



Australian Government

Australian Trade and Investment Commission

Tourism Research Australia

# Australia's visitor economy in 2024

## Annual benchmark report

*Trends and characteristics of Australia's travel and tourism sector*

A close-up photograph of a man's hands and arms, adorned with traditional white and purple body paint, as he holds a bundle of green eucalyptus leaves. The background shows a vast, arid desert landscape with red sand and scattered rocks under bright sunlight.

## 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.

*A man of the First Nations people of Australia performing a ritual medicine dance.*

*Image © Austrade*

# Foreword

This annual snapshot from Tourism Research Australia (TRA) gathers a range of metrics and case studies to tell the story of the Australian tourism sector in 2024. This report details the opportunities and challenges for the visitor economy as travel trends evolve and provides a thorough assessment of industry progress.

In 2024, Australians continued to prioritise travel and demand for domestic trips remained high, particularly short trips close to home. However, overall growth was muted and travellers adjusted spending patterns in light of household financial pressures. On the international side, there was continued growth in arrivals from many source markets, with key markets in our region standing out. However, the total number of short-term visitor arrivals remained lower than the previous peak, which remains a key challenge for some parts of the visitor economy.

Importantly, the visitor economy expanded and adapted to service tourism demand in Australia in 2024, however, some supply constraints were still noticeable. The high level of government and private investment taking place in the sector will give confidence for future growth.

Actions under the THRIVE 2030 national strategy for the visitor economy assisted the sector to rebalance and have helped to establish a sustainable growth path for the visitor economy. It is exciting to see how the tourism sector continues to progress and evolve, while offering exceptional travel opportunities for all Australian and international travellers.

**Grant Ferres**  
**Head of Tourism Research Australia**



# Contents

|                                                  |           |
|--------------------------------------------------|-----------|
| <b>Visitor economy review</b>                    | <b>05</b> |
| <b>Who travelled in 2024 and why?</b>            | <b>12</b> |
| Domestic travel in 2024                          | 14        |
| International visitor economy                    | 22        |
| Global and outbound travel                       | 33        |
| <b>Industry, operators, and investment</b>       | <b>37</b> |
| Accommodation in Australia                       | 39        |
| Aviation and connectivity                        | 44        |
| Businesses and jobs                              | 48        |
| Investment                                       | 55        |
| <b>The future of Australia's visitor economy</b> | <b>59</b> |
| International outlook                            | 62        |
| Domestic outlook                                 | 66        |
| <b>Sources</b>                                   | <b>68</b> |

## Cover image:

Broome, Western Australia, courtesy of Tourism Australia.

## Cover graphic:

We acknowledge Noongar artist Bradley Kickett for the use of his artwork Trade Grounds. The graphic devices featured in Austrade's visual identity are formed using elements from Trade Grounds, which was commissioned by Austrade as part of our Reconciliation Action Plan.

# Visitor economy review

*Twelve Apostles, Great Ocean Road, Victoria.*

*Image © Tourism Australia*

## 2024 annual benchmark report

### An evidence base for the visitor economy

This benchmark report provides evidence and insights into how Australia's visitor economy performed in 2024.

Tourism Research Australia (TRA) produces this annual overview of the capacity of providers in the Australian tourism sector (supply side), as well as trends in demand, to:

- explain major developments in the visitor economy
- highlight challenges and opportunities for the visitor economy
- help the industry and governments understand and adapt to the changing demand and supply environment.



Wurrumiyanga, Bathurst Island, Northern Territory.

Image © Tourism NT/Helen Orr

## Australia's visitor economy in 2024: Positive, sustainable growth

In 2024, Australia's visitor economy:

- welcomed 15% more international visitors than in 2023
- hosted more domestic overnight trips, despite pressures influencing discretionary spending
- generated record high tourism spend
- sustained a record high number of filled tourism jobs and tourism businesses
- offered more accommodation establishments and more aviation routes to service the demand of travellers.

In addition to these economic benefits, the visitor economy delivered social and environmental benefits for Australia. In 2024:

- more travellers than ever before engaged with First Nations experiences
- demand for agritourism, and sustainable and regenerative tourism products was strong
- international traveller engagement/ feedback was more positive than ever before.

Nevertheless, the sector continued to face lingering challenges including lower international visitation than in previous peak years, ongoing skills shortages and higher costs of doing business. Government-led initiatives are expected to support the visitor economy to overcome challenges and thrive as it grows sustainably into the future.



Russell Falls Mount Field National Park, Southern Tasmania

Image © Tourism Australia

Australia’s visitor economy in 2024 consisted of:

8.3 million

international visitor arrivals in 2024

▲ Up by 15%  
(from 7.2 million in 2023)<sup>1</sup>



115 million

domestic overnight trips in 2024

▲ Up by 2%  
(from 112.6 million in 2023)



397.5 million

domestic visitor nights in 2024

▼ Down by 1.2%  
(from 402.4 million in 2023)



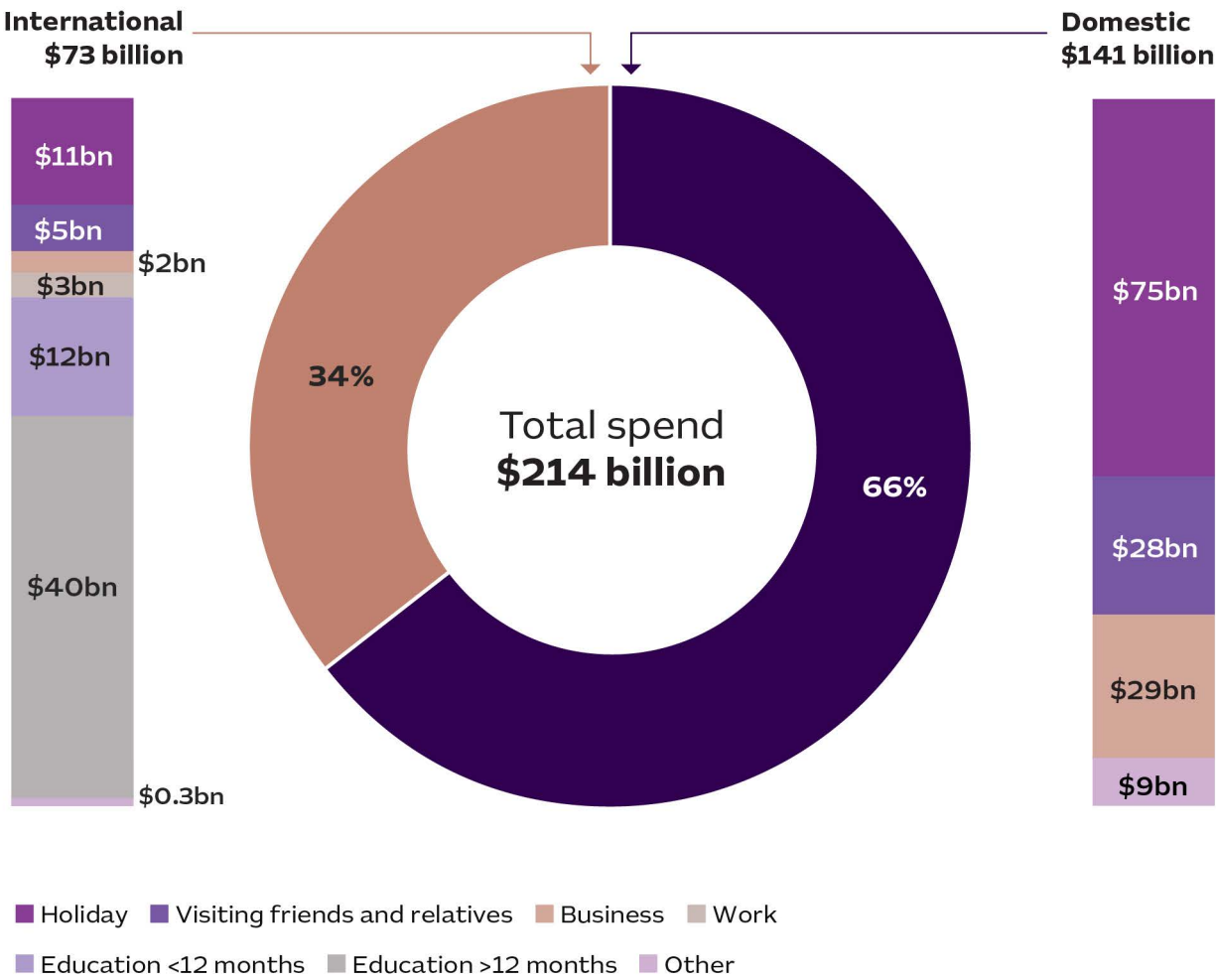
\$214 billion

visitor economy spend in Australia in 2024

▲ Up by 3.4%, \$7.1 billion  
(from \$207 billion in 2023)

1 Overseas Arrivals and Departures, Australia, February 2025 | Australian Bureau of Statistics  
Tourism Research Australia, IVS and NVS data.

Total visitor spend in Australia in 2024 by traveller type  
(including long-stay international students)



Sources: ABS, Balance of Payments data and Tourism Research Australia, IVS and NVS data.

The visitor economy had a significant impact on GDP, investment, businesses and jobs in 2024

#### Tourism contribution to GDP



**\$78.1 billion**  
in tourism GDP in 2023–24  
2.9% share of national GDP

*Up by 9% (\$6.5 billion)  
from 2022–23*

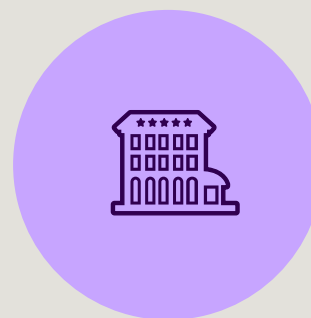
#### Tourism investment pipeline



**\$63.4 billion**  
investment pipeline with  
346 major projects  
in 2023–24

*The investment pipeline has  
increased each year since  
2018–19*

#### Tourism-related businesses



**360,202**  
tourism businesses  
operating in June 2024  
1 in 7 businesses in Australia

*Increase of 2,588 (0.7%)  
from June 2023*

#### Tourism filled jobs



**713,500**  
tourism filled jobs in  
December 2024,  
a record high  
1 in 23 jobs in Australia

*Up by 17,500 (2.5%) from  
December 2023*

## Measuring sustainable growth with TRA's new LIVE Framework

The Longitudinal Indicators for the Visitor Economy (LIVE) Framework was first published by TRA in 2024. It reports on social, environmental and institutional factors, alongside more traditional economic metrics. These factors help measure the sustainable development of the visitor economy in broader context.

This approach recognises that the impact of the visitor economy is more than the economic benefits it brings, and that tourism plays an important role in preserving and enhancing the natural and social environment and contributing to local communities. Therefore, gauging the overall health and progress of the visitor economy requires input from a wide range of metrics and indicators.

Enhancing social and environmental aspects of the visitor economy is also expected to assist tourism operators, for example:

- Travellers' feelings about a destination or experience can affect their decision to visit in future and recommend it to other travellers.
- Operators may win extra business by being able to demonstrate their sustainability credentials.



Engagement with First Nations experiences reached a record high in 2024. One in 7 overseas visitors to Australia participated in a First Nations tourism experience, up 24% on 2023.

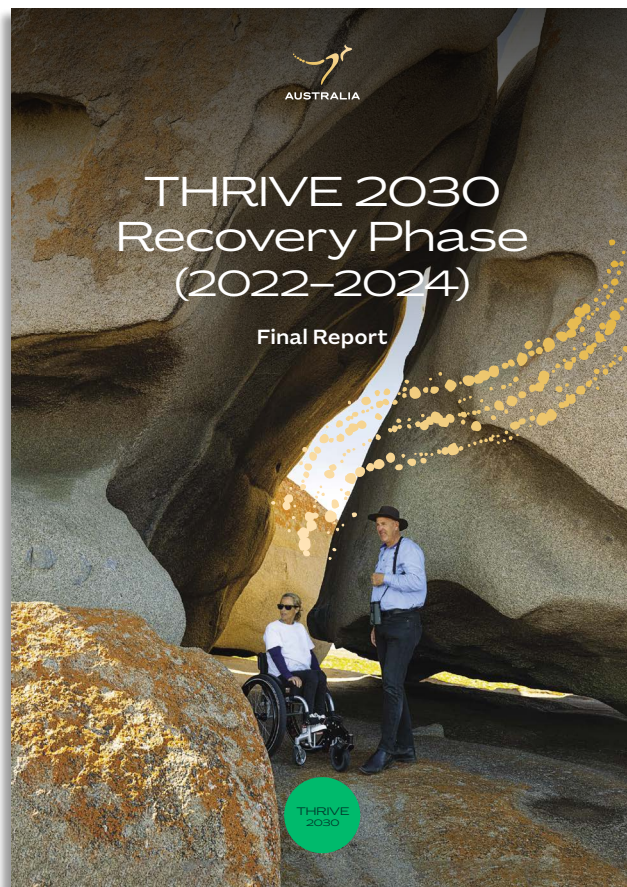
Source: LIVE dashboard, TRA

In 2024, 97% of international travellers to Australia rated their trip very highly, which bodes well for future visitation.

Source: LIVE dashboard, TRA

## Achieving sustainable growth and continuing to THRIVE

THRIVE 2030 is Australia's national strategy for the visitor economy. The Phase 1 (Recovery) Action Plan was implemented between 2022 and 2024. The action plan recognised, and aimed to tackle, the challenges Australia's visitor economy faced from the COVID-19 pandemic.



It focused on strengthening collaboration between all levels of government and industry, addressing workforce challenges, supporting businesses, improving data and insights and driving domestic and international visitation.

Major progress was achieved across all strategic actions. Visitor spend in Australia reached \$214 billion in the 12 months to December 2024. Of this, approximately \$80 billion was spent in regional Australia. (The target was \$166 billion in visitor spend by 2024, including \$70 billion in regional spend).

Following the completion of the “Recovery phase”, the “Consolidation phase” covers the period from 2025 to 2027. After that, the “Acceleration phase”, aims for sustainable industry growth, targeting \$230 billion in visitor economy expenditure by 2030.

The visitor economy is well on the way to achieving this target. It is also well positioned to achieve the broader range of sustainable growth objectives that will see the visitor economy deliver social and environmental benefits as well as economic benefits for Australia.



Hobart, Tasmania.  
Image © Tourism Australia

# Who travelled in 2024 and why?

## Analysis of demand trends



*Ngak Indua Wetlands, Murray River National Park,  
South Australia.*

*Image © Tourism Australia*

# Travellers in 2024: Australians love of travel

While Australians are keen international travellers, they travel a lot more domestically.

In 2024, Australians took over 315 million domestic trips (both overnight and day trips). There were 2.4 million more domestic overnight trips in 2024 (up 2.1%) than in 2023.

There were almost 10 million international outbound trips in 2024.\* This was an increase of 1.8 million outbound trips (up 23%) in 2024.

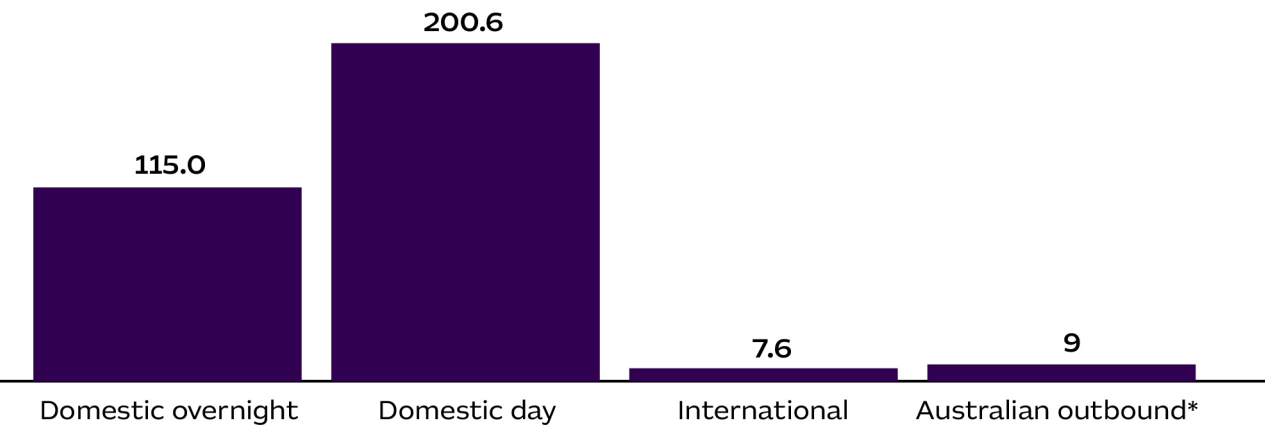
There were 7.6 million international inbound trips to Australia in 2024, according to IVS data that captures short-term travellers (aged 15+). There were almost 1 million more international visitors (up 15%) in 2024 than in 2023.

*In 2024, on average, Australians took 5 domestic overnight trips and 9 day trips. They also took, on average, one overseas trip every 2¼ years*

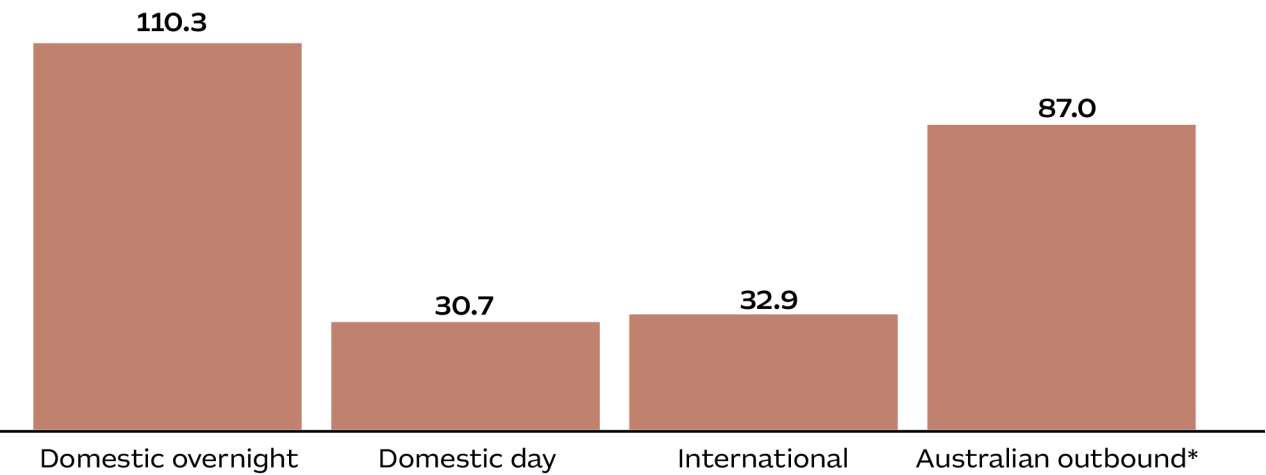
\*Australians travelling overseas. Outbound data available for year ending September 2024. A large share of outbound spend occurs overseas.

