TOURISM NT
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Youth/Backpacker Visitation to the