



INTRODUCTION

According to the International Visitor Survey¹, there were 611,900 international Backpacker visitors to Australia in 2015/16, steady compared to 2014/15, but up by 11.8% on 2011/12. NSW attracted the most Backpacker visitors in Australia, with 75% market share in 2015/16. Compared to 2011/12, the number of Backpacker visitors to NSW has grown by 10.4%, while nights grew by 8.4%.

This snapshot provides a profile of international visitors to New South Wales who spent at least one night in backpacker/hostel accommodation during their trip in Australia.

VISITOR MARKET SIZE AND SHARE

In 2016, NSW received 458,100 international Backpacker visitors. They stayed 14.5 million nights and spent nearly \$1.2 billion in the State. On average, they spent \$2,511 per visitor and \$79 per night in NSW. Backpacker visitors stayed on average 31.7 nights in NSW with a median length of stay of 8 nights. The March quarter was the most popular time for Backpackers to visit NSW (31.1%).

In NSW, Backpacker travel represented 12.6% of total international visitors, 16.7% of total international nights and 12.7% of total international expenditure. NSW attracted 75% of Backpacker visitors, 33% of Backpacker nights and 34% of Backpacker expenditure in Australia.

Table 1. Backpacker Visitors, Nights and Expenditure

	Visitors to ('000)	Nights in (million)	Length of Stay (nights) Average	Median	Total spend (\$ billion)	Spend per visitor	Spend per night
NSW	458.1	14.5	31.7	8	1.2	\$2,511	\$79
Australia	611.9	43.8	71.6	28	3.4	\$5,487	\$77

Backpacker visitors to NSW were far more likely to be on their first trip to Australia (69%) than all international visitors to NSW (49.2%).

Chart 1. Backpacker Visitors to NSW (000)

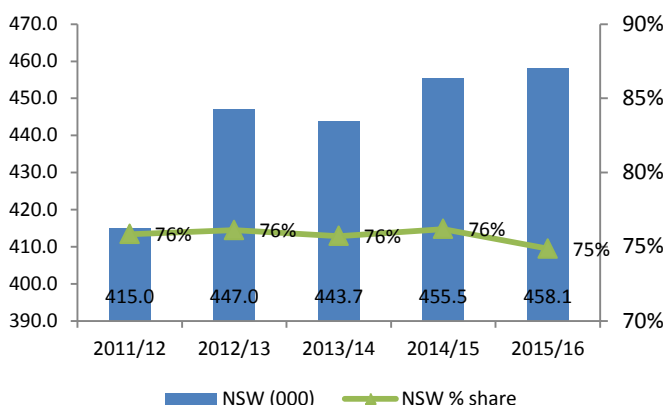
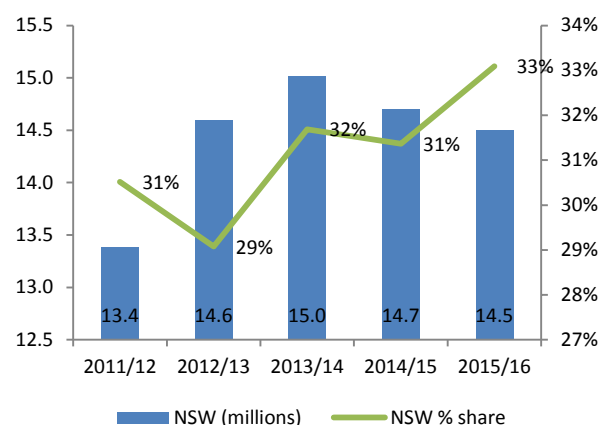


Chart 2. Backpacker Nights to NSW (millions)



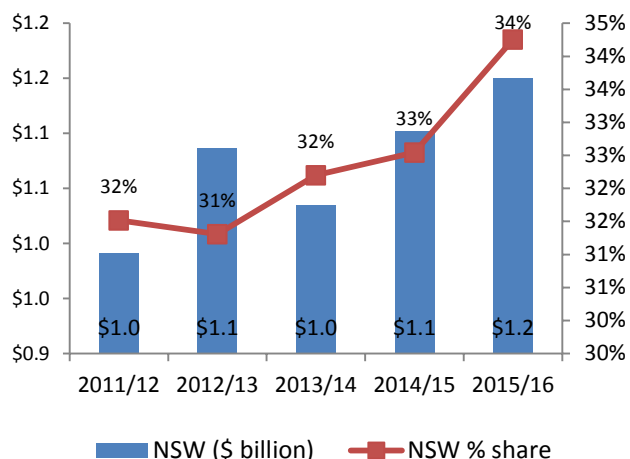
In the year ended (YE) June 2016, the number of Backpacker visitors in NSW slightly increased (+0.6%) on 2014/15.

In the year ended (YE) June 2016, Backpacker nights in NSW marginally declined (-1.4%) on 2014/15.

¹Source: International Visitor Survey, YE June 16, Tourism Research Australia (TRA).



Chart 3. Backpacker Expenditure to NSW (billions)



In the year ended (YE) June 2016, Backpacker expenditure in NSW increased by 4.4% on 2014/15.

