

In plane sight: Rising foreign tourist numbers are providing new opportunities

By Nick Tarrant

Tourism plays an integral role in the economy of both New Zealand and Australia, with rising demand from China changing the landscape of tourism in both countries.

China is becoming an increasingly important source of tourism revenue for both countries

Tourism is an integral source of revenue for both Australia and New Zealand. With their unique natural landscapes and socio-political stability, both countries possess the distinct advantage of being able to attract tourists from all over the globe. Nevertheless, Australia and New Zealand rely heavily on one another for tourism. Historically, New Zealanders have been the largest market to travel to Australia, and vice versa. Revenue from tourism in Australia is expected to grow at an annualised 3.4% over the five years through 2017-18, to \$129.5 billion. In New Zealand over the same period, tourism revenue is expected to grow at an annualised 4.6%, to \$33.5 billion AUD. On a per capita basis, tourism brings in \$5.2 million and \$6.9 million in Australia and New Zealand, respectively (in AUD).

Tourism is the lifeblood of many downstream industries in both countries. However, the spread and type of tourism varies between the two nations. New Zealand relies far more on foreign tourists than Australia. In New Zealand, 41.9% of tourism revenue comes from overseas visitors, while in Australia the figure is 26.4%. As a result, Australian tourism is far more reliant on positive domestic economic conditions that stimulate domestic travel. Overall, New Zealand's smaller economy means the country is more dependent on export industries, such as tourism.

Although Australia and New Zealand rely on each other for tourism, international tourist demand trends have been shifting. China is fast becoming an increasingly important source of tourism revenue for both countries. Data from the Chinese Government suggests that nearly 130 million Chinese tourists went on international trips in 2016-17. In the same year, approximately 450,000 visited New Zealand and 1.4 million visited Australia. The average spend in New Zealand by Chinese visitors was \$3610.0 AUD, while the average in Australia was \$8,722.6 AUD. These figures suggest that Australia has been better able to capitalise on rising Chinese tourist demand, both in terms of average spend per visitor and total visitor numbers.



In plane sight: Rising foreign tourist numbers are providing new opportunities

Subscribe and become an industry expert

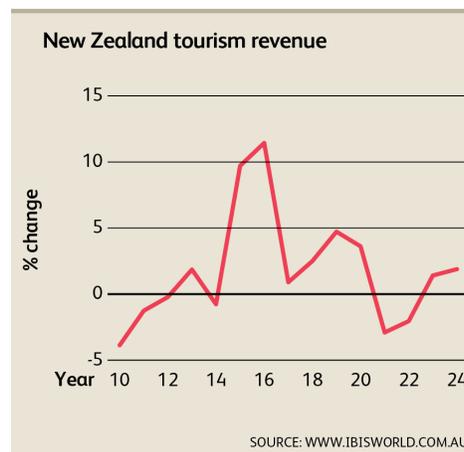
Subscription packages can be tailored to meet your individual or company's needs. Benefits of subscription include substantial discounts on report prices, exclusive data access and rates on customised research to help you move quicker than the competition.

Including key statistics, analysis, historical data and future forecasts, IBISWorld Industry reports provide the information you need to make sound business decisions – now and into the future.

For more information, please call us today on (03) 9655 3881

The ability of both countries to grow their tourism industries in coming years will largely depend on how well they can cater to foreign tourist demand. Investment in key tourism infrastructure, such as the second Sydney airport, will be crucial for success. Currently in New Zealand, over 70% of international travellers pass through Auckland airport. New Zealand's ability to compete with Australia (and other tourism markets) over the long term will be determined by how well New Zealand can invest in new infrastructure – such as large airports – to provide greater choice and lower prices for travellers.

Marketing campaigns are another crucial factor that will determine future success in Australian and New Zealand tourism. Tourism New Zealand has used the '100% Pure New Zealand' slogan since 1999, which sends a clear, consistent brand to overseas travellers; that New Zealand is a green and scenic



place to visit. If both countries can continue presenting themselves as attractive travel destinations, they will be able to secure a steady stream of revenue from foreign tourists over the long term.

Related Industries:

[Tourism in Australia](#)

[Tourism in New Zealand](#)