Source: Tourism Research Australia, International Visitor Survey (IVS) and National Visitor Survey (NVS) data.

Trips in/out of Australia in 2024 (million)  
By travellers aged over 15 only



Travel spend in 2024 (\$billion)



## Domestic travel in 2024



Broome, Western Australia  
Image © Tourism Australia

## Domestic travel continued in 2024, with the travel budget in mind

Australians continued to travel domestically in high numbers in 2024, reflecting a persistently strong appetite for travel. Despite soft discretionary spend, various measures indicate that consumer travel intentions have held up, demonstrating an enduring and compelling desire for Australians to travel to connect, explore, unwind and recharge.

Nevertheless, travellers made efforts to manage travel costs by adjusting travel arrangements such as when, where, and how they travel. This included travelling closer to home, taking shorter trips to reduce the total spend on trips, and reducing spend on some travel-related components such as tours and restaurant meals.

Source: Tourism Research Australia, NVS data.

### Domestic travel facts and figures



Increase of  
**2.4 million**  
domestic overnight trips in 2024  

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(+2.1% on 2023)



Average spend per trip was  
**\$959**  
in 2024  

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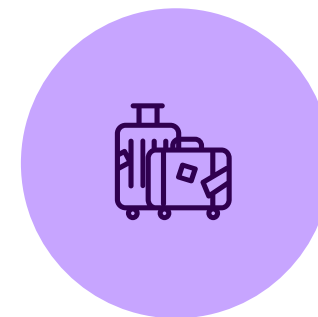
(-1% on 2023)



Domestic overnight spend  
increased to  
**\$110 billion**  

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(+0.9% on 2023)



Average overnight trip  
length was  
**3.5 nights**  

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(Down from 3.6 nights in 2023)

Domestic overnight spend: The domestic visitor economy's engine room

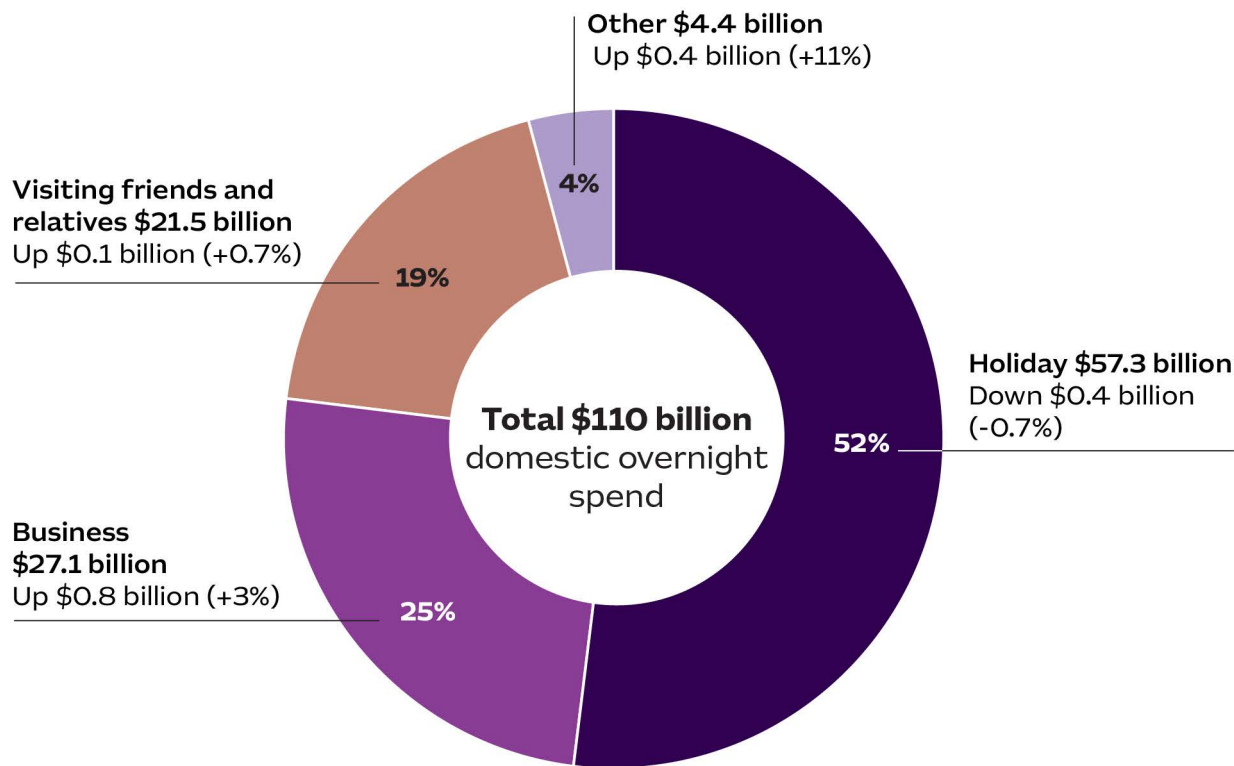
In 2024, domestic overnight trips generated \$110 billion in spend in Australia.

More than half came from holiday trips and one-quarter came from business trips.

Domestic overnight holiday spend declined slightly in 2024, but it was more than offset by an increase in business spend.

On average, in 2024 each Australian (aged over 15 years) took 5 domestic overnight trips. This included 2.2 domestic overnight holidays, 1.7 domestic overnight trips for the purposes of visiting friends and relatives (VFR), 1.1 business trips, and 0.3 trips for other reasons.

Spend on domestic overnight trips by purpose in Australia in 2024



Percentage values in the chart report spend for that purpose as a share of total domestic overnight spend in Australia in 2024. Values in the label boxes report the value for that purpose of trip in 2024 as well as the change on 2023.

Source: Tourism Research Australia, NVS data.

# Holiday spending patterns changed

Spend on domestic overnight holidays declined by \$0.4 billion (-0.7%) in 2024.

Spending on tours, drinks\* and shopping declined while spending on groceries, food and entertainment increased.

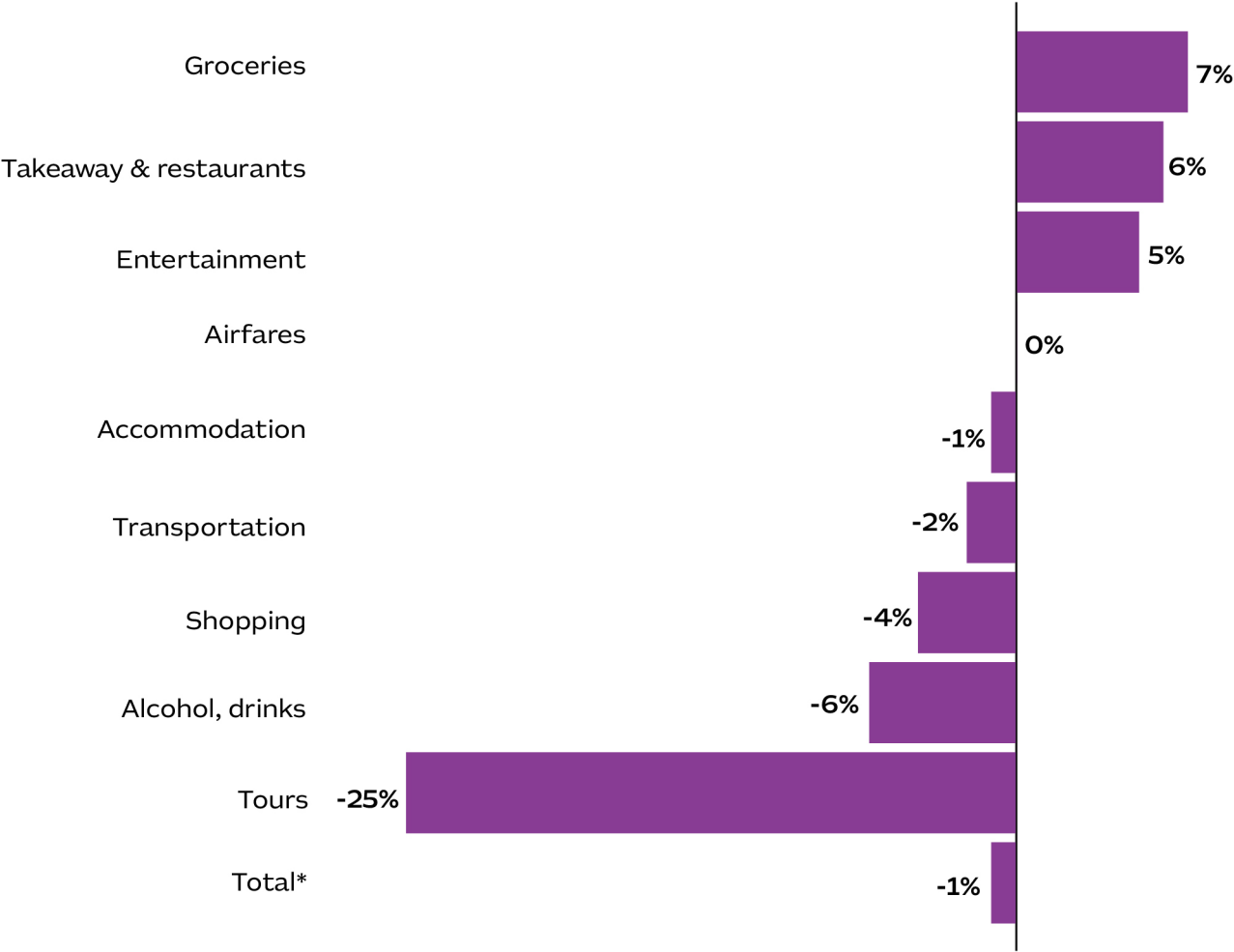
The data suggests that travellers facing household budget pressures may have chosen to forego some discretionary spending components of their trip, such as tourism shopping, and may have chosen to purchase groceries for self-prepared meals during the trip, instead of eating out more often.

However, Australians are not a homogeneous group, and spending patterns varied by traveller type and age cohort, as outlined on the next page.

*\*The decline in domestic holiday trip spend on alcohol and drinks aligns with the broader trend nationally. In 2024, Australians spent 6.7% less on alcohol and tobacco than in 2023, according to ABS data on household spending: [Monthly Household Spending Indicator, December 2024](#) | [Australian Bureau of Statistics](#)*

# Spend on domestic overnight holiday trips by category

Change (%) in 2024 on 2023



*\*Total includes other expenditure not shown on chart  
Source: Tourism Research Australia, NVS data.*

# Domestic holiday spending varied by age group

Domestic holidaymakers aged 30 to 44 years made up the largest, highest-spending age group in 2024 – with an average spend of \$1,382 per holiday trip.

This was the only age group to increase spending on tours in 2024 on 2023. This age group also drove the increase in spend on entertainment, along with the 45 to 59-year age group, who had the second highest average spend per trip (\$1,344). All other cohorts reduced their spending on entertainment.

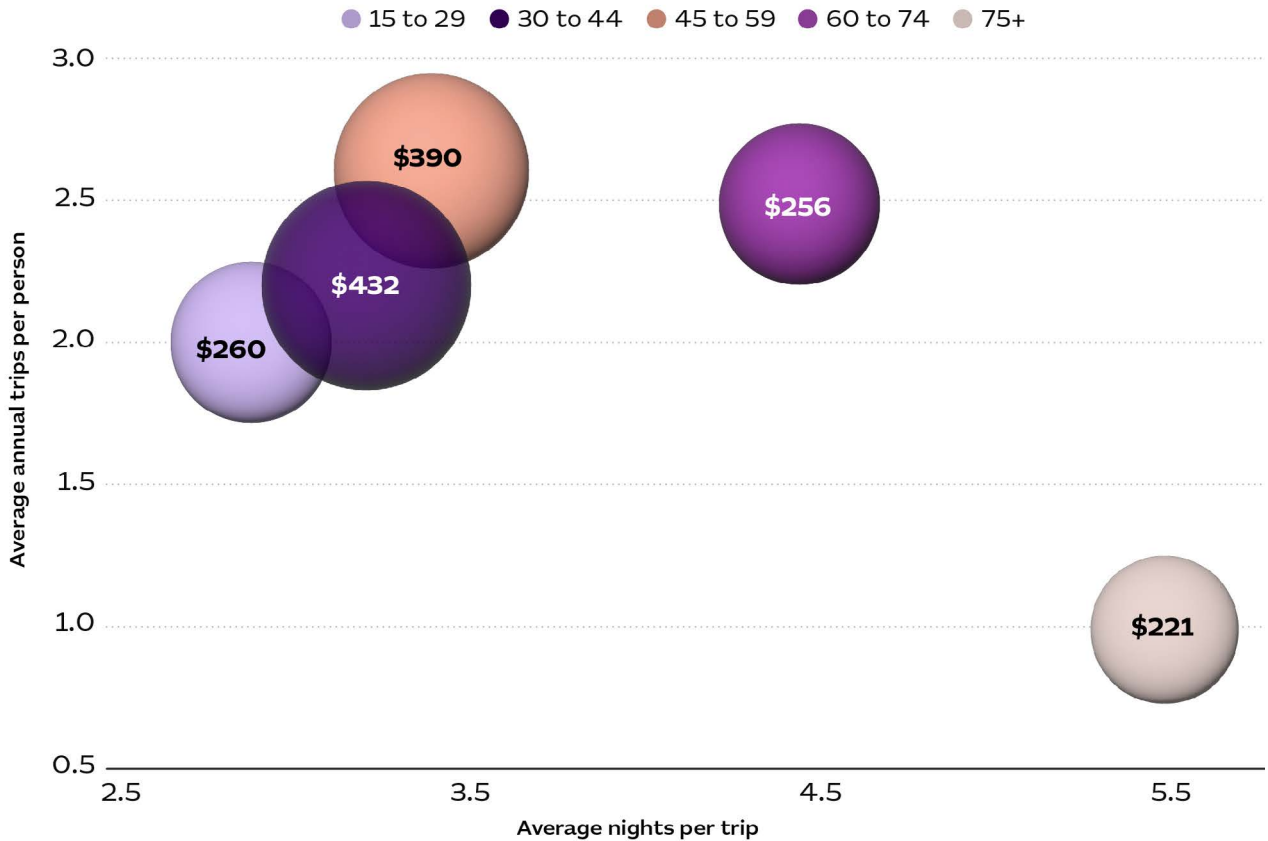
Holidaymakers aged 30 to 44 years were most likely to travel as a family group of parents and children and the least-likely to travel solo. This age group was proportionally more likely to holiday in Queensland than other age groups.

The 15 to 29-year age group had the lowest average spend per trip, with an average spend of \$745 per trip.

Source: Tourism Research Australia, NVS data.

# Domestic overnight holiday trip characteristics by age in 2024

Bubble size represents the average **spend per night** on domestic overnight holiday trips for that age cohort. Bigger bubble = bigger average spend per night.



## CASE STUDY

### Handpicked Festival, South Australia



Image © Amy Rowsell, Handpicked Festival,  
Fleurieu Peninsula, South Australia

## Events and tourism

Regional events support the South Australian tourism industry by celebrating host regions' unique qualities, offering authentic experiences and bringing communities together. The South Australian Tourism Commission (SATC) provides support through its Regional Events Fund to promote South Australia as a tourism destination. One of the events benefitting from this fund is Handpicked Festival, a crafted experience in Langhorne Creek, a wine and agricultural community on the Fleurieu Peninsula.

Handpicked Festival captivates audiences with its intimate outdoor setting, diverse lineup and selection of food and drinks. Headline artists such as Missy Higgins, Pete Murray and Hilltop Hoods – with a variety of talented South Australian musicians – shape a sell-out, family-friendly atmosphere that is welcoming to all. The Regional Event Fund program has played a pivotal role in achieving marketing objectives, driving attendee engagement and positioning the Handpicked Festival for sustained growth and future success. In the 10 years since its inception, ticket sales to Handpicked have grown by 383% to reach 7,547 in 2024. Ongoing community consultation and a deep understanding of the drivers behind regional visitation will continue to underpin these outcomes.

Successfully hosting the Handpicked Festival gives a tangible boost to the local tourism sector and provides other deeply valuable benefits such as a sense of pride, resilience and optimism.

***Case study provided by the South Australian  
Tourism Commission***

## Domestic overnight business trips show more considered approach per trip

There were 1.5 million more domestic overnight business trips in 2024 than in 2023 (up 6.4%). Domestic business nights and spend also increased, but the average trip length and spend per trip declined on 2023.

This indicates businesses are engaging in more face-to-face meetings and events again post pandemic. However, travel budget pressures were apparent for Australian businesses in 2024.

In 2024, business trips and spend increased more for:

- **interstate** business travel than for intrastate travel
- business travel to **regional Australia** than to capital cities.

Business travel spend patterns changed in 2024 with increased spending on airfares, transportation, groceries and meals and less spending on tours, entertainment, alcohol and shopping.

Source: Tourism Research Australia, NVS data.

## Domestic overnight business trips facts and figures



Increase of 1.5 million domestic overnight business trips in 2024  
(+6.4% on 2023)



Average trip length was 3.4 nights  
(Down from 3.6 nights in 2023)



Domestic overnight spend on business trips increased to \$27.1 billion  
(+3% on 2023)



14,200 overnight business trips in regional Australia  
(+8% on 2023)



Average spend per business trip was \$1,090 in 2024  
(-3% on 2023)



Business travellers were twice as likely as holidaymakers to engage in the following First Nations experiences in 2024: **#1 participate in traditional activities, #2 attend an Aboriginal performance, and #3 have an Aboriginal food experience.** In contrast, business trips are generally less likely to engage in activities than holiday trips, with around 1 in 3 business trips reporting no activities at all.

# Australians travelling north and west to visit friends and family

Visiting friends and relatives (VFR) remains a key reason for travel. VFR travel accounted for 19% of domestic overnight trips in 2024.

Overall, there was a slight decline in the number of VFR trips and nights in 2024. However, there were sharp differences in VFR trends across the states/territories.