In the last 5 years, the average annual growth of Backpacker expenditure was 3.8%. Compared to 2011/12, Backpacker expenditure in NSW grew substantially by 16.0%.

SOURCE MARKETS TO NSW

Table 2. Top Source Markets for Backpacker Visitors

YE June '16	('000)	% Share YE June '16	% Growth on YE June '15
UK	83.5	18.2%	0.5%
Germany	61.6	13.5%	3.5%
USA	40.6	8.9%	14.1%
France	27.0	5.9%	-11.9%
S Korea	20.0	4.4%	-5.0%
Canada	18.2	4.0%	3.0%
New Zealand	17.4	3.8%	23.1%
Japan	17.0	3.7%	2.0%
Switzerland	12.9	2.8%	19.2%
China	12.3	2.7%	3.7%

In the YE June 2016, the top 10 source markets accounted for 67.8% of Backpacker visitors to NSW and 72.0% of Backpacker nights in NSW.

UK (18.2%) was the largest source market of Backpacker visitors to NSW, followed by Germany (13.5%). The UK contributed more Backpacker nights in NSW than any other source market (20.5%), followed by Germany (12.9%). The number of UK Backpacker nights in NSW decreased by 8.2% while German nights increased 16.1% on 2014/15.

In the last 5 years, the UK has consistently been the largest source market of Backpacker visitors to NSW. UK's share in 2011/12 was 18.9% and has decreased slightly to 18.2% in 2015/16.

The UK has consistently had the largest share of Backpacker nights in NSW, 19.1% in 2011/12 and 20.5% in 2015/16.

Table 3. Top Source Markets for Backpacker Expenditure

YE June '16	(\$ millions)	% Share YE June '16	\$ Spend/visitor
UK	228.1	19.8%	2,733
Germany	132.6	11.5%	2,152
USA	95.3	8.3%	2,349
Korea	85.2	7.4%	4,261
France	61.5	5.3%	2,280
Japan	39.9	3.5%	2,344
Canada	39.8	3.5%	2,184
China	37.4	3.3%	3,045
Taiwan	37.3	3.2%	3,072
Switzerland	28.1	2.4%	2,182

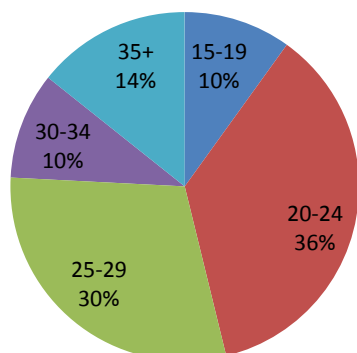
In the YE June 2016, the top 10 source markets accounted for 71.4% of Backpacker expenditure in NSW.

The UK (19.8%) ranked first for Backpacker expenditure in NSW however Korea ranked first on spend per visitor (\$4,261). German, USA and Korean Backpacker expenditure each increased 2015/16 compared to 2014/15, (+16.7%, +25.1% and +24.2% respectively).

In the last 5 years, UK Backpacker expenditure in NSW increased by 25.3%, while their share of NSW Backpacker expenditure grew to 19.8% in 2015/16 compared to 18.4% in 2011/12.

AGE GROUPS

Chart 4. Age groups (% of Backpacker visitors)

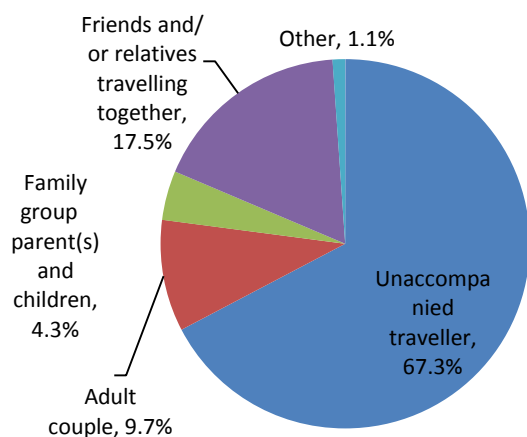


In the YE June 2016, The '20-24 years' age group was the largest age segment of Backpacker visitors to NSW, accounting for 36% of all international Backpacker visitors to NSW.

In the past 5 years, those aged '20-24 years', have been the largest age segment of Working Holiday Maker visitors to NSW. The number of Backpacker visitors aged '20-24 years' has grown by 5.6% since 2011/12, while the next biggest age segment '25-29 years' grew by 7.0%. The '15-19 years' age segment grew by 48.7% since 2011/12.

TRAVEL PARTY

Chart 5. Travel party (% of Backpacker visitors)



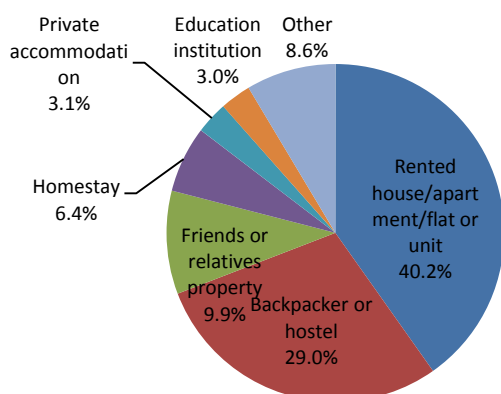
In the YE June 2016, the most common travel party amongst Backpacker visitors to NSW was 'arrived in Australia unaccompanied' (67.3%).

