitor arrivals is expected to reach 12.1 million in 2028 (28% above the 2019 level).

Some emerging markets for Australia are likely to see stronger visitor growth than more mature markets, although those mature markets will remain a large share of inbound visitors.

33. International arrivals reached 93% of the pre-pandemic level in the month of February 2024.

International visitor spend is forecast to grow strongly in 2024 and reach above the pre-pandemic level, one year ahead of the recovery in visitor numbers. International visitor expenditure is then forecast to increase to \$50.7 billion in 2028 (annual average growth of 12% over the 5-year forecast horizon).

Drivers and risks

The current growth profile projects strong and progressive growth in international visitation, supported by ongoing increases in aviation capacity and a strong desire to travel to Australia for a range of reasons. The recoveries in arrivals from China and Japan are expected to gain pace and catch up with other source markets. Australia will also benefit from close and growing ties with high-growth markets in our region including Southeast Asia, the Pacific and India (Figure 39).

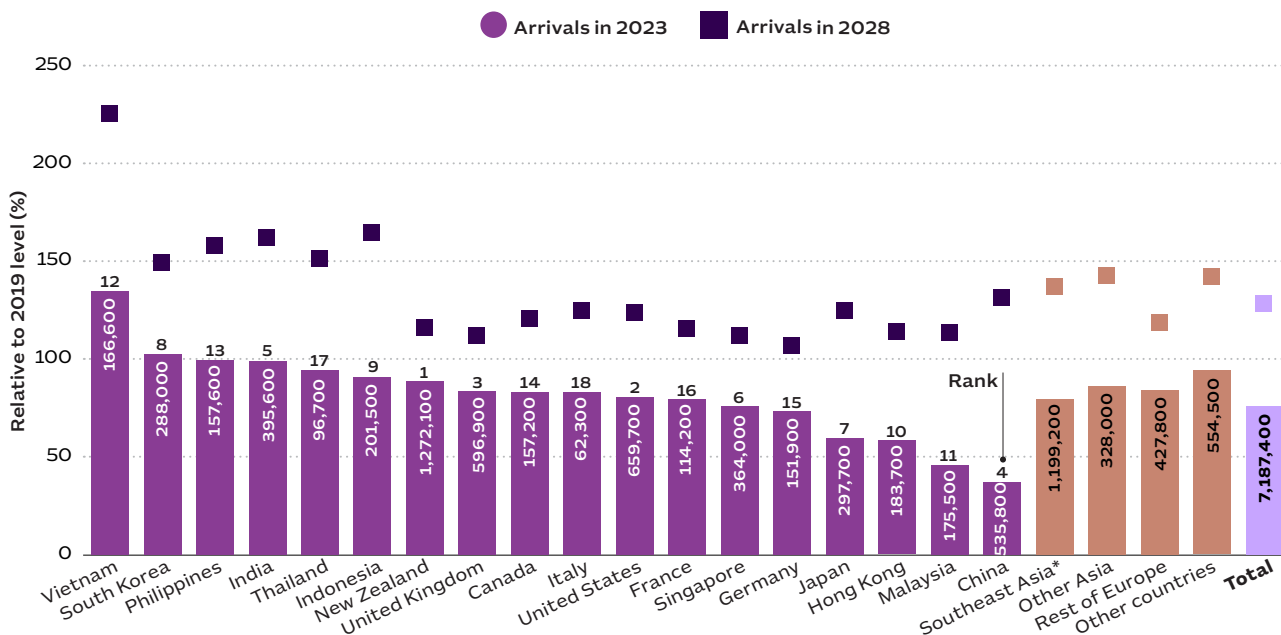
Nevertheless, global economic headwinds remain, and the persistence of elevated inflation has led to higher travel costs

and tighter household budgets in some economies. Global efforts to combat climate change and reduce carbon emissions will also increasingly affect inbound arrivals to Australia. Negative consumer sentiment towards long-haul flights is expected to affect growth in arrivals from Europe in particular. Regulatory and reporting requirements for businesses are also expected to be a factor affecting growth in international business travel.