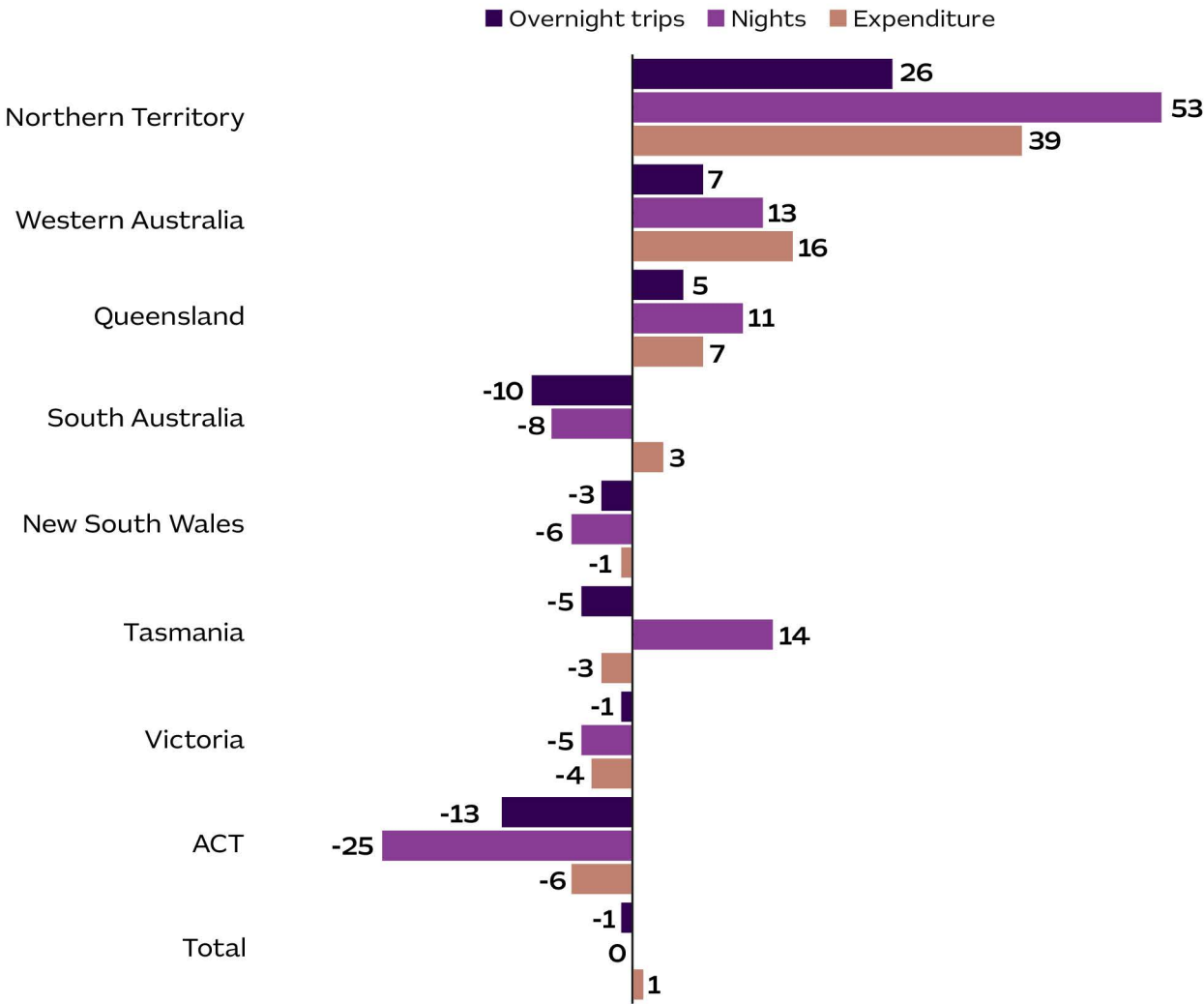
Average spend per VFR trip increased by 2% in 2024 (to \$593). Increased spend on airfares contributed to this as interstate VFR travel increased in 2024 (up by 1.2%) while intrastate VFR travel declined (down by 2%).

By age cohort, those aged 75+ spent 12% more on VFR trips in 2024 than in 2023 and drove the total increase in VFR spend. In contrast, those aged 30 to 44 years pulled back on VFR spend by more than the other age cohorts.

*In 2024, 70% of domestic VFR trips were intrastate trips and 30% were interstate trips. Intrastate VFR travel only increased in Qld and WA. Interstate VFR travel increased in all states except Vic, SA and the ACT.*

## Domestic overnight VFR trips by state/territory

Change, %, 2024 compared with 2023



Source: Tourism Research Australia, NVS data.

## International visitor economy

Image © Austrade

## International trips to Australia increased by nearly 1 million in 2024

In 2024, Australia attracted more international visitors, generated higher traveller spend and saw increased visitation across a broad range of destinations within Australia.

Australia has unique flora and fauna and offers rich cultural experiences for international visitors. Australia is considered a friendly, safe and accessible destination that is welcoming to others. This sense of safety and stability may support demand growth during periods of global uncertainty and conflict.

The Australian dollar also tracked slightly lower in 2024 improving Australia's affordability as a destination for international visitors.

### International trips facts and figures



Increase of 995,000 international trips in 2024

(+15% on 2023)



3.2 million overseas travellers came for a holiday

(+26% on 2023)



International spend increased to \$32.9 billion

(+17% on 2023)



2.3 million trips went to regional Australia in 2024

(+15% on 2023)



Average spend per trip was \$4,311 in 2024

(+2% on 2023)



International trip spending in regional Australia reached \$4.7 billion

(+13% on 2023)



Average trip length for holiday makers was 25.7 nights

(Up from 23.6 nights in 2023)



China was Australia's fastest growing source market in 2024

(+63% trips on 2023)

Source: Tourism Research Australia, IVS data.

# Record high international inbound spend in 2024

International short-term visitor\* spend in Australia reached \$32.9 billion in 2024. This was a record high and an increase of \$4.8 billion (17%) on the previous year.

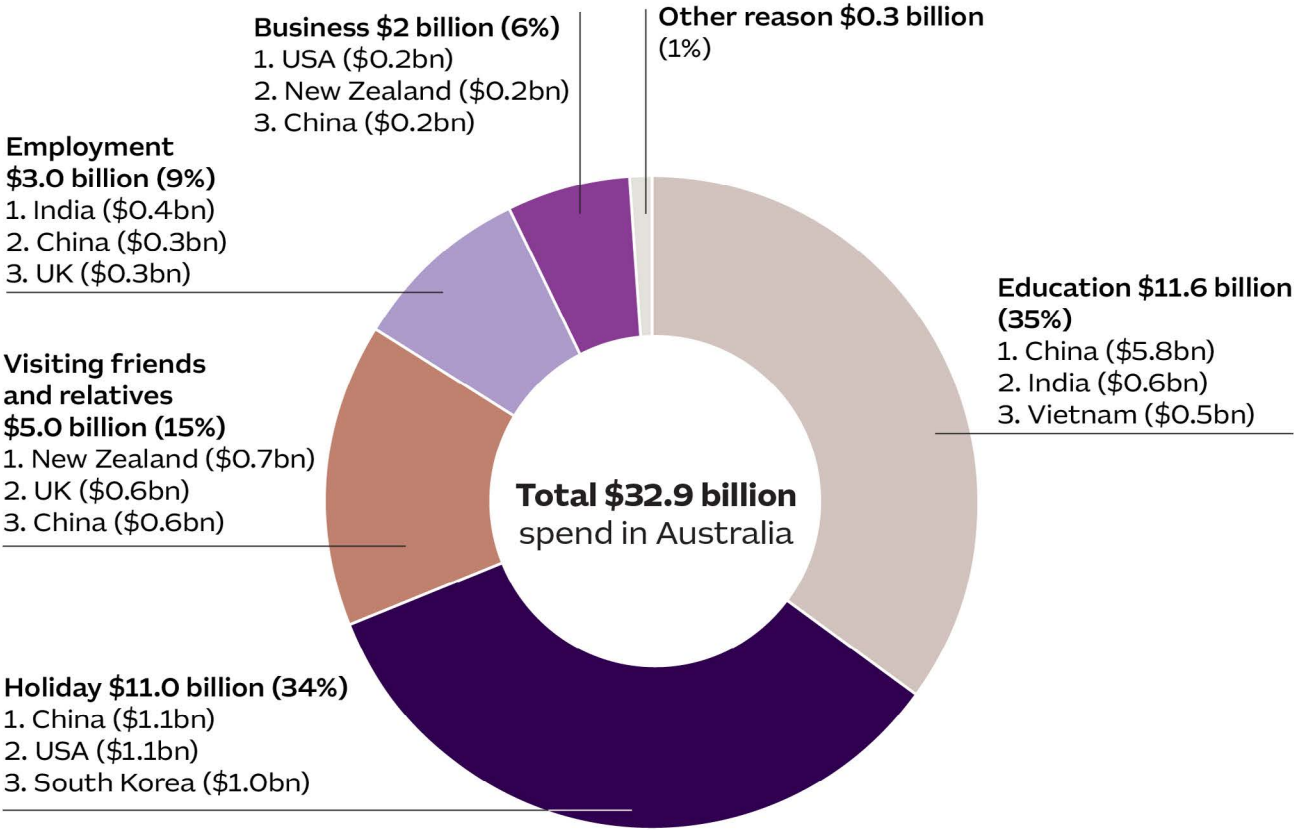
By purpose of travel, education provided the biggest contribution to spend in Australia in 2024, accounting for 35% of total short-term international visitor spend in Australia.

‘Leisure’ travel, consisting of Holiday and VFR, accounted for nearly \$1 in every \$2 spent in Australia in 2024.

China was the top contributing source market, accounting for \$8.1 billion (25%) of total spend in Australia in 2024.

*\*International visitors are not classified as short-term visitors if they remain in Australia for more than 12 months without going offshore. Therefore, long-stay students, such as those engaged in multi-year degrees without returning home are excluded from the IVS measures.*

## International spend in Australia in 2024 by main purpose of trip



*Note: Label boxes report the value of spend in 2024 and its share of total spend in Australia for that purpose of trip. It also lists the top 3 source markets for that purpose of trip and spend in Australia in 2024 for that market and purpose of trip.*

*Source: Tourism Research Australia, IVS data.*

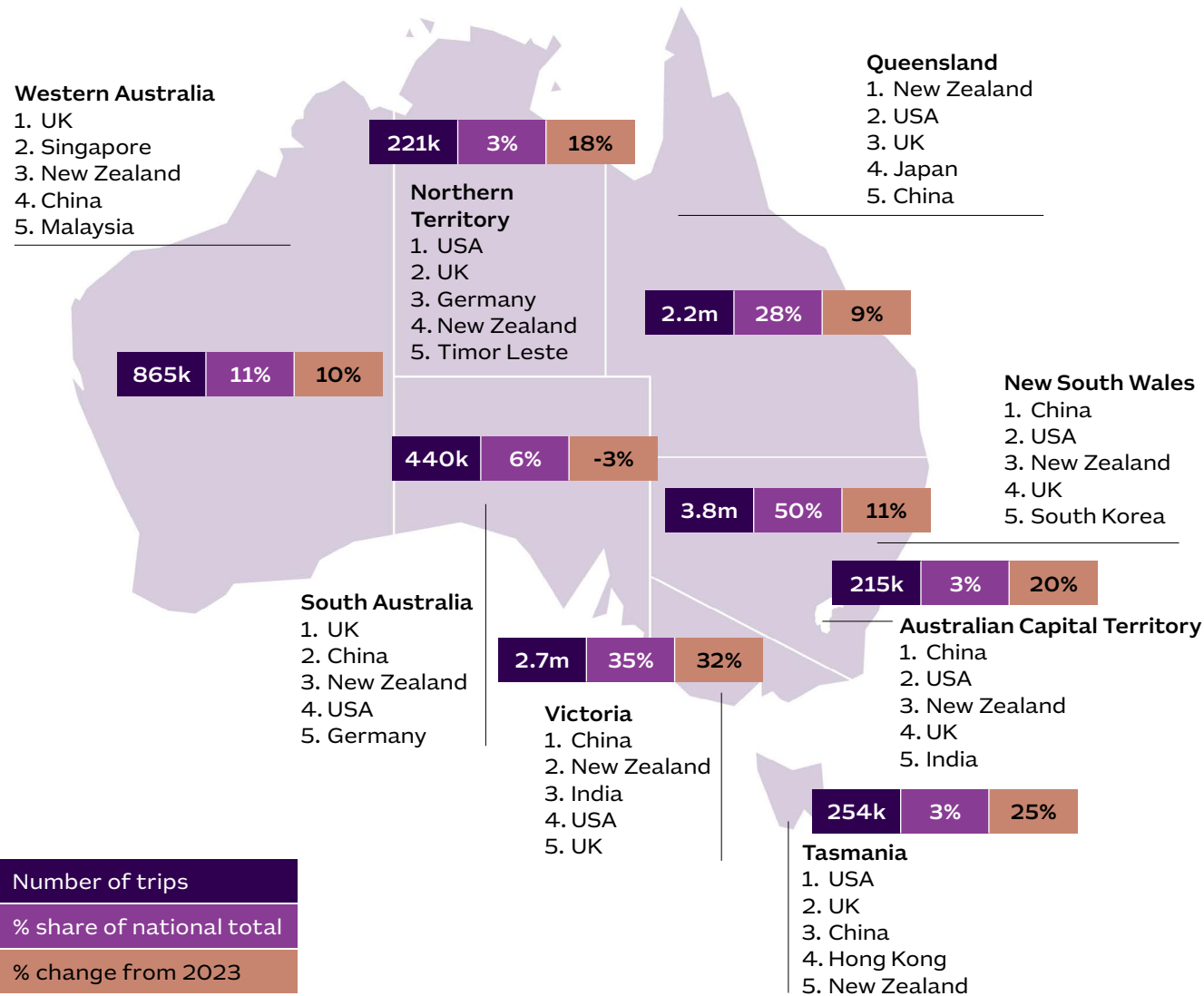
# International visitation by state sees growth for most markets

New South Wales welcomed the most international visitors in 2024, with half of all short-term international visitors reporting a stopover in that state.

Trip numbers from China increased substantially in 2024, and this market made the largest contribution to growth in international trip numbers for most states and territories.

There were also significant contributions from growth in trip numbers from South Korea (for NSW), India (for Victoria), Japan (for Queensland), Germany (for South Australia), Singapore (for Western Australia), the UK (for Tasmania), New Zealand (for the Northern Territory), and the USA (for the Australian Capital Territory).

## International trips to Australia in 2024, with 5 top source markets by state/territory



Source: Tourism Research Australia, IVS data.

# Most international spend in Australia occurs in the cities

International visitors to Australia made a larger contribution to tourism spend in capital cities than in regional Australia. In 2024, international visitor spend:

- occurred mostly in capital cities and the Gold Coast (86% of total)
- accounted for almost 30% of total tourism spend in capital cities, but only 6% of total tourism spend in regional Australia
- was \$28.2 billion, up \$4.3 billion (18%) on 2023, in capital cities, and was \$4.7 billion, up \$0.5 billion (13%) on 2023, in regional Australia.

By purpose of trip, regional Australia received a higher share of international visitor spend from holiday and employment travellers compared with capital cities. Regional Australia received a lower share of visitor spend from education and business travellers than the capital cities. International business travel occurred predominantly in the capital cities. One in 6 international business trips in 2024 visited regional Australia. In contrast, more than half of domestic business trips visited the regions.

## International visitor spend by main purpose of visit and region visited



Note: Values shown indicate the share of total spend for that purpose of visit.  
Source: Tourism Research Australia, IVS data.

## Overseas holidaymakers are here for a good time and a long time

New Zealand was Australia's largest source of international holidaymakers in 2024.

Holidaymakers from New Zealand, the United States, Hong Kong and Singapore recorded the highest average spend per night.

Holiday visitors from Italy had the highest trip spend due to the long average trip length. However, they had the lowest spend per night in 2024. Interestingly, half of the holiday visitors from Italy in 2024 reported being on a working holiday visa, which contributes to the lower average age of visitors from Italy (34 years for Italians against 42 years for all international holidaymakers). Travellers from the United States – a high spend market – had a much higher average age of 50 years.

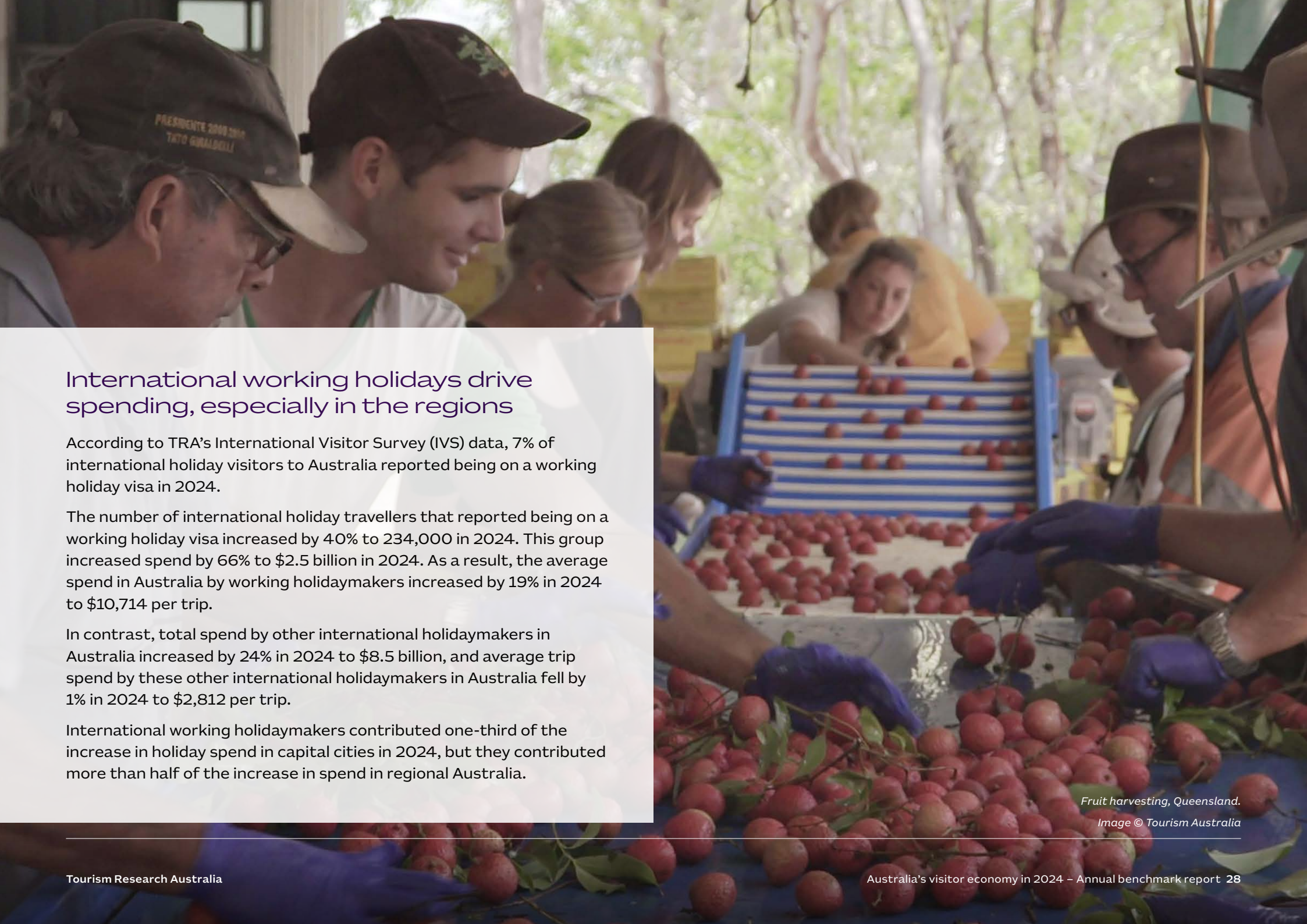
## International holiday trip characteristics by source market in Australia in 2024

| Source market  | Number of trips to Australia (000) | Average spend per trip (\$) | Nights per trip (nights) | Spend per night (\$) |
|----------------|------------------------------------|-----------------------------|--------------------------|----------------------|
| New Zealand    | 501                                | 1,984                       | 9                        | 210                  |
| United States  | 333                                | 3,233                       | 15                       | 218                  |
| China          | 329                                | 3,486                       | 18                       | 194                  |
| South Korea    | 265                                | 3,866                       | 22                       | 172                  |
| Japan          | 234                                | 2,915                       | 26                       | 110                  |
| Singapore      | 211                                | 2,339                       | 10                       | 244                  |
| United Kingdom | 205                                | 4,798                       | 42                       | 113                  |
| Indonesia      | 102                                | 3,469                       | 39                       | 89                   |
| Hong Kong      | 96                                 | 2,904                       | 12                       | 251                  |
| Taiwan         | 95                                 | 5,372                       | 66                       | 81                   |
| Germany        | 95                                 | 4,052                       | 38                       | 107                  |
| Malaysia       | 86                                 | 1,991                       | 10                       | 190                  |
| India          | 62                                 | 3,357                       | 28                       | 121                  |
| Canada         | 62                                 | 3,376                       | 27                       | 125                  |
| France         | 56                                 | 5,619                       | 74                       | 76                   |
| Vietnam        | 44                                 | 2,871                       | 17                       | 164                  |
| Philippines    | 44                                 | 2,264                       | 33                       | 68                   |
| Thailand       | 38                                 | 3,808                       | 40                       | 95                   |
| Ireland        | 36                                 | 5,003                       | 54                       | 93                   |
| Italy          | 28                                 | 7,586                       | 112                      | 68                   |
| <b>Total*</b>  | <b>3,239</b>                       | <b>\$3,383</b>              | <b>26</b>                | <b>\$131</b>         |

*\*Total includes other countries not reported separately*

*Some of the highest (purple shading) and lowest values (copper shade) are shown for nights per trip and spend per night in the table.*

Source: Tourism Research Australia, IVS data.



