



# Opportunities for the Visitor Economy

## Research Report: The value of the visitor economy

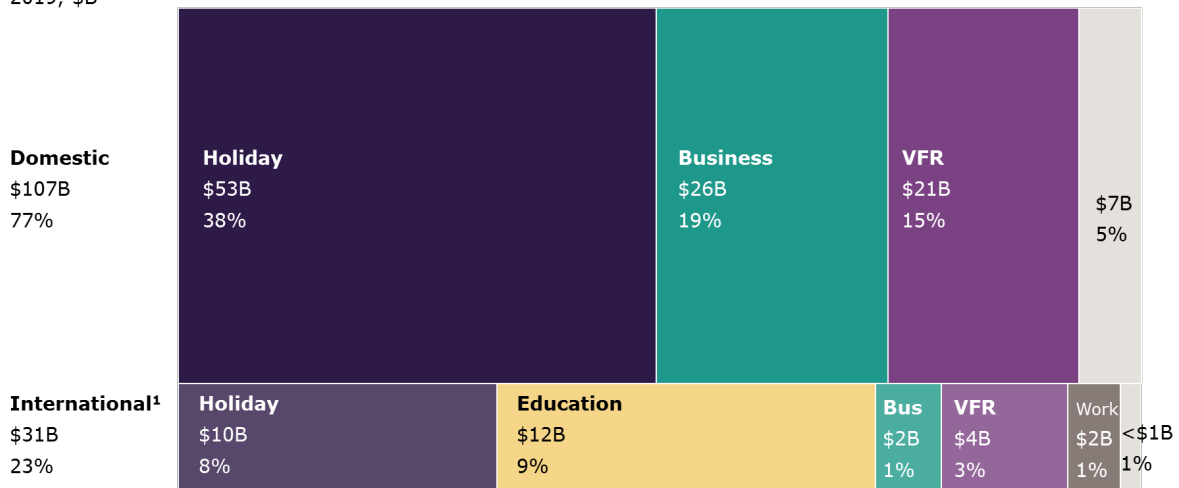
The Research Report on *Opportunities for the Visitor Economy* highlights the value of the visitor economy to Australia. This document summarises the key findings about its economic importance.

### What is the visitor economy?

The visitor economy includes international and domestic leisure travellers, business travel, international students studying in Australia, business and major events, people visiting friends and relatives, and those working as part of a short term stay in Australia. The visitor economy takes in all businesses that provide goods and services to this wide variety of different visitors. The value of each visitor segment is outlined in Figure 1 below.

**Figure 1: Visitor economy spend by visitor segment**

**Total spend**  
 2019, \$B



1. Includes only the proportion of international airfares that represent a cost base in Australia  
 Source: Tourism Research Australia, International and National Visitor Surveys

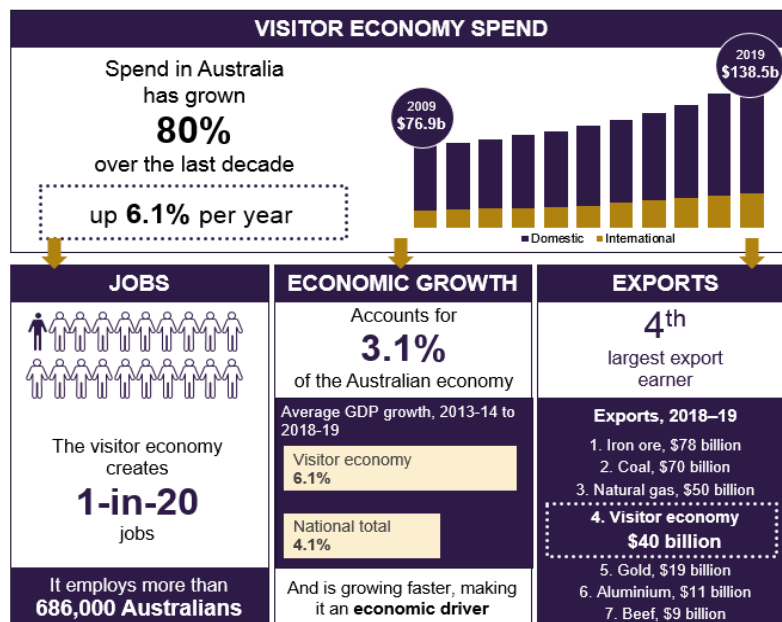
## The visitor economy was Australia's fourth largest export earner in 2018-19

If considered as a single sector, the visitor economy:

- earned **over \$39.6 billion in exports**<sup>1</sup>, making it Australia's fourth-biggest export earner, after iron ore, coal and natural gas and ahead of the beef, petroleum and wool industries
- earned over **\$138 billion**<sup>2</sup> in visitor expenditure, growing more than 80 percent in 10 years
- added **\$61.2 billion**<sup>3</sup> to our gross domestic product, and growing at a faster rate than the economy as a whole
- provided **686,000 jobs**<sup>4</sup> for more than 1-in-20 Australian workers, the economy's eighth-largest source of jobs
- sustained over **312,000**<sup>5</sup> or **1-in-8 Australian businesses**.