Key downside risks to the outlook for growth in international arrivals and spending include:

- prolonged weak global economic growth, combined with cost-of-living pressures across several economies, including high inflation and high interest rates
- larger impact from efforts, either regulatory or industry-driven, to reduce carbon emissions in aviation, and faster shifts in consumer preferences regarding long-haul flights

Figure 39: International short-term visitor arrivals by source market in 2023 and in 2028 (forecast value), relative to 2019 level.



* Southeast Asia is total of 11 nations that includes the 6 larger nations identified individually here. The ranking of these source markets in terms of number of arrivals in 2023 is noted at the top of the bar. Region groups, and the total, are coloured differently as they are not single source markets.

Source: TRA, forecast data 2023.



- greater cost pressures for airlines as they add further capacity, including rising fuel costs, which could lead to slower growth in routes and higher airfares
- intensified global conflict that results in broad disruptions to air travel.

On the other hand, Australia's increasing connections with several high growth economies could see stronger than anticipated growth in arrivals – this reflects the ongoing growth in aviation routes connecting Australian and Southeast Asian cities, as well as strong economic growth prospects for the wider region and for India.

Domestic outlook

In contrast to the prolonged recovery in international travel to Australia, domestic tourism has already largely returned to or surpassed pre-pandemic levels, although conditions vary widely across a range of sectors and regions. Future growth in

domestic tourism demand is therefore expected to be more moderate compared to international tourism demand.

By 2028, there are forecast to be:

- 466.9 million domestic visitor nights, up 12% on 2019
- 128.9 million domestic overnight trips, up 10% on 2019
- 262.3 million domestic day trips, up 6% on 2019.

Total domestic visitor spend on overnight and day trips is forecast to increase from \$142.3 billion in 2023 to \$172.6 billion in 2028, which is 61% higher than the 2019 level. Within this:

- domestic overnight trip spend is forecast to increase from \$109.3 billion in 2023 to \$132 billion in 2028, an increase of 21% or annual average growth of 3.8% over the next 5 years

- domestic day trip expenditure is forecast to increase from \$32.9 billion in 2023 to \$40.5 billion in 2028, an increase of 23% or annual average growth of 4.2% over the forecast period.

Drivers and risks

Increased availability of international outbound travel, and cost-of-living pressures leading to reduced discretionary spending, are expected to moderate domestic tourism growth over the next year. Meanwhile, domestic overnight business travel and day trips are expected to continue their recovery trajectory after experiencing a slower pick-up following the pandemic than that of overnight leisure travel.

Growth in domestic spend is expected to be more aligned with the growth in visitation going forward, as inflationary pressures ease.

Factors that are expected to support growth in domestic tourism include:

- efforts to stimulate domestic travel demand alongside continued industry innovation and adaptation to align with consumer trends like sustainability, connection and wellness
- ongoing investment in the sector, which continues to revive high-class and varied tourism products and services available to domestic travellers
- an easing in tourism sector workforce shortages after acute labour shortages in previous years affected the visitor economy's ability to service demand.

TRA's forecasts acknowledge the strong portfolio of events coming to Australia and persistent strong travel trends. Factors that could stimulate additional growth beyond TRA's point-forecasts include:

- increased demand for hybrid working holidays, the new category of 'bleisure' travel, and renewed travel enthusiasm



- efforts by the visitor economy to attract growth segments including accessible tourism, wellness tourism, first nations experiences, nature tourism and adventure travel
- trends of more personalised, bespoke and luxury trips increasing average trip spend faster than currently assumed in the forecasts.

These factors largely reflect the potential impact of significant ongoing investment in the visitor economy and emerging demand trends.

Downside risks to the forecast profile for domestic travel include the potential for:

- a prolonged or intensified pull-back in household travel budgets, particularly for overnight and interstate leisure travel in 2024 and 2025
- a sustained elevated rate of growth in outbound travel, and the possibility that Australians' travel preferences have changed since the pandemic, leading to a changed combination of international outbound, domestic interstate, intrastate travel and day trips
- increasingly large, uncontrolled, unpredictable and damaging weather events that dampen demand for travel to an increasing number of destinations over an increasing period of time throughout the year.

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