## International working holidays drive spending, especially in the regions

According to TRA's International Visitor Survey (IVS) data, 7% of international holiday visitors to Australia reported being on a working holiday visa in 2024.

The number of international holiday travellers that reported being on a working holiday visa increased by 40% to 234,000 in 2024. This group increased spend by 66% to \$2.5 billion in 2024. As a result, the average spend in Australia by working holidaymakers increased by 19% in 2024 to \$10,714 per trip.

In contrast, total spend by other international holidaymakers in Australia increased by 24% in 2024 to \$8.5 billion, and average trip spend by these other international holidaymakers in Australia fell by 1% in 2024 to \$2,812 per trip.

International working holidaymakers contributed one-third of the increase in holiday spend in capital cities in 2024, but they contributed more than half of the increase in spend in regional Australia.

*Fruit harvesting, Queensland.*

*Image © Tourism Australia*

## CASE STUDY

### 100% Finke River Culture and Adventure, Northern Territory

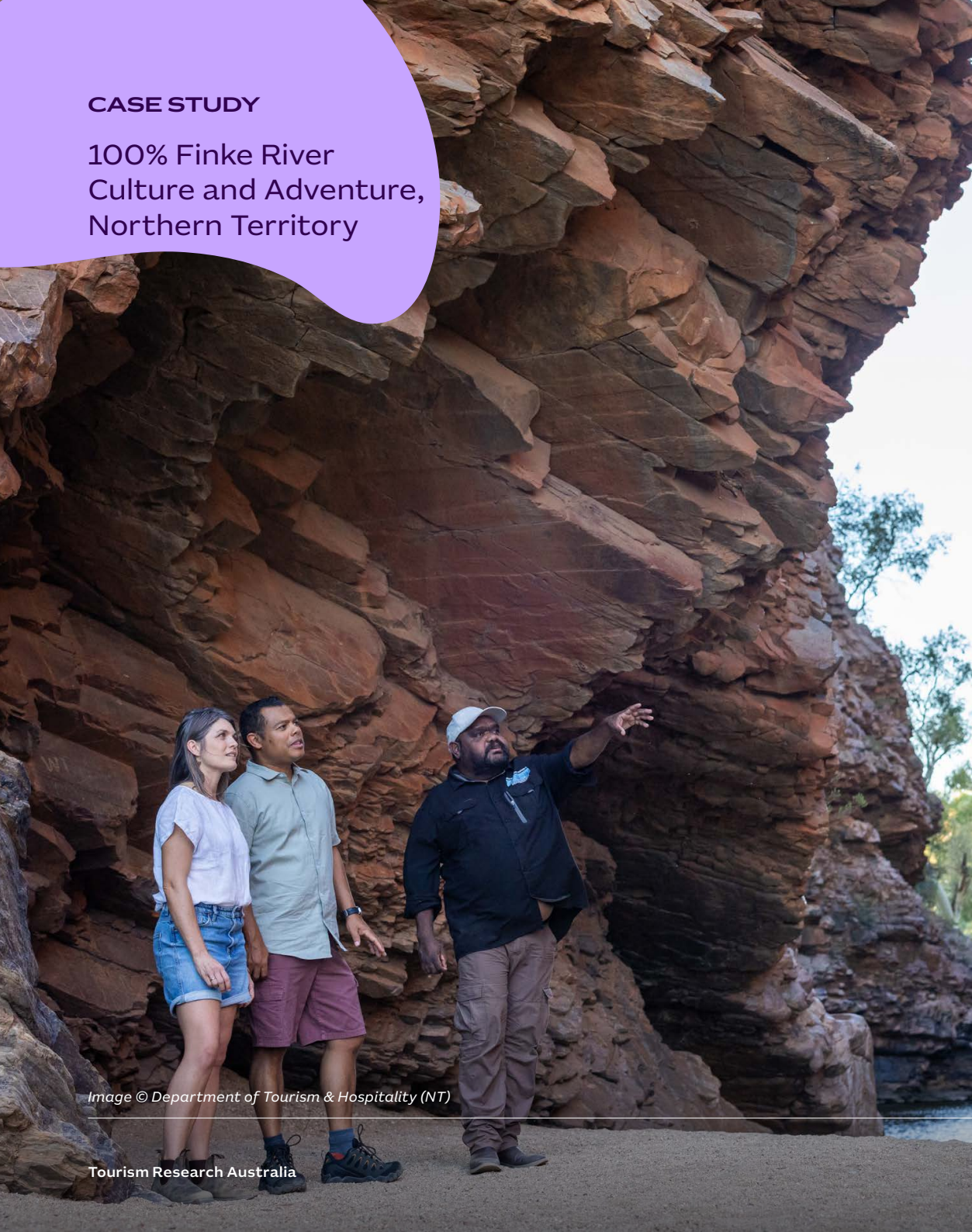


Image © Department of Tourism & Hospitality (NT)

## Culture, adventure and tourism

The Northern Territory's First Nations-owned tourism sector continues to grow, delivering culturally appropriate, educational and sustainable tourism operations.

The Department of Tourism and Hospitality seeks to sustainably manage natural assets, balancing visitor access with safety and biodiversity, promoting sustainable tourism, supporting wildlife preservation, and preventing degradation. A key departmental goal is to collaborate with Traditional Owners and Aboriginal communities to support aspirations for participation and economic development via respectful sharing of land and culture.

First Nations-owned 100% Finke River Culture and Adventure offers immersive cultural experiences led by Aboriginal guides to provide visitors to Central Australia and the West MacDonnell Ranges an understanding of country and cultural heritage. With a passion for enabling local Aboriginal people access to meaningful employment and opportunities to work on country, 100% Finke River Culture and Adventure showcases the resilience and community spirit of the tourism industry in Central Australia. It also focuses on community benefit and sustainable First Nations employment, supporting the growth and distribution of cultural tours to a wider audience of domestic and international visitors, school groups and visitors on The Ghan.

In 2025, Intrepid Travel Group is partnering with 100% Finke Culture and Adventure to offer Intrepid's first-ever First Nations guided Larapinta Trail experience through the majestic West MacDonnell Ranges, which will support the further development of First Nations tour guides and cultural tourism in Central Australia.

***Case study provided by Department of Tourism & Hospitality (NT)***

## More international business trips but less spend

The international business travel sector moderated in 2024. The number of international business trips to Australia increased by 7% (53,000 more business trips) in 2024, which was less than half the growth rate of total international arrivals.

Total business trip spend in Australia fell by 3% in 2024. Moreover, the average spend per night fell by 17% – from \$238 per night in 2023 to \$197 per night in 2024.

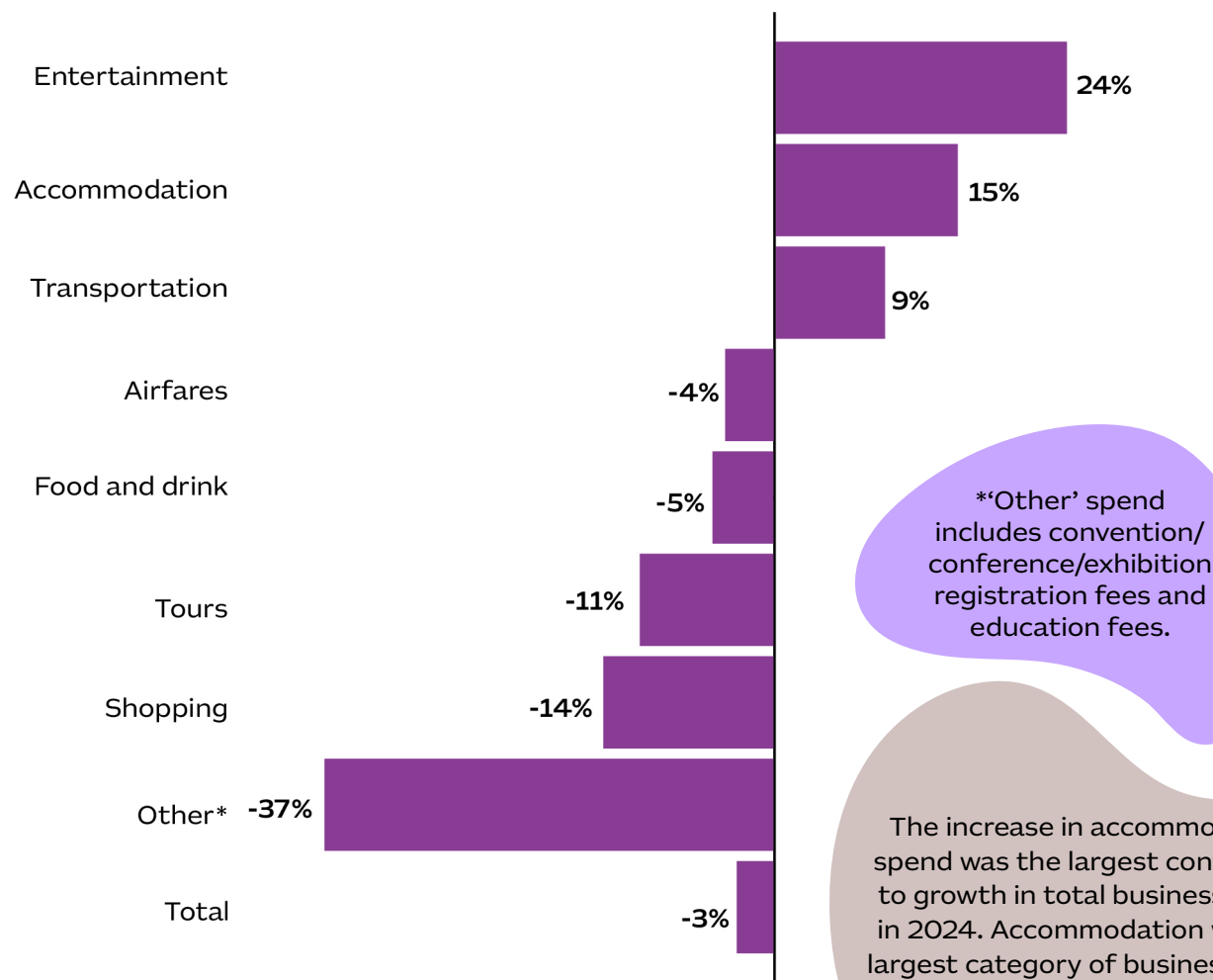
While weak global economic conditions and increased scrutiny of travel budgets likely contributed to the decline in business spend, some categories continued to see spend growth, such as entertainment.

International business travel to Australia varied by source market. In 2024, the markets that contributed most to growth in international business spend were:

1. Japan
2. United Kingdom
3. Vietnam
4. Indonesia
5. Singapore.

Conversely, markets that reduced business spend in Australia in 2024 included the USA, India, New Zealand, Hong Kong and Taiwan.

## Change in spend on international business trips by category in Australia in 2024 on 2023



\*'Other' spend includes convention/conference/exhibition registration fees and education fees.

Source: Tourism Research Australia, IVS data.

The increase in accommodation spend was the largest contributor to growth in total business spend in 2024. Accommodation was the largest category of business spend (35%) in 2024, while entertainment was the smallest (1%).

## Visiting friends and relatives accounted for 1 in 3 international travellers to Australia

While international travel to Australia for visiting friends and relatives (VFR) accounted for more than one-third of trips in 2024, it only equated to 15% of visitor spend in Australia.

VFR travel is typically a low average spend category of travel; average spend per night in Australia in 2024 was \$61. This is because the host family or friends typically provide accommodation and organise and pay for some activities and meals.

However, there are some source markets with a higher average spend per night. VFR travellers from Singapore (\$165 per night), Hong Kong (\$138), Japan (\$125) and New Zealand (\$102) had the highest average spend per night on their VFR trips to Australia in 2024.

VFR travellers typically spend a lower share on accommodation and tours than the average holiday traveller, but a higher share on shopping and education fees.



*Burleigh Heads, Gold Coast, Queensland.*

*Image © Tourism Australia*

## CASE STUDY

### Cassowary Coast, Queensland



Mena Creek, Tropical North Queensland  
Image © Tourism Australia

## Eco-certified tourism

Queensland is now a leader in eco-certified destinations in Australia, with the Queensland Government supporting 10 destinations to achieve certification from either Ecotourism Australia (ECO Destination Certification program) or EarthCheck (Sustainable Destination Standard program). The Eco-certified Tourism Destination Program provided funding of up to \$150,000 to local government authorities and regional and local tourism organisations in Queensland to:

- Fast-track the certification for destinations already engaged in either of the two globally recognised certification programs
- support new destinations to join the programs and achieve certification
- support certified destinations to attain a higher level of certification
- build a Queensland network of globally recognised certified destinations.

Cassowary Coast Regional Council received Ecotourism Australia ECO Destination Certification in February 2025 placing the Cassowary Coast in a select group of global destinations to have achieved the highest standards for environmental sustainability – an increasingly sought-after feature from international tourists.

Destinations that have achieved certification under the program include: Bundaberg Regional Council, Cassowary Regional Council, Etheridge Shire Council, Gladstone Area Promotion and Development Limited, Livingstone Shire Council, City of Moreton Bay, Murweh Shire Council, Noosa Shire Council, Scenic Rim Regional Council and Townsville City Council.

The Australian Tourism Industry Council Sustainable Tourism Accreditation complements this program.

***Case study provided by Department of the Environment, Tourism, Science and Innovation (Queensland)***



## Global and outbound travel

Melbourne Airport, Victoria.

Image © Austrade

# Aussies travelled overseas in record numbers

According to ABS data, Australians took 11.6 million short-term overseas trips (defined as less than one year) in 2024. This was 16% more than the number of trips in 2023 (10 million) and a record high.

Most overseas trips in 2024 were for a holiday (59%, 6.9 million trips). Visiting friends and relatives was the second-largest reason for overseas trips (27%, or 3.1 million trips) followed by overseas business trips (8%, 0.9 million trips).

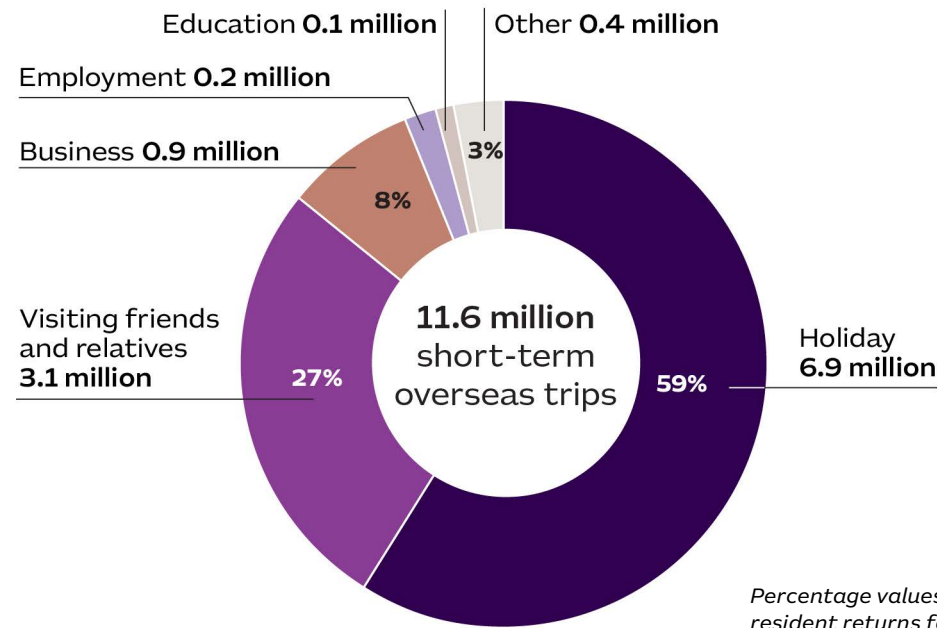
Outbound leisure travel shows a seasonal pattern, with peaks coinciding with school holidays and the Christmas/New Year period.

Source: *Overseas Arrivals and Departures, Australia, February 2025* | Australian Bureau of Statistics

## Short-term resident returns, top 10 destinations of Australians in 2024

| Destination       | Trips in 2024 (000) | Change from 2023 to 2024 |
|-------------------|---------------------|--------------------------|
| 1. Indonesia      | 1,679               | 23%                      |
| 2. New Zealand    | 1,364               | 8%                       |
| 3. Japan          | 799                 | 57%                      |
| 4. United States  | 735                 | 10%                      |
| 5. United Kingdom | 620                 | 3%                       |
| 6. Thailand       | 587                 | 17%                      |
| 7. China          | 581                 | 85%                      |
| 8. India          | 549                 | 12%                      |
| 9. Vietnam        | 437                 | 31%                      |
| 10. Fiji          | 409                 | 6%                       |

## Short-term resident returns in 2024 by purpose of travel



Percentage values in the chart give the share of resident returns for that purpose of trip in 2024.

