

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Budget Estimates

4 June 2013

Question: BR14

Topic: Strategy to Assist the Tourism Industry after the Mining Boom - QLD Effects

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Senator Waters asked:

Senator WATERS: Okay. Considering that commodity prices have come down off the boil somewhat, is the department preparing a strategy to help the tourism industry flourish after the mining boom ends?

Mr McEvoy: The industry has been going pretty well alongside the resources and energy sectors of Australia. We have six straight quarters of growth in domestic tourism. We have had three years of yield growth in international tourism. We also have an Australian outbound market that is strong. It is perhaps a bit of an untold sector how the tourism sector has actually been doing reasonably well, despite the dollar and despite, as you say, a really strong resources sector.

Senator WATERS: A shortage of beds.

Mr McEvoy: The numbers are continuing to improve. We have had a particular good last couple of quarters internationally and domestically. My view is that in the future it will be one of those great sectors that continues to thrive in Australia.

Senator WATERS: Could you take on notice some details about the Queensland effects of that.

Answer:

Key indicators point to growth in Queensland and Australian tourism in the year ending March 2013, compared to the previous 12 month period:

- Results from TRA surveys (for persons aged 15 years or more) suggest strong growth in international visitor arrivals (up 5.4 per cent) in Queensland. As a result, growth in visitor nights and expenditure by international visitors in that state also remained solid.
- Indicators for domestic day travel (trips and expenditure) were strong for Queensland and mirror the continued strong growth in day travel since the middle of the last decade.
- The number of domestic overnight visitors and visitor nights contracted slightly, while domestic overnight expenditure rose 2.5 per cent for Queensland.

Table 1: Top-line indicators for Queensland and Australian tourism performance, year ending March 2013, compared to 12 months earlier

	Unit	Queensland	Change on previous 12 month period	Australia	Change on previous 12 month period
		<i>Unit</i>	<i>%</i>	<i>Unit</i>	<i>%</i>
Expenditure					
Domestic day	(\$m)	4,296	11.0	18,107	5.9
Domestic overnight	(\$m)	13,727	2.5	50,324	0.7
International	(\$m)	3,937	4.0	18,909	5.5
Total Expenditure	(\$m)	21,960	4.3	87,340	2.8
Visitors					
Domestic day	('000)	39,095	8.0	170,504	2.5
Domestic overnight	('000)	18,044	-0.1	74,622	1.8
International	('000)	2,052	5.4	5,766	4.9
Total visitors	('000)	59,191	5.3	250,892	2.3
Visitor nights					
Domestic day	('000)	-	-	-	-
Domestic overnight	('000)	75,658	-0.1	285,221	2.2
International	('000)	45,467	11.1	210,606	7.1
Total visitor nights	('000)	121,124	3.8	495,827	4.2
Note: Dollars are presented in nominal terms. Source: TRA					

As stated in TRA's report, *The Economic Impact of the Current Mining Boom on Australia's Tourism Industry*, the high Australian dollar and the resource and energy industries' increasing competition for aviation and accommodation has had mixed impacts on the different sectors that comprise tourism.

This impact has varied according to the purpose of travel. In Queensland, since the year ending March 2005, total visitor nights for employment purposes (which includes the strong growth in mining-related employment travel) have more than tripled (up 303 per cent), while education visitor nights (mainly from international visitors) have risen by around 70 per cent.

The impacts of the mining boom and a higher Australian dollar have had more of a negative impact on the largest travel purpose, holiday, which represented around half (47 per cent) of total nights in Queensland in the year ending March 2013. However, TRA data suggest a recovery for holiday travel in Queensland is underway.

In the year ending March 2013, total holiday nights in Queensland rose 8.9 per cent (or by 4.7 million nights) to 57.5 million nights. This growth was much higher than for Australia (up 4.8 per cent), and reflects a rapid recovery in both domestic visitor nights (up 8.2 per cent or by 2.8 million nights) and international visitor nights (up 10.2 per cent or 1.8 million nights) after falling for the preceding three years (a period which includes the Queensland floods in January 2011).