

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Additional Budget Estimates 2009

26 February 2009

Question: AR-6

Topic: Tourism and the Global Financial Crisis (GFC)

Proof Hansard Page: Written

Senator Ronaldson asked:

What revised forecasts has the Department made for the tourism industry in the wake of the GFC?

What downturn is the Department anticipating in the domestic tourism market in the wake of the GFC?

What downturn is the Department anticipating in the international tourism market in the wake of the GFC?

Answer:

The Department does not develop forecasts for the tourism industry. The Tourism Forecasting Committee (TFC) is responsible for providing forecasts for the tourism industry. The TFC reports to the Tourism Australia (TA) Board although is independent in developing its forecasts. Tourism Research Australia, a business unit of TA, provides support to the TFC. The TFC is chaired by Bernard Salt.

The latest TFC Forecasts were released on 30 December 2008 and took into account the significant downward revisions in key global economic indicators that occurred towards the end of 2008 as the impacts of the Global Financial Crisis became more apparent.

Domestic overnight trips are forecast to increase by 0.4 per cent in 2009, to 71.7 million trips, and by 2.2 per cent in 2010, to 73.2 million trips. However, as a result of a reduction in average length of stay (from 3.9 nights in 2008 to 3.8 nights in 2009 and 2010), domestic visitor nights are forecast to fall by 0.9 per cent in 2009 (to 273.1 million) and increase by 1.0 per cent in 2010 (to 275.9 million). Total Domestic Economic Value (TDEV – which measures domestic tourism consumption) is forecast to increase 1.8 per cent to \$66.9 billion in 2009 and by a further 1.6 per cent to \$68.0 billion in 2010.

International visitor arrivals to Australia are forecast to fall 4.1 per cent to 5.3 million in 2009 before improving in 2010, increasing 5.3 per cent to 5.6 million. Total Inbound Economic Value (TIEV– which measures international tourism consumption or tourism exports) is expected to decline by 3.6 per cent (to \$23.7 billion) in 2009 before increasing 5.9 per cent (to \$25.1 billion) in 2010.