# Aussies also curbed overseas holiday spend

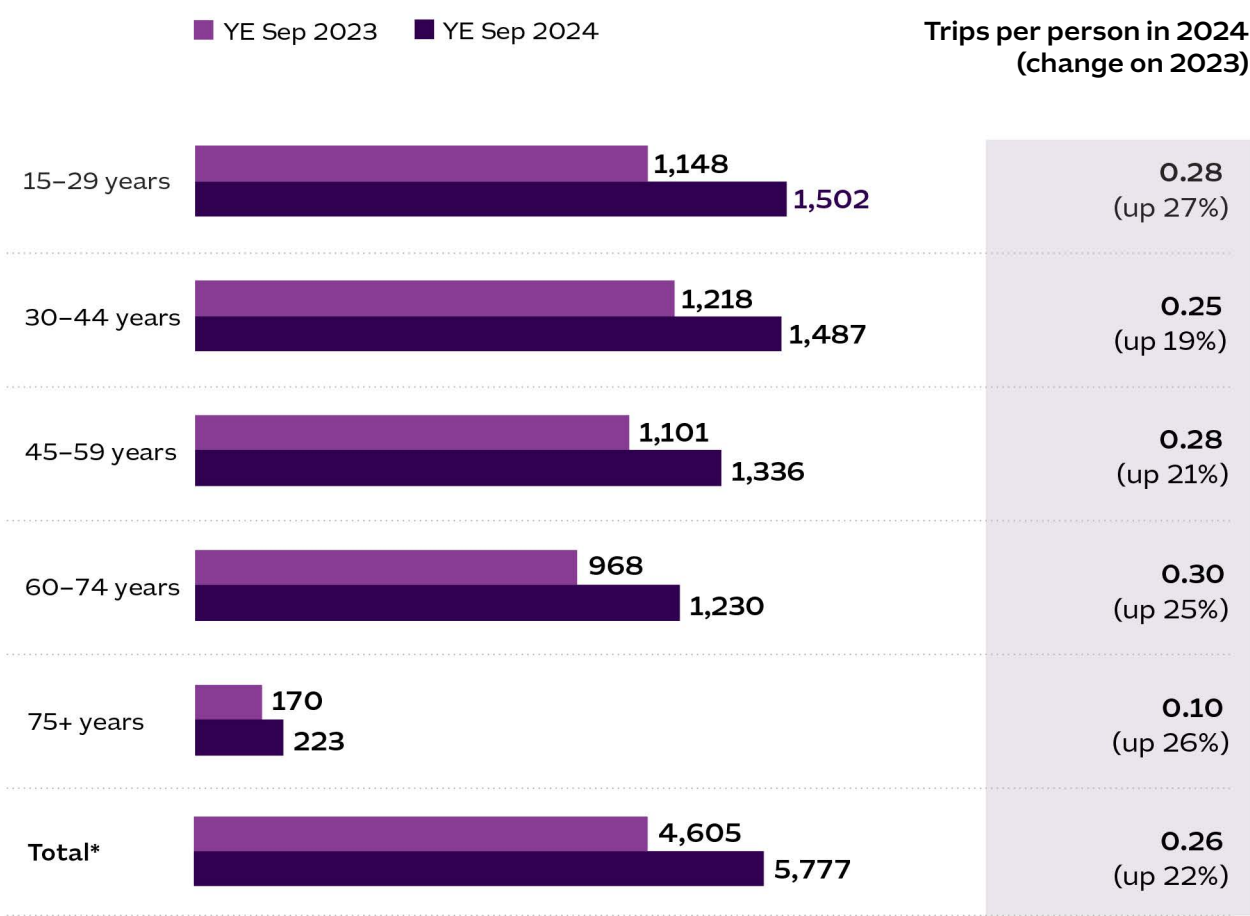
In 2024, Australians took more international outbound holidays than the previous year. However, as was the case for domestic holidays, the average length of outbound trips was slightly shorter in 2024, and the average spend per trip declined (by 1.2%).

By age, 15 to 29-year-olds were the largest outbound holiday age group. This cohort accounted for more than one in 4 of all outbound holiday trips in 2024. This age group also recorded the strongest growth in outbound holiday travel in 2024, making it the largest contributor to growth in outbound traveller numbers in 2024.

Australians aged 60 to 74 years were the age group most likely to holiday overseas (0.3 trips per person in 2024, followed by those aged 15 to 29 years and 45 to 59 years (0.28 trips). The cohort aged 75+ was least likely to holiday overseas and were 10 times more likely to take a domestic overnight holiday than an outbound holiday in 2024. On average across all age cohorts, Australians were 8 times more likely to take a domestic overnight holiday than an outbound holiday in 2024.

Source: Tourism Research Australia, NVS

Number of overseas holiday trips by age cohort in 2023 and 2024



\*Bars for Total are on a different scale

While younger travellers budget, older travellers spend big

While the 15 to 29-year age group travelled the most, it had a much lower average spend per trip – approximately half that of other age groups. Older age groups spent more per trip and more per night on average, with those aged 45 to 59 years reporting the highest average spend per night, at almost \$800 per night in 2024.

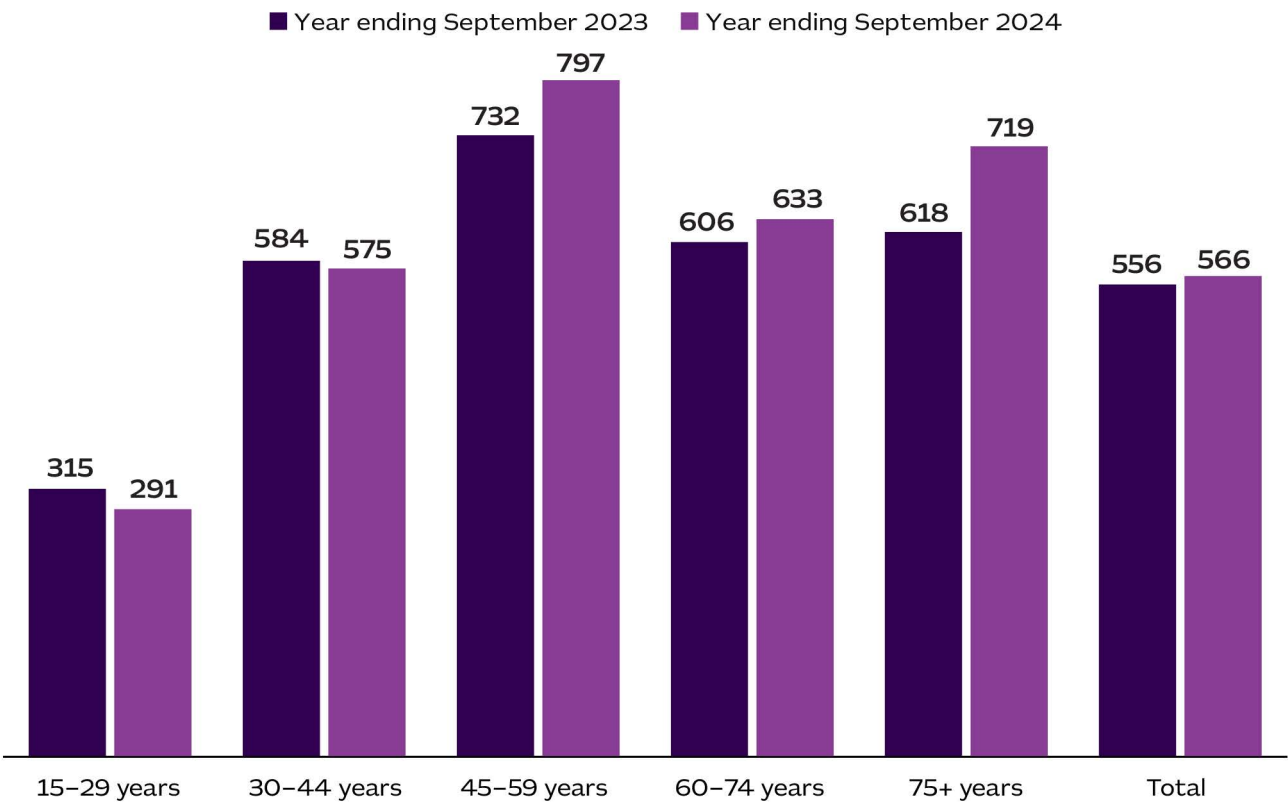
Interestingly, 15 to 29-year-olds reduced their average spend per night on international holiday trips in 2024 on 2023, while those aged 75+ recorded the strongest increase in trip spend and spend per night in 2024 on 2023.

In contrast, the 30 to 44-year age group – which was a prominent age group for domestic holiday travel – recorded the strongest falls in average trip length and average trip spend in 2024 compared with 2023.

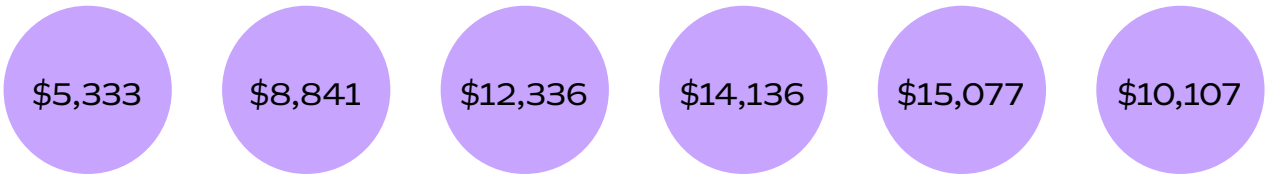
Source: Tourism Research Australia, NVS

Average spend for international holiday trips

Spend per night (\$), in 2023 and 2024



Average spend per international holiday trip by age cohort in 2024



Note: TRA NVS data captures travellers aged 15+ and outbound data is available for the year ending September 2024).

## Industry, operators and investment



Bondi Beach, New South Wales.

Image © Tourism Australia

# In 2024, Australia's visitor economy capacity grew, and it supported more travellers

|                                                                                     | Metric                             | Description                                                                                            | 2024 value     | Change between 2023 and 2024 |
|-------------------------------------------------------------------------------------|------------------------------------|--------------------------------------------------------------------------------------------------------|----------------|------------------------------|
|    | Accommodation rooms                | Total number of rooms available in accommodation establishments with 10 rooms or more (as at December) | 335,300        | +2.1%                        |
|    | Accommodation occupancy            | Percentage of rooms sold, or occupied, in establishments with 10 rooms or more (average for the year)  | 71.4%          | +2.3ppt                      |
|    | International aviation seats       | Total number of seats available on flights to Australia                                                | 25.9 million   | +14.7%                       |
|    | International aviation load factor | Percentage of seats on flights into Australia occupied by revenue passengers                           | 81.6%          | -0.7ppt                      |
|    | Domestic aviation seats            | Number of seats available to people flying within Australia                                            | 74.3 million   | +1.9%                        |
|    | Domestic aviation load factor      | Percentage of seats on domestic flights occupied by revenue passengers                                 | 81.8%          | +1.6ppt                      |
|  | Tourism jobs                       | Number of filled jobs in the tourism industry (as of December)                                         | 713,500        | +2.5%                        |
|  | Tourism job vacancies              | Number of tourism-related job vacancies advertised online (as of December)                             | 13,400         | -8.8%                        |
|  | Tourism businesses                 | Number of Australian businesses in tourism-related industries (as at end June)                         | 360,200        | +1.0%                        |
|  | Tourism investment                 | Total value of investment in tourism infrastructure projects valued over \$20 million (as at end June) | \$63.4 billion | +13.1%                       |

# Accommodation in Australia

Gold Coast, Queensland, Australia.

Image © Austrade

Accommodation capacity increased, providing more options for travellers

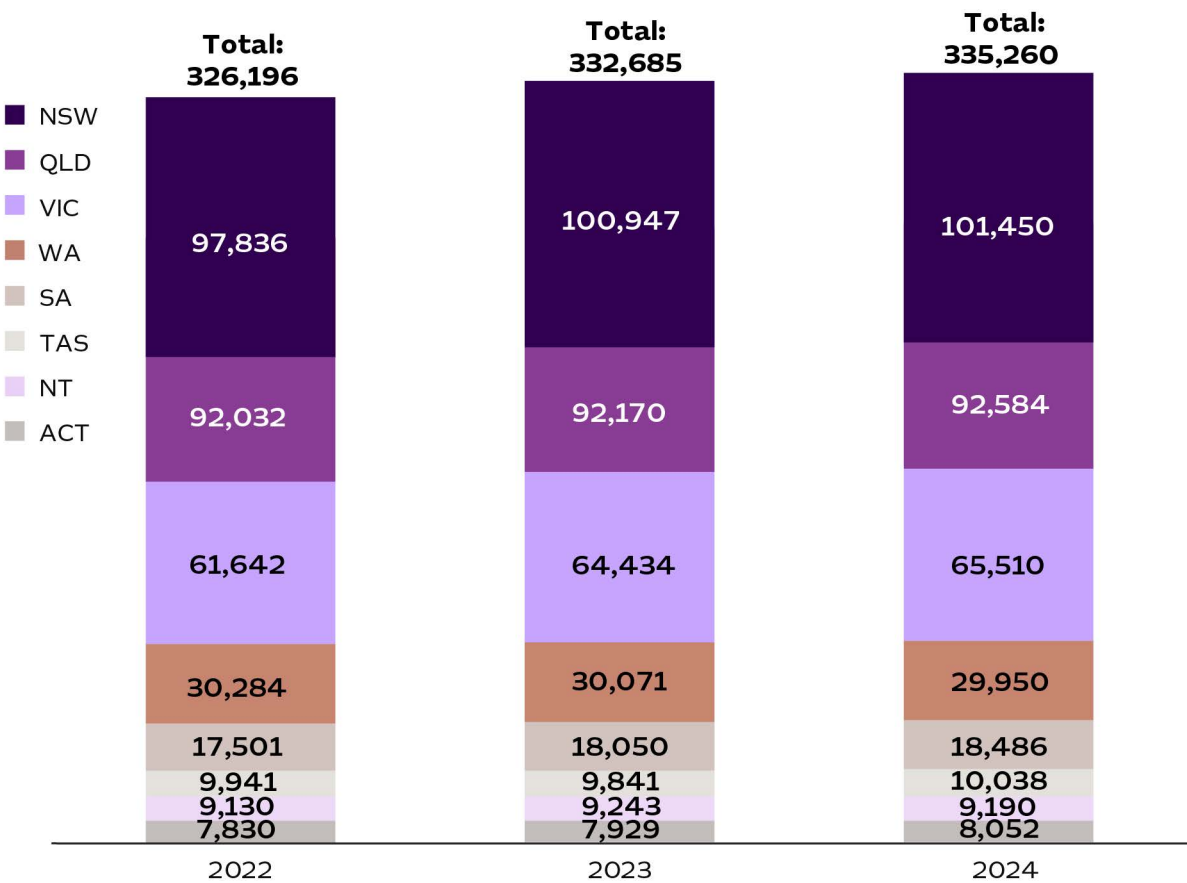
Commercial accommodation capacity increased to a record high 335,000 rooms in 2024, according to STR data.

The increase of 2,575 rooms from December 2023 to December 2024 represented a 0.7% increase.

South Australia saw the highest percentage increase over the year at 2.4%, followed by Tasmania (2%), Victoria (1.7%), and the Australian Capital Territory (1.5%).

The Northern Territory and Western Australia were the only jurisdictions to see a reduction in rooms from December 2023 to December 2024.

Number of rooms available\* as of December 2022 to 2024



Source: STR monthly accommodation data

\* In establishments with 10 rooms or more

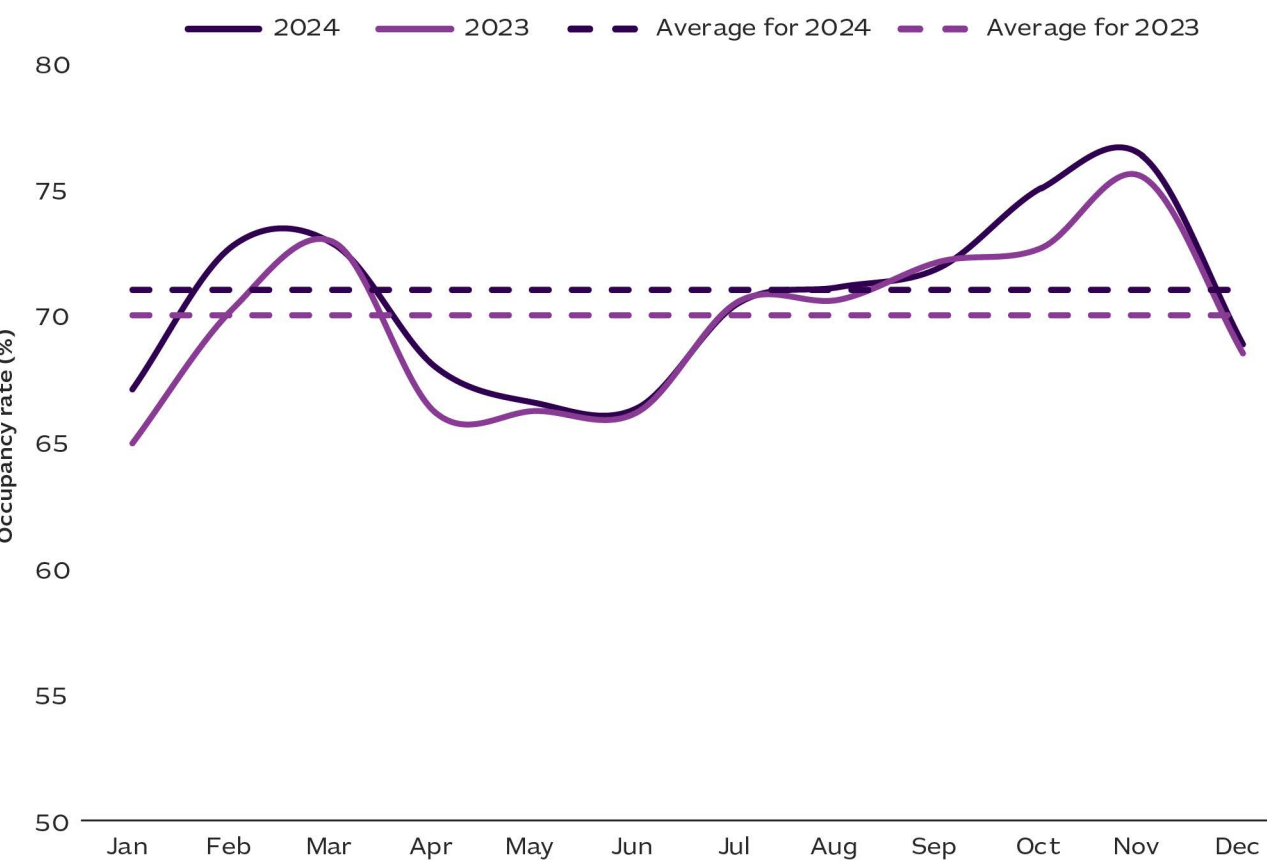
# Occupancy-rate analysis shows peak and trough periods

The average occupancy rate for commercial accommodation continued to trend higher in Australia in 2024 and was 71% on average across the year.

Solid occupancy rates at a national level – along with a higher revenue per available room (RevPAR) – are welcome signs of strong demand for accommodation. This also supports the continued investment in Australian accommodation supply.