Travelling with 'Friends or relatives' (17.5%) was the 2nd most common travel party, followed by 'Adult couple' (9.7%).

In the past 5 years, the top three types of travel party have remained relatively unchanged.

ACCOMMODATION

Chart 6. Most Popular Types of Accommodation (% of Backpacker nights)

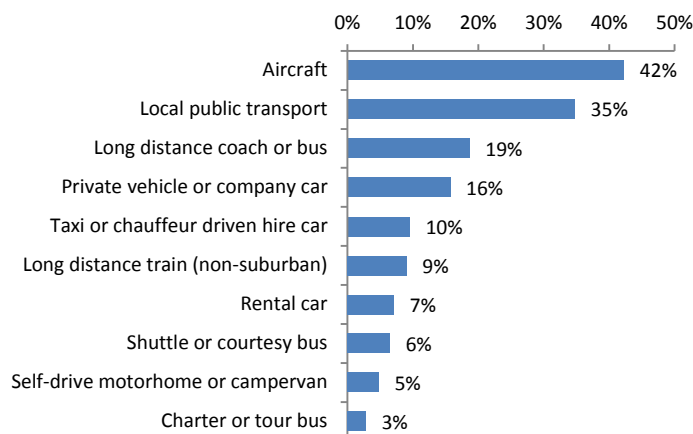


In the YE June 2016, 'rented house, apartment, unit or flat' (40.2% of Backpacker nights in NSW) was the most popular accommodation type used by Backpacker visitors in NSW. 'Backpacker/hostel' was the 2nd most popular type of accommodation used in NSW (29.0% of Backpacker nights in NSW).

In the past 5 years, the growing preference for 'Rented house, apartment, unit or flat' (40.2% vs. 38.4% of Backpacker nights in NSW in 2011/12) is evident while nights in Backpacker/hostel accommodation have declined in the latest year (29.0% vs. 30.1% of Backpacker nights in NSW in 2011/12).

TRANSPORT

**Chart 7. Most Popular Types of Transport used in NSW
(% of Backpacker visitors)**



In the YE June 2016, 'aircraft' (42%) was the most popular type of transport used in NSW by Backpacker visitors.

In the past 5 years, the three most popular types of transport used in NSW by Backpacker visitors have remained relatively unchanged; however 'Local public transport' has gained in share (35%; up from 26%) at the expense of 'Aircraft' (42%; down from 45%).

DESTINATIONS VISITED IN NSW

Table 4. Top three Destinations in NSW for Backpacker Visitors

YE June 2016	(thousands)	% Share	% Growth on YE June 2015
Sydney	433.0	94.5%	-0.8%
North Coast NSW	141.3	30.8%	-2.8%
Hunter	36.0	7.9%	-6.0%

In the YE June 2016, Sydney was by far, the top destination in NSW for Backpackers in terms of visitor numbers (94.5%) and nights (76.6%). The number of Backpacker visitors and nights to Sydney changed only slightly (-0.8%, and 0.7%, respectively) on 2014/15.

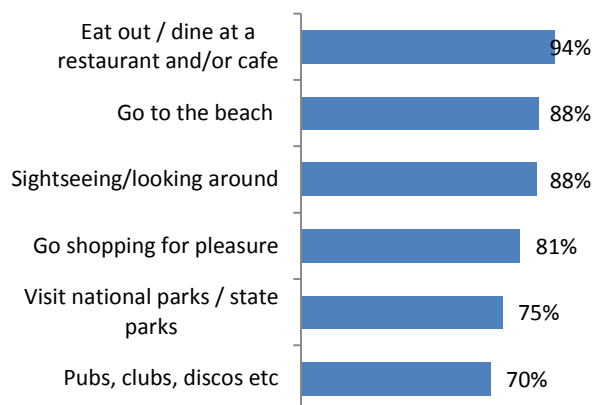
Table 5. Top three Destinations in NSW for Backpacker Nights

YE June 2016	(millions)	% Share	% Growth on YE June 2015
Sydney	11.1	76.6%	-0.7%
North Coast NSW	1.3	8.7%	-18.6%
Hunter	0.5	3.5%	12.6%

In the past 5 years, Sydney has consistently been the most visited destination among Backpacker visitors in NSW and Australia.

ACTIVITIES IN AUSTRALIA

**Chart 8. Top Activities in Australia
(% of Backpacker visitors)**



In the YE June 2016, 'eat out, dine at a restaurant or café' (94.1%) was the most popular activity undertaken in Australia by Backpacker visitors to NSW.

'Go to the beach', 'sightseeing', 'go shopping for pleasure', 'visit national parks/state parks' and 'Pubs, clubs, discos etc.' were the next most popular activities during their trip in Australia.

The top six activities in Australia undertaken by Backpacker visitors to NSW have remained relatively unchanged in the past 5 years.