While international visitors contributed only 23 per cent of total visitor spend in the 2019 year, they made a proportionately higher overall economic contribution - accounting for 30 percent of the total value added by the Visitor Economy.

**Figure 2: The Visitor Economy is significant for the Australian economy**



The Visitor Economy distributes its significant economic contribution widely across industry sectors and geographically across Australia – see Figure 3.

<sup>1</sup> Australian Bureau of Statistics (ABS), *Australian National Accounts: Tourism Satellite Account 2018-19 financial year* (ABS 2019)

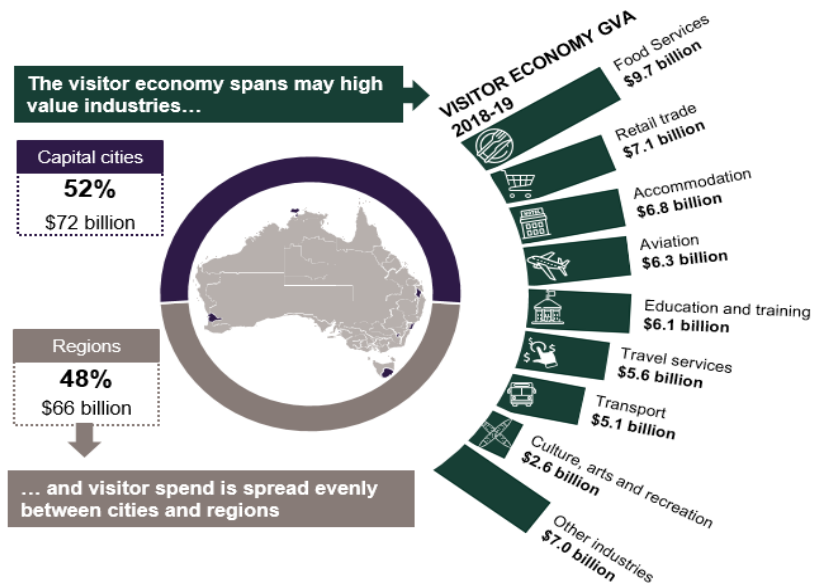
<sup>2</sup> Tourism Research Australia (TRA), *National Visitor Survey and International Visitor Survey* as at 31 December 2020

<sup>3</sup> ABS 2019, 2018-19 financial year

<sup>4</sup> TRA analysis of ABS Labour Force Survey as at December 2019

<sup>5</sup> Tourism Research Australia (TRA), *Tourism Businesses in Australia, 2018-19 financial year*

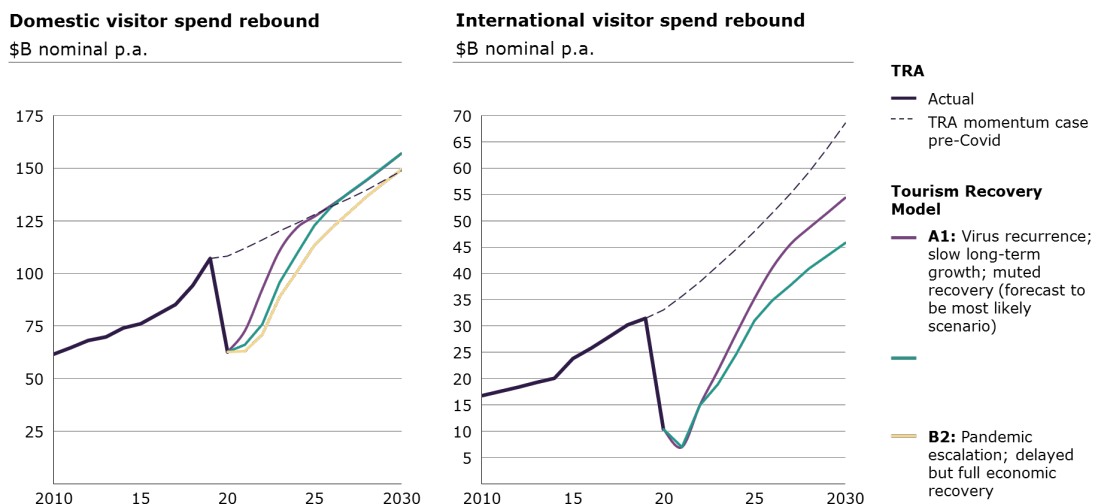
**Figure 3: The benefits of the visitor economy are widely distributed**



## COVID-19 impact on the visitor economy

COVID-19 has had a devastating effect on the visitor economy. Visitor spend declined 43 per cent in the December 2020 quarter compared to the same period in 2019. Almost 90,000 jobs were lost in the year to December 2020. The research report notes that the domestic segment will recovery more quickly than international – with one model predicting domestic recovery to pre-COVID levels by 2023, but international not recovering to these levels until 2025.

**Figure 4: Recovery of domestic and international visitor spend**



Source: Tourism Research Australia International and National Visitor Survey; Tourism Recovery Model based on Oxford Economics Recovery Scenarios, Team Analysis

For further information please visit the [Reimagining the Visitor Economy webpage](#) or contact [visitoreconomy@austrade.gov.au](mailto:visitoreconomy@austrade.gov.au)