Occupancy rates notably vary throughout the year: the average occupancy rate across Australia is lower in Autumn and Winter months of April to June and peaks in November.

Monthly occupancy rate of Australian accommodation establishments, 2023 and 2024



Source: STR monthly accommodation data

## Average daily room rate and revenue per available room continue to trend higher

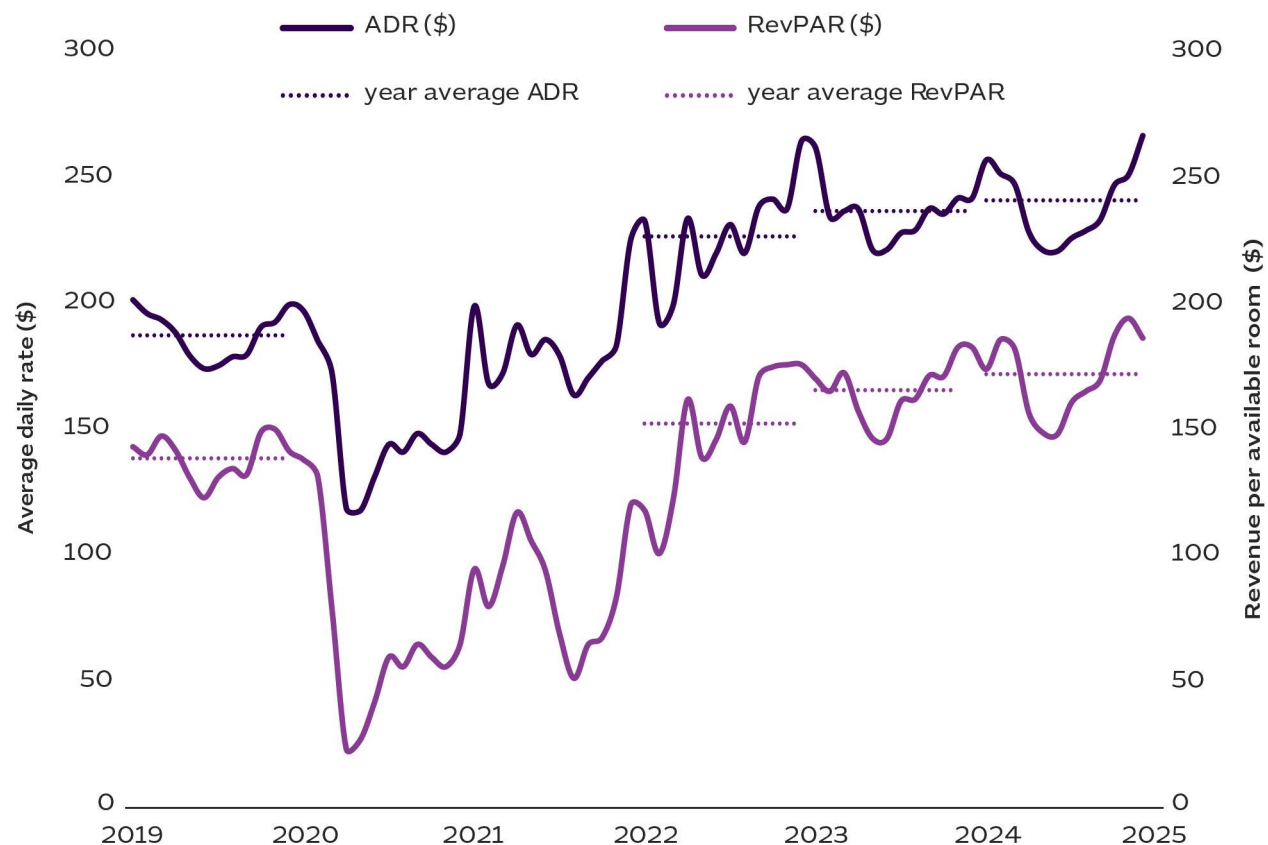
The average daily rate (ADR) charged for a room continued to climb incrementally year-on-year, with an average 1.3% rise in 2024.

ADR trends follow tourist seasons with summer months being much higher than winter months nationally. In summer 2024 ADR was \$251, compared with \$226 in winter 2024 (i.e. ADR was 11% higher in the summer months).

Revenue per available room (RevPAR) is also higher in summer than in winter. RevPAR increased to \$172 in 2024, a 3.7% on-average increase on the previous year.

RevPAR gives a better indicator of accommodation providers' earnings than the room rate, because it adjusts for the occupancy rate.

## ADR and RevPAR for Australia, 2019 to 2024



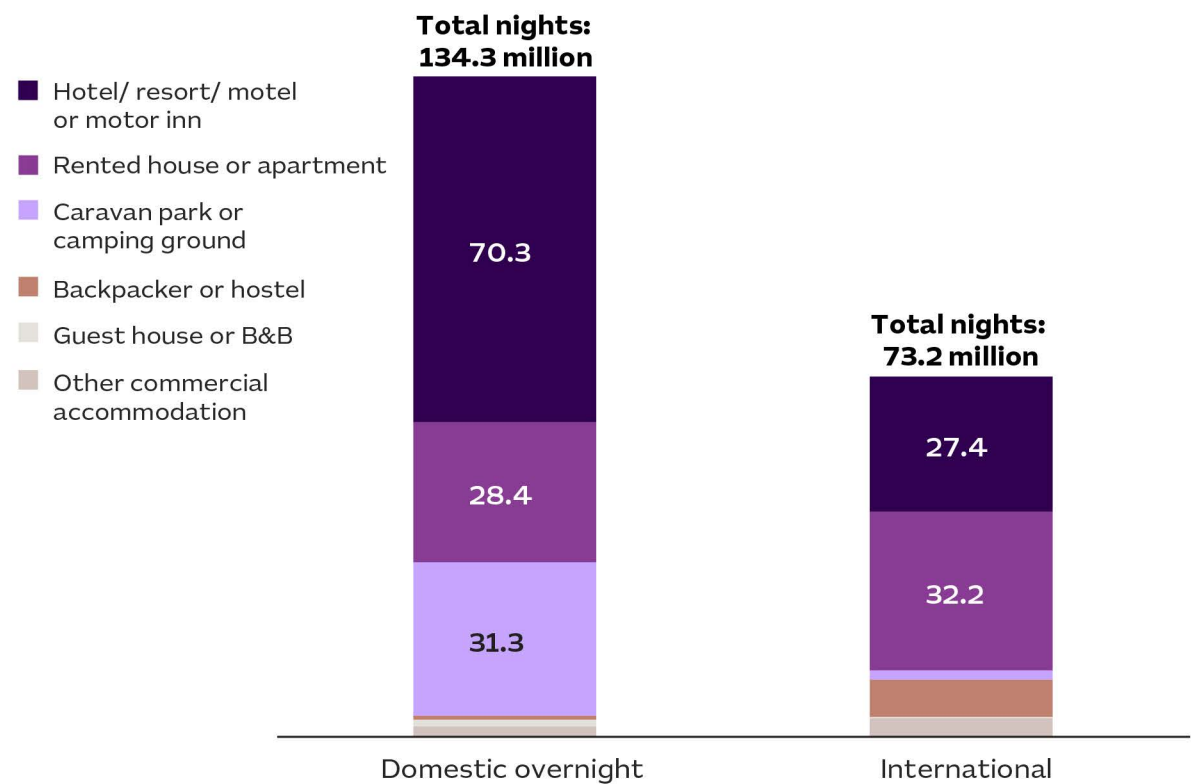
Source: STR monthly accommodation data

# Accommodation preferences vary by traveller

Domestic overnight travellers generated more demand for hotel and resort nights than international travellers, accounting for 52% of nights in 2024. Domestic overnight travellers were slightly more likely to stay at a caravan park or camping ground (23%) than rent a house (21%) in 2024 of traveller nights booked.

International visitors were slightly more likely to rent a house or apartment than stay at a hotel, especially when staying in Australia for a long time. Only 37% of international visitor nights were in hotels, resorts and motels in 2024.

## Commercial accommodation used by international and domestic overnight nights in 2024



Source: STR monthly accommodation data

\*Values less than 10 million not shown.



## Aviation and connectivity

*Image © Austrade*

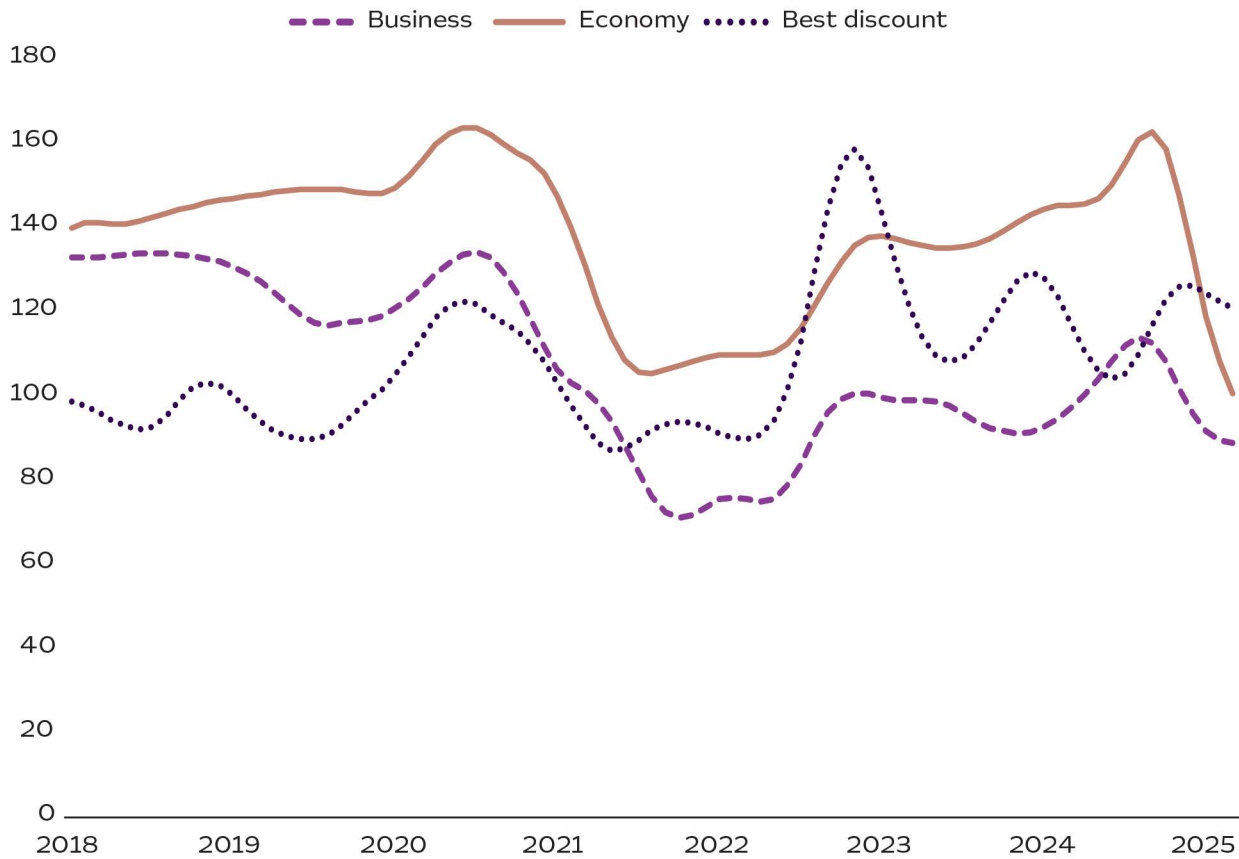
# Domestic air fares saw increased volatility in 2024

In 2024, two of Australia’s domestic airlines faced major difficulties. REX entered voluntary administration, exiting intercity routes, and Bonza collapsed in July 2024. These airline changes may have led to increased volatility in the ‘best discount’ air fares throughout 2023 and 2024. The domestic air fares index for economy class fares also declined sharply in the second half of 2024.

Meanwhile, the business air fares index ended the year approximately the same as the start of the year, after a rise around the end of financial year period.

In early 2025, the domestic economy air fares index fell to its lowest level since 2013.

Domestic airfares by category, smoothed index level relative to July 2003, January 2018 to March 2025



Source: *Domestic aviation activity* | Bureau of Infrastructure and Transport Research Economics

# Increases in domestic and international seat capacity

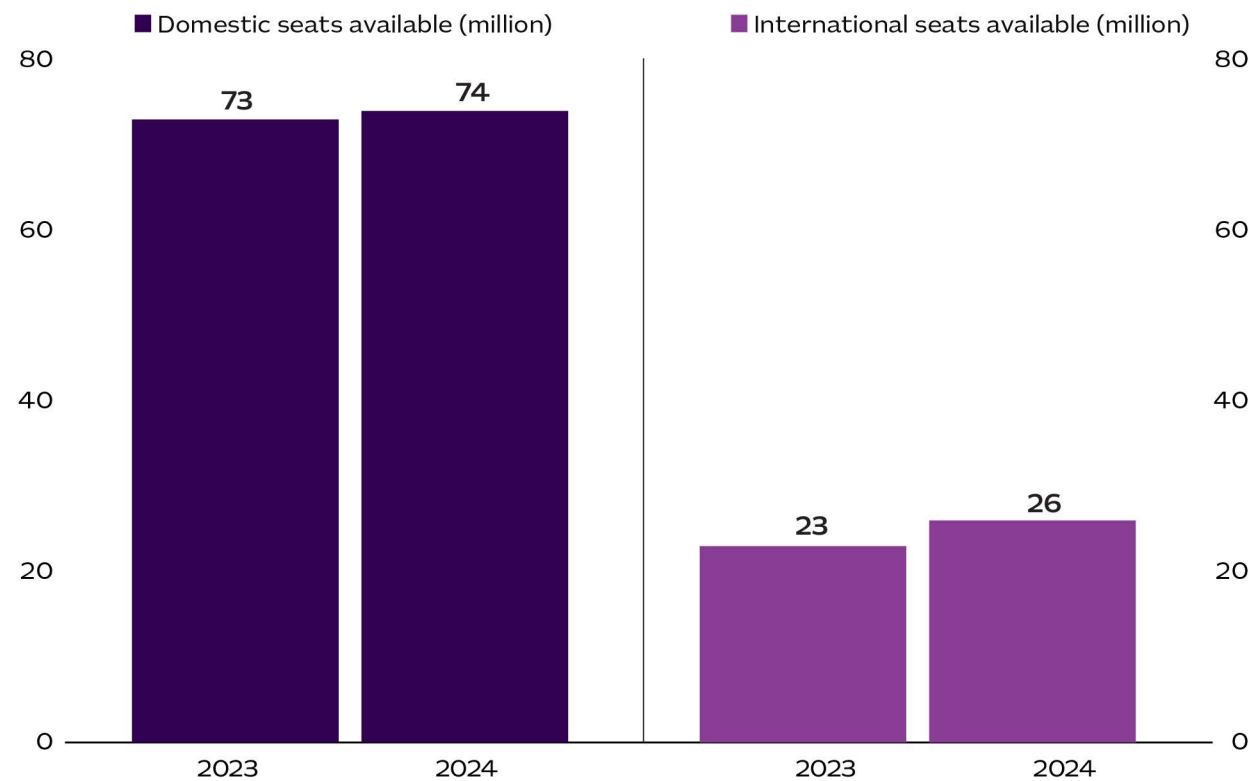
In line with increased demand, aviation capacity for both domestic and international travel increased further in 2024.

The number of domestic seats available rose by 2% to 74.3 million. In 2024, the domestic load factor (a measure of airline seat occupancy by passengers) was 82%, an increase of 2% on 2023. Domestic aviation capacity in 2024 was likely affected by the collapse of budget airline Bonza and the scaling back of routes by regional carrier Rex.

International aviation capacity into Australia increased by 15% in 2024, bringing 25.9 million international seats online in 2024. The international aviation load factor remained high in 2024 at 82% but declined slightly from the record high of 2023.

**Fun fact:**  
*In 2024, 7 of the top 20 growth routes for domestic air travel in 2024 were connecting to Western Australia's capital city, Perth.*

Domestic and international flight seat capacity in 2023 and 2024



Source: [International airline activity | Bureau of Infrastructure and Transport Research Economics](#)[Domestic aviation activity | Bureau of Infrastructure and Transport Research Economics](#)

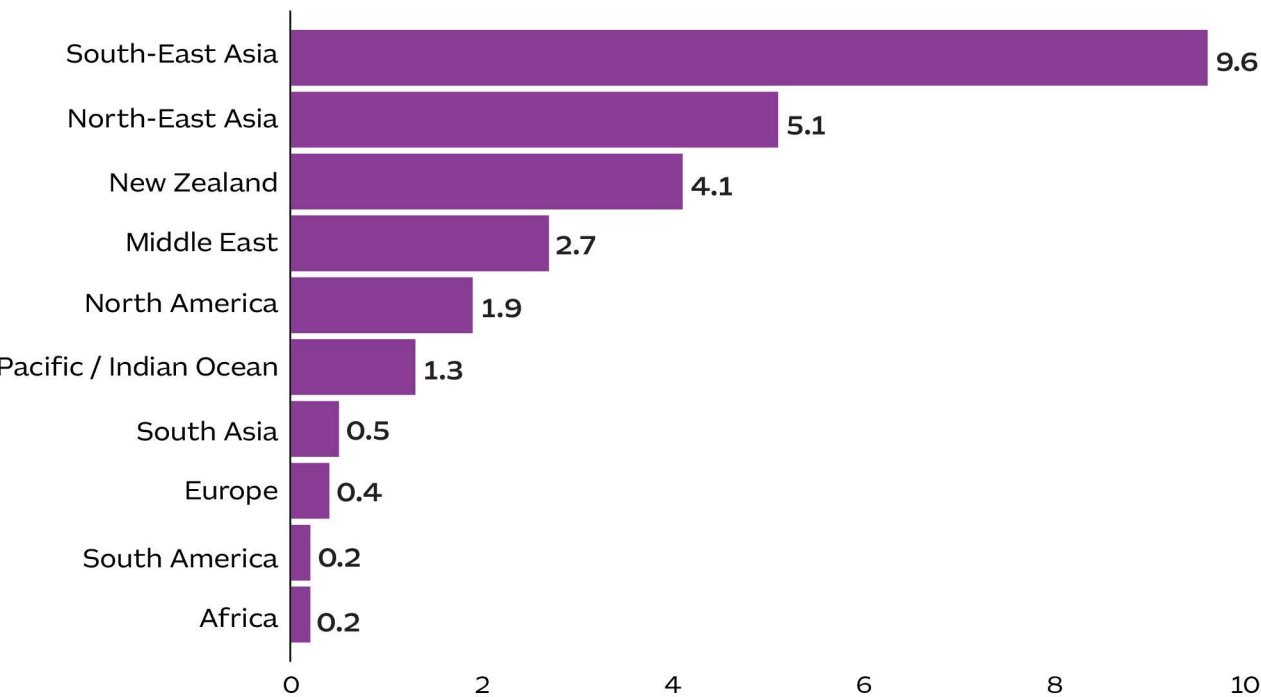
International airline seat availability shows strong connectivity with SE Asia

The number of international inbound flights to Australia increased by 13% from 89,800 in 2023 to 101,700 in 2024. These increases saw the number of international flights reach new highs in 2025.

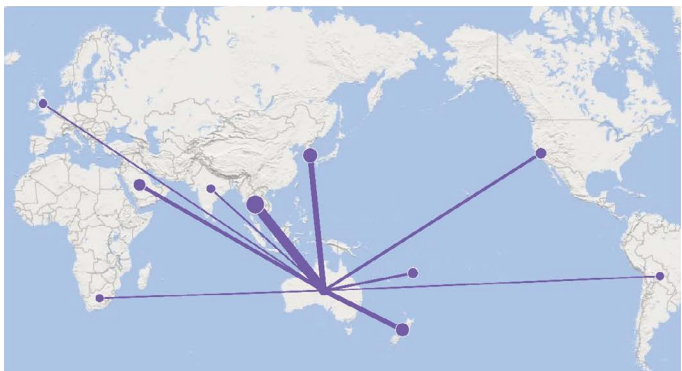
Changing international air traffic also gives an indication of the recovering market, with increases in global capacity (up 12.8% on 2023) and traffic (up 13.6% on 2023).

Southeast Asia had the highest number of international inbound airline seats available at 9.6 million in 2024, followed by North-East Asia at 5.1 million, and New Zealand at 4.1 million.

International inbound airline seats (million) available by region for calendar year 2024



International aviation seats into Australia in 2024



Source: IATA – Global Air Passenger Demand Reaches Record High in 2024

## Businesses and jobs

Harvest Market in Launceston, Tasmania.

Image © Tourism Australia

## CASE STUDY

### Chimes Spa Retreat, Western Australia



Image © Rachel Claire

## Promoting local tourism

The Western Australia Visitor Economy Strategy 2033 (WAVES 2033) is a 10-year plan for Western Australia to become a world-class tourism destination. It aims to immerse visitors in the state's unique cultures, communities and environment to achieve \$25 billion in visitor spend annually by 2033.

Key aspects of the strategy include enhancing aviation connectivity, developing regional tourism, promoting events and strengthening First Nations tourism.

Chimes Spa Retreat, in the coastal town of Denmark, is an example of a Western Australian tourism operator that has aligned with this strategy to make advances. In 2 short years, Chimes has doubled the average length of stay by actively promoting local tourism attractions and experiences. Chimes's curated guest itineraries feature visits to local wineries and galleries, as well as nature walks and adventure experiences with local operators.

Chimes Spa Retreat's collaboration with food and wine vendors encourages guests to explore more of Denmark and extend their stay. The retreat makes employing local people a priority and invests in career development. It uses local providers and services wherever possible, such as collaborating with renowned local chefs to curate memorable, private dining experiences. This regional-first approach has brought benefits to broader visitor economy around Denmark.

***Case study provided by Tourism Western Australia***

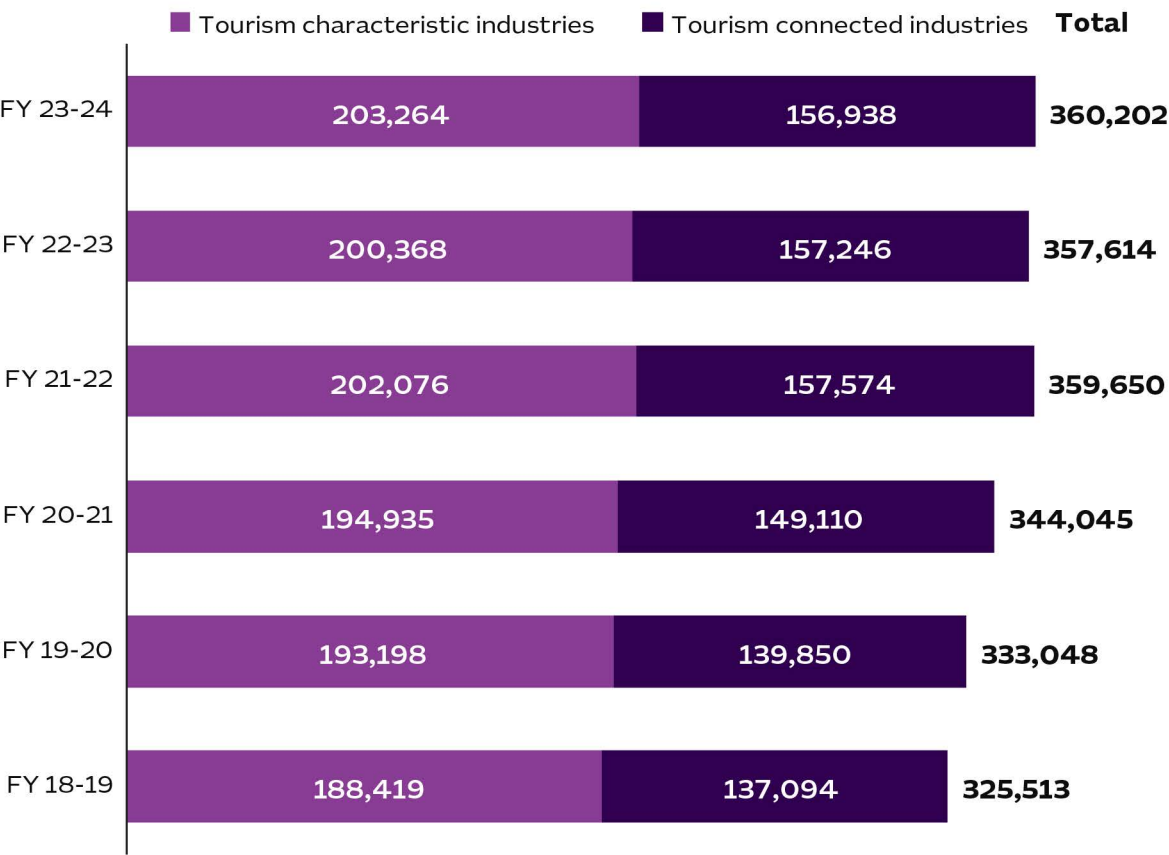
# Tourism businesses accounted for 1 in 7 Australian businesses in 2024

There were 360,202 tourism-related businesses in June 2024. This was a record high. It was also 0.7% higher than in June 2023, and 11% higher than June 2019 (pre-pandemic).

By industry, the 2 largest industries (together accounting for 2 in 3 tourism-related businesses in 2024) were retail trade and cafés, restaurants, and takeaway food services. Retail trade (a tourism-connected industry) was the largest tourism-related industry, with 153,000 businesses (42% of total), followed by cafes, restaurants and takeaway food services (a tourism-characteristic industry), with 87,000 businesses (24% of total tourism-related businesses).

Source: *Tourism Satellite Accounts: quarterly tourism labour statistics, Australia, experimental estimates, December 2024* | Australian Bureau of Statistics

## Tourism businesses in Australia by tourism characteristic and tourism connected industries



**Tourism characteristic industries:** such as accommodation, denotes industries where visitors consume at least 25% of output. Businesses in these industries are considered to be reliant on tourism.

**Tourism connected industries:** such as automotive fuel retailing, denotes industries where products are consumed by visitors in volumes considered to be significant, however, they comprise less than 25% of consumed output.

## Cost of doing business has steadily increased since 2021

While the number of tourism businesses trended higher, costs of doing business have also increased which has led to limited growth in profits for the sector.

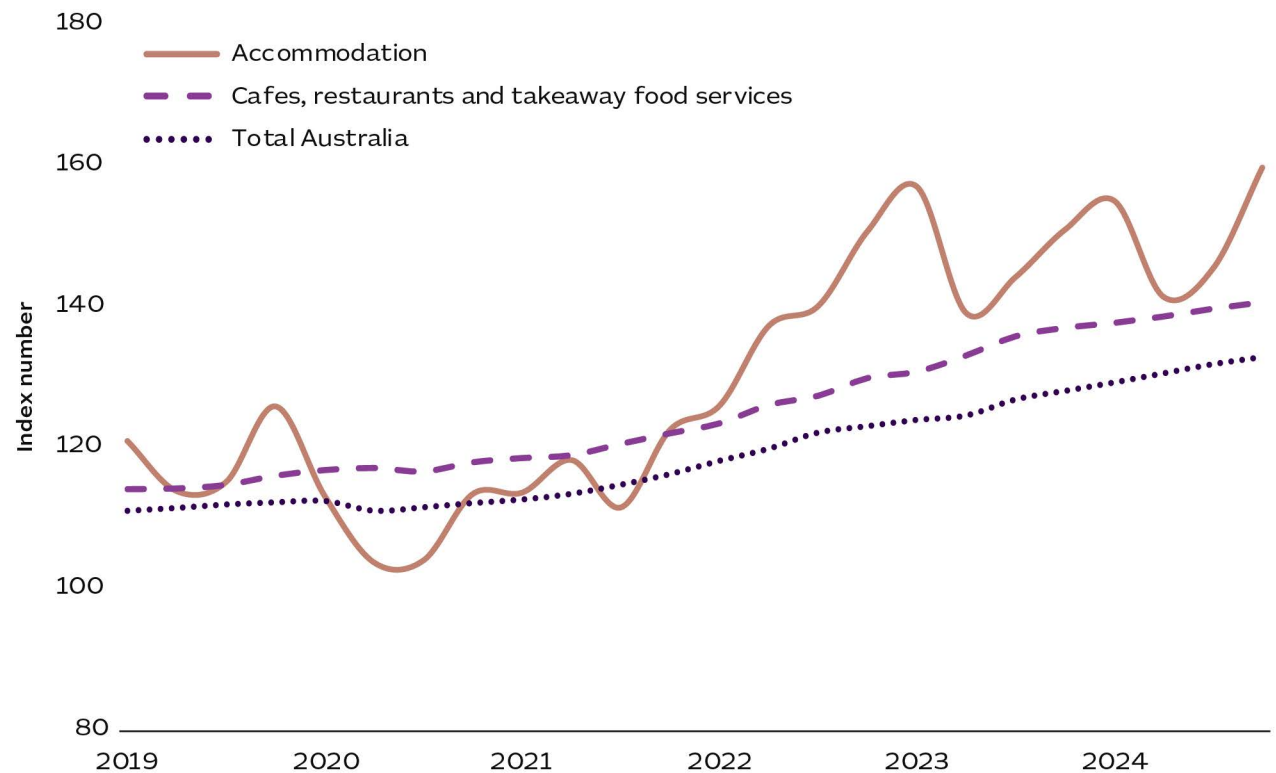
The cost of doing business in Australia continued to increase in 2024. Higher logistics, energy and insurance costs were contributing factors.

As measured by the producer price index, the cost of providing accommodation, as well as café, restaurant, and takeaway food services, increased faster than the nationwide average in 2024.

The cost of providing accommodation services rose by 5.8% in 2024, and by 2.6% for cafés, restaurants, and takeaway food services. According to the ABS, producer prices for accommodation and food services rose due to increased demand surrounding Christmas, school holidays, and major sporting events.

Source: *Producer Price Indexes, Australia, December 2024* | Australian Bureau of Statistics

## Quarterly producer price index from March 2019 to December 2024 (Index base 2011–12 =100)



# Tourism filled jobs reached a record high in December 2024

At the end of the December quarter in 2024, there were 713,500 jobs in the tourism sector. This was 17,500 (2.5%) higher than the number of jobs a year ago (December quarter 2023). It was also a record high number of jobs in the tourism sector.

The tourism sector accounted for 4.4%, or 1 in every 23, of all Australian jobs in 2024.

The increase in tourism filled jobs in 2024 is good news for the visitor economy, which faces difficulties finding sufficiently skilled staff to service demand. While skills shortages still exist throughout the visitor economy especially in particular occupations, the prevalence and scale has decreased.

Cafés, restaurants and takeaway foods services combined with accommodation and retail trade account for almost 2 in 3 jobs in the sector.

Source: *Tourism Satellite Accounts: quarterly tourism labour statistics, Australia, experimental estimates, December 2024* | Australian Bureau of Statistics

Tourism filled jobs and the proportion of economy-wide filled jobs 2017 to 2024



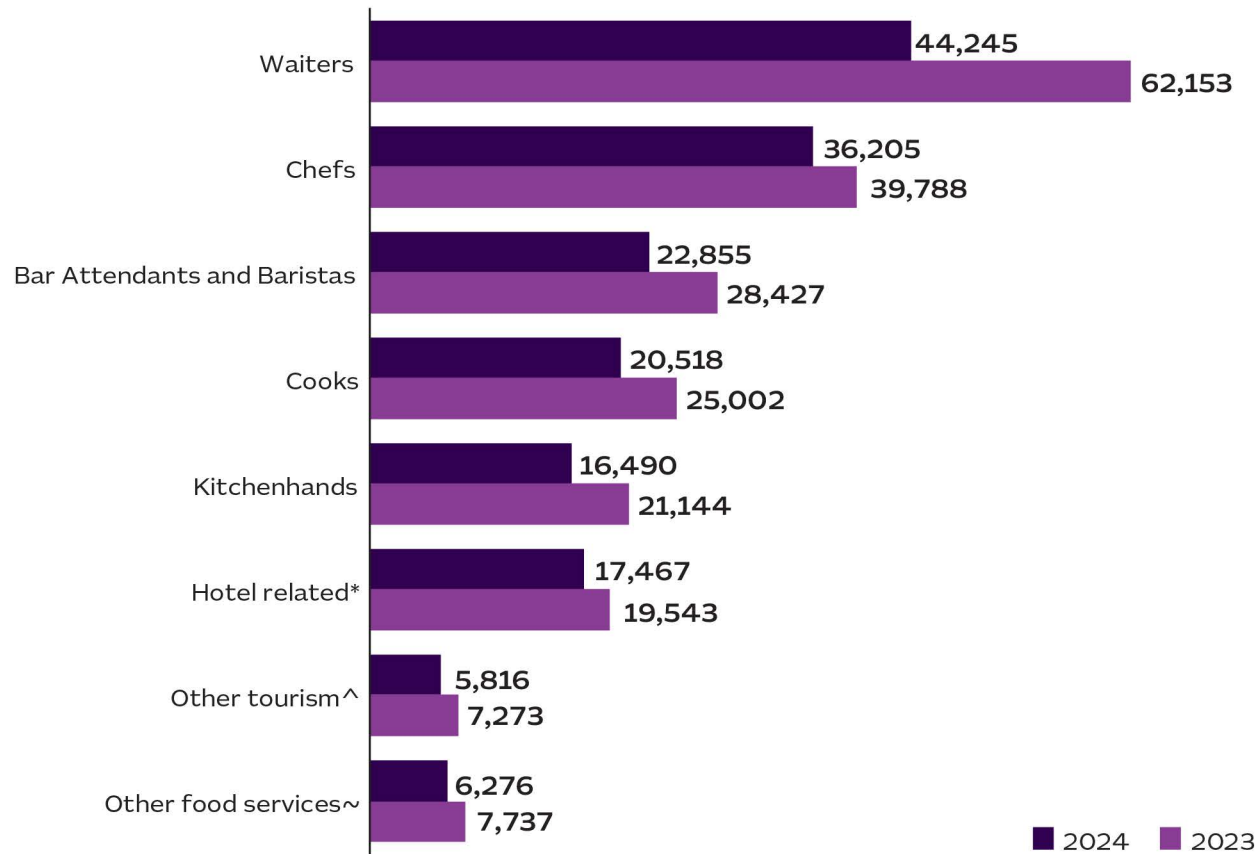
Online job vacancies dropped significantly in 2024, yet remains an issue

In 2024, there were 169,873 tourism-related online job vacancies. While this was 40,000 fewer ( 20%) vacancies than in 2023, the industry still faced challenges filling jobs with skilled workers.

For example, tour guides have faced national shortages since 2022. This occupation is on the Occupational Shortage List introduced in 2024, and was on its precursor, the Skills Priority List, since 2022. The lists identify occupations where employers face significant difficulties in filling vacancies. Chefs, cooks, pastrycooks, hotel managers, airplane pilots, and flight attendants were also listed with widespread shortages in 2024.

Source: [Internet Vacancy Index](#) | [Jobs and Skills Australia](#)

Online job vacancies advertised for tourism-related occupations, yearly for 2023 and 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

## CASE STUDY

### Choose Tourism Job Expos, ACT



Image © VisitCanberra

## Jobs in tourism

The ACT Choose Tourism program addressed tourism workforce challenges by delivering a suite of initiatives to promote careers in tourism and provide tourism business owners with tools to attract and retain tourism workers.

Initiatives were supported by grant funding from Austrade and included:

- 3 tourism job expos (at the Australian National University, the University of Canberra and the Canberra Institute of Technology) aimed at school leavers and university vocational students, supported by 32 employers
- an educational program for non-indigenous participants about Aboriginal and Torres Strait Islander identity, culture and the rich local history of the Ngunnawal region
- a program featuring day-trips to local cultural places, which enabled First Nations youth (17 to 24 years of age) to connect to land, culture, peers and mentors – while also learning about career options in the tourism industry
- a Presenter Program using 17 local tourism attractions to train 10 people to become educational tourism presenters for visiting school groups
- a workshop and webinar that presented ideas, concepts and strategies for small businesses – with the aim of attracting and retaining workers in the visitor economy
- a marketing campaign that used digital video, digital audio, social media and online search advertising to direct job seekers to information on local tourism jobs, training and incentives

All parties involved with the delivery of this diverse program of initiatives saw that it delivered positive outcomes and practical support, while also enhancing the profile of tourism as an industry offering an attractive career path.

**Case study provided by VisitCanberra**

# Investment



Katoomba, Blue Mountains, New South Wales.

Image © Tourism Australia

# The tourism investment pipeline shows positive sentiment for the future

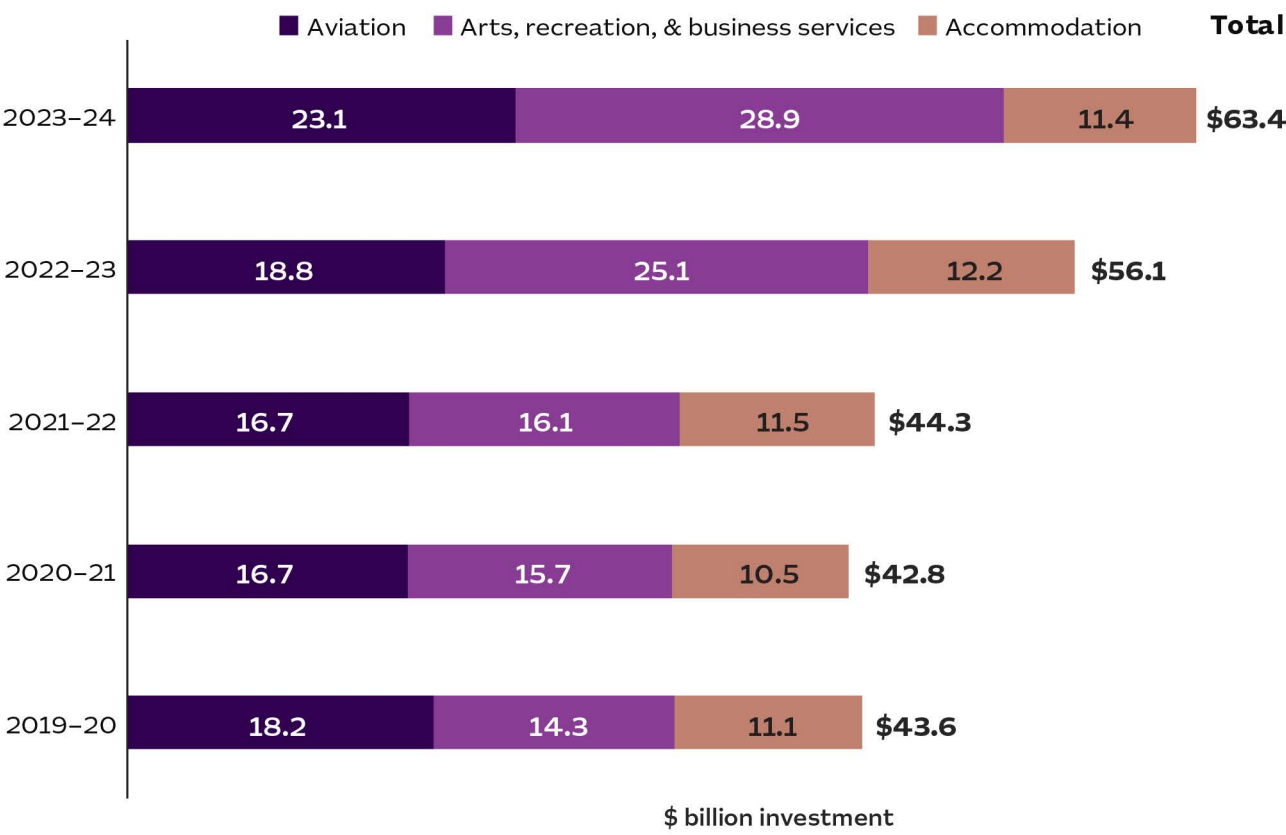
Investment in tourism continued to increase, with the tourism investment pipeline for 2023–24 citing 39 more projects worth \$7.3 billion more than 2022–23.

The mixed-use sector (excluded from the pipeline) also had an increase of 2,000 accommodation rooms and increased value of \$12.3 billion in 2023–24 on the previous year.

In addition to enhancing the tourism offerings, increased investment indicates optimism about the future of tourism in Australia. Preparation for the 2032 Brisbane Olympic and Paralympic Games also generated additional investment activity in Queensland.

Source: *Tourism Investment Monitor* | *Tourism Research Australia*

Value of the tourism investment pipeline in Australia by sector, 2019–20 to 2023–24



## Tourism Investment Pipeline 2023–24 increased across most sectors

### Aviation



\$23.1 billion  
22 projects

Change from 2022–23:

- ▲ Up \$4.2 billion
- ▲ Up 3 projects

### Arts, recreation, and business services



\$28.9 billion  
160 projects

Change from 2022–23:

- ▲ Up \$3.8 billion
- ▲ Up 31 projects

### Accommodation



\$11.4 billion  
164 projects  
23,700 rooms

Change from 2022–23:

- ▼ Down \$0.7 billion
- ▲ Up 5 projects
- ▼ Down 700 rooms

### Mixed use developments



\$85.3 billion  
191 projects  
30,200 rooms

Change from 2022–23:

- ▲ Up \$12.3 billion
- ▲ Up 17 projects
- ▲ Up 2,000 rooms

## CASE STUDY

### Phillip Island, Gippsland, Victoria



Image © Phillip Island Nature Parks

## Tourism infrastructure

The Victorian Government is supporting sustainable growth in Victoria's tourism sector by investing in infrastructure projects that encourage year-round visitation and improve customer experiences. In 2023, the Victorian Government launched the Experience Victoria 2033 (EV33) plan which outlines continued work towards sustainable destinations, quality experiences and growth in the visitor economy.

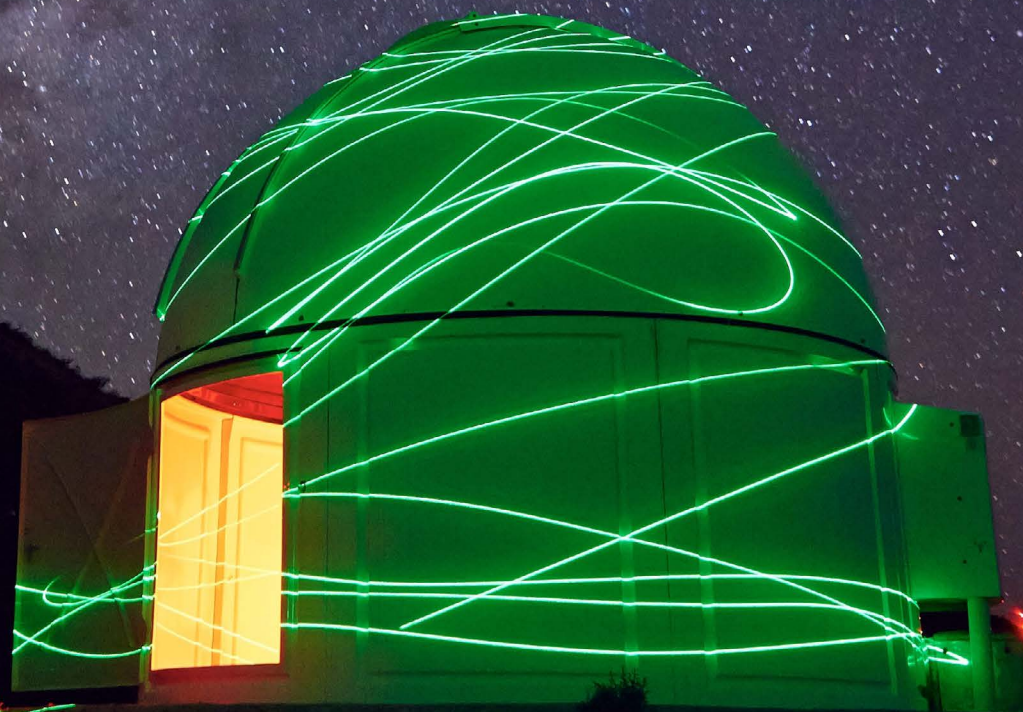
Phillip Island Nature Parks received \$5 million grant funding through the Regional Tourism Investment Fund to undertake major infrastructure upgrades at the Penguin Parade located at Phillip Island. The grant supported the delivery of a new, compliant, all-accessible, looped boardwalk, added seating and upgraded the 'Penguins Plus' viewing stand for safety compliance and accessibility. The boardwalk is constructed of fibre reinforced polymer panels and erected on a raised footing to reduce impacts on vegetation and conserve penguin burrows.

The works were underpinned by the Summerland Peninsula Master Plan (2012), which identified coastal erosion and ageing infrastructure as factors affecting the quality of the customer experience and ongoing financial sustainability of nature parks.

The redevelopment provides visitors of all abilities better access to the penguin-viewing stands. It improves visitor flow, increases capacity, and creates a closer view of the little penguins returning home each evening.

***Case study provided by Department of Jobs, Skills, Industry and Regions***

# The future of Australia's visitor economy



*Arkaroola Astronomical Observatory, Flinders Ranges, South Australia.*

*Image © Tourism Australia*

## Global travel in 2024 sees recovery rates vary by region

Global international arrivals almost returned to pre-pandemic numbers in 2024. By region, the Middle East was most recovered at 134%, followed by Africa at 108%, and then Europe at 101%. The Americas were yet to recover at 98%, while Asia and the Pacific was at 88%.

Europe remained the largest destination for international travel globally, with 747 million tourist arrivals in 2024. However, the war in Ukraine has contributed to the slower recovery in the region, which remained at 81% of pre pandemic levels in 2024.

Across the globe, domestic travel typically recovered quicker than international travel. For international travel, there were stronger rebounds in short-haul travel than long-haul travel.

In the post-pandemic period, some destinations have made visas easier to access and implemented policies to attract hybrid working-travellers. On the other hand, some destinations that risk over-tourism have imposed additional tourist taxes to try to slow growth for sustainability reasons.

Source: <https://www.unwto.org/tourism-data/un-tourism-tracker>

Image © Austrade

A close-up photograph showing a person's hands, wearing a dark long-sleeved shirt, gently holding three small, fluffy emu chicks. The chicks have black and white striped patterns on their downy feathers. They are sitting in a nest made of green vine leaves. The background is a bright, out-of-focus vineyard with green leaves and yellow sunlight filtering through.

## Travel trends impact future demand and offerings

Agritourism, one trend that saw an increase in 2024, is expected to continue to grow in 2025, with travellers looking for authentic experiences that provide a new way of engaging with the environment. This is in line with a growing focus on sustainable and regenerative travel over the past several years. Travellers have also engaged more with First Nations experiences. Wellness tourism, staycations and 'bleisure' travel (mixing leisure with business) remained popular. Australia is in a favourable position to capitalise on these trends in coming years. These varieties of tourism support the diversity of experiences across our regions and many facets of the visitor economy. They also promote sustainable growth of tourism.

*Warrumbungle, Orana, New South Wales.*

*Image © Tourism Australia*

## International outlook



Mooney Mooney, Hawkesbury, New South Wales.

Image © Tourism Australia

An expectation for growth, with a greater number of international arrivals



**11.8 million**

Number of international visitor arrivals expected in 2029, an increase of 40% from 2024



**\$48.5 billion**

International visitor expenditure in Australia expected to be reached in 2029 (average annual increase of 8% over the next 5 years)



## Drivers of growth

Australia, renowned for its world-famous attractions and natural beauty, has long been a popular destination for international visitors. The strong international growth outlook acknowledges:

- Australia's enduring reputation as a safe, clean, green, friendly and aspirational travel destination
- the prevalence of sustainable, accessible, cultural, sporting and experience tourism offerings and availability of work-travel combination options – which are all growth opportunities for the visitor economy
- close and growing ties between Australia and several high-growth markets in our region
- continued gradual increases to aviation capacity, including from key emerging and growth markets

## Risks to the outlook

- Reduced confidence regarding international travel due to geopolitical risks, global conflicts and other major factors including climate change
- Slower global economic growth, elevated inflation and interest rates, and tight household budgets around the world
- Policy changes that reduce the attractiveness or competitiveness of Australia relative to other international destinations

## Diverse source markets provide Australia with varied growth trends

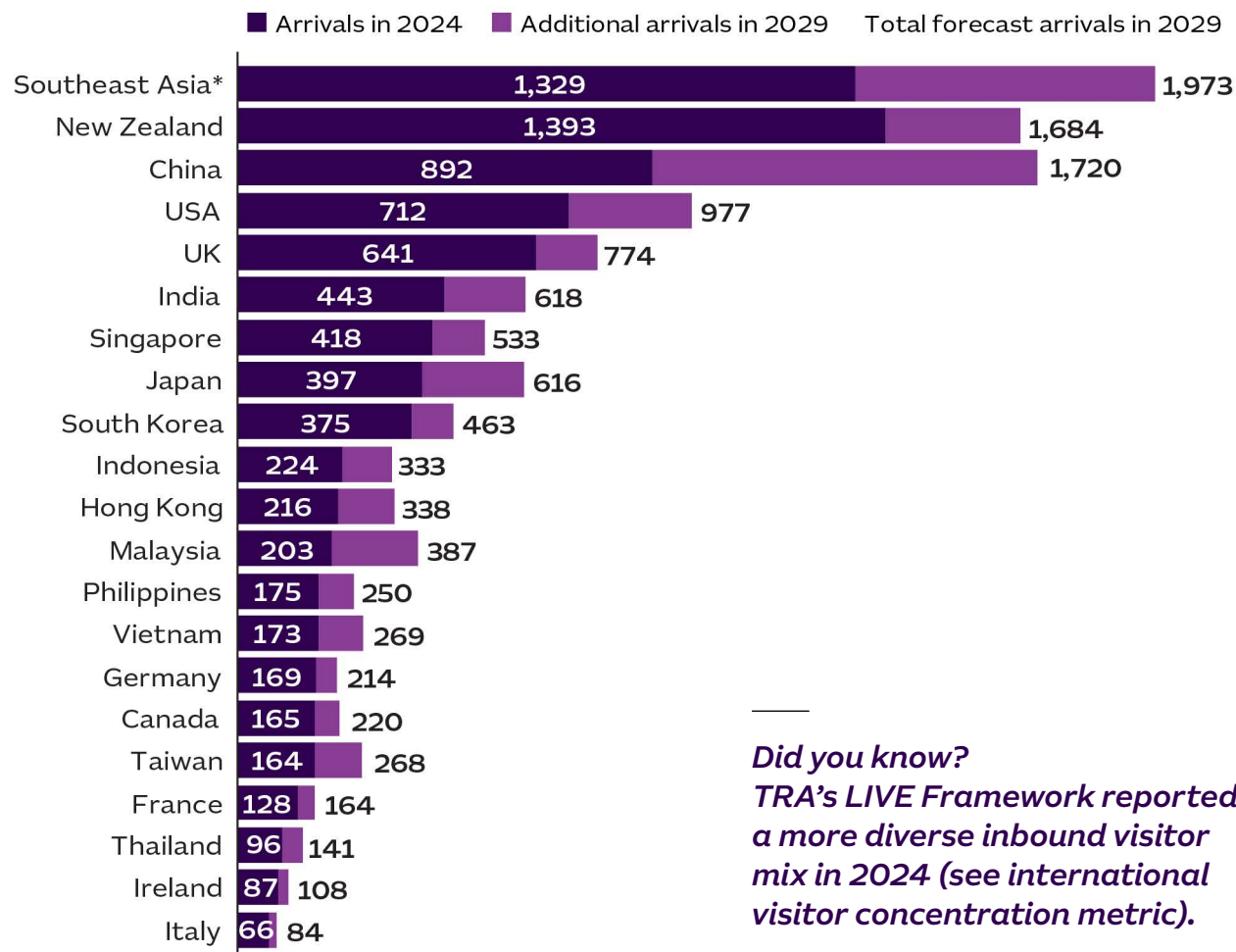
In 2029, Southeast Asia collectively is forecast to be the largest overall source market for Australia, with almost 2 million arrivals.

In the 5 years to 2029, arrivals from China are forecast to almost double, reaching 1.7 million. This will see China regain its rank as Australia's largest single inbound market. China has already regained its place as Australia's leading market in terms of spend in Australia.

Australia's inbound visitor mix is already more diverse than in the past. By 2029, there are expected to be large increases in arrivals from New Zealand (291,000), the United States (265,000), Japan (219,000), Malaysia (184,000), and India (175,000) as well as from other countries (248,000) which includes the South Pacific, Africa and the Middle East.

## International visitor arrivals to Australia by source market

Number of arrivals in 2024 (000) and forecast arrivals in 2029 (000)



**Did you know?**  
TRA's LIVE Framework reported a more diverse inbound visitor mix in 2024 (see international visitor concentration metric).

\* Southeast Asia includes 11 nations. The 6 Southeast Asian nations that are identified individually on the chart accounted for 96% of arrivals from the region in 2024

## Host countries tend to see positive economic and visitor economy impact

Australia is set to host one of the biggest global events in 2032, the Olympic and Paralympic games. Historically, host nations have seen an enormous lift in visitor economy contributions because of these events.

In 2021, KPMG Australia predicted the socio-economic benefits of the Olympics to the Australian economy could be as much as \$17.6 billion.

In 2024, Paris hosted the Olympic and Paralympic games and some of the effects felt across France included growth in skills, jobs, tourist numbers and tourist spend.

## Impact of Paris Olympics 2024



**EUR 47 million** distributed to support grassroots projects, benefitting 4.5 million people by funding initiatives that use sport to improve lives



**181,100 people** employed in Games-related jobs, boosting the local job market.



**30,000 people** trained in new skills for future careers, enhancing their employability and career prospects



An estimated **EUR 2.6 billion** was spent by tourists travelling to Paris throughout the Games, with or without tickets, according to the Paris Tourism Office.

*Source: All you need to know about impact and legacy at Paris 2024: for the people, for the community and for the environment*



## Domestic outlook

*Bollon, Outback Queensland.*

*Image © Tourism Australia*

## Australians continue to prioritise travel

Australians have demonstrated an enduring appetite for travel, and domestic tourism is forecast to continue to grow over the next 5 years. However, only moderate domestic growth is expected in 2025.

Spending patterns are likely to continue to change, as travellers look to optimise their travel budget. Travellers are likely to want more from every trip – seeking a combination of personal fulfilment and connections to local communities. Wellness, food and other experiences that create lasting memories will remain popular. Tailored itineraries around these activities may be able to attract premium prices.

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***Growth in overnight and day trip spend is forecast to outpace expected inflation over the next 5 years. Domestic overnight trip spend is forecast to increase to \$132.7 billion in 2029, and domestic day trip spend is forecast to increase to \$41.5 billion in 2029.***

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### Drivers of growth

- Consumer travel intentions have held up, demonstrating an enduring and compelling need and desire for Australians to travel to connect, explore, unwind and recharge
- Australia's strong forward portfolio of events – travel media and market analysis point to events being a key driver of travel intentions.
- Household disposable income is forecast to rise, which is positive for forward-looking tourism demand, as it supports increased household spending.

### Risks to the outlook

- Increasingly large, uncontrolled, unpredictable and/or damaging weather events could dampen demand for travel to more destinations throughout the year
- Higher domestic airfares, either because of higher costs such as jet fuel or reduced airline competition, could weigh on travel demand to destinations relatively more reliant on air travel
- Changes in the cost competitiveness of outbound travel relative to domestic travel would affect domestic travel

For more information, please visit the below sources.

- <https://www.tra.gov.au/>
- <https://www.tra.gov.au/en/economic-analysis/tourism-investment-monitor>
- <https://www.tra.gov.au/en/economic-analysis/tourism-forecasts>
- <https://www.tra.gov.au/en/economic-analysis/tourism-businesses>
- <https://www.tra.gov.au/en/economic-analysis/quarterly-tourism-labour-force-statistics>
- <https://www.abs.gov.au/> <https://www.bitre.gov.au/>
- <https://www.jobsandskills.gov.au/data/internet-vacancy-index#downloads>
- <https://www.iata.org> <https://www.unwto.org/tourism-data/un-tourism-tracker>
- <https://www.abs.gov.au/>
- <https://www.bitre.gov.au>
- <https://www.iata.org>
- <https://www.unwto.org/tourism-data/un-tourism-tracker>

# About Austrade

The Australian Trade and Investment Commission (Austrade) is the Australian Government's international trade promotion, investment and visitor attraction agency. We connect Australian businesses to the world and the world to Australian businesses. Austrade leads work to support the sustainable growth and prosperity of Australia's visitor economy. Learn more about how we help Australia's tourism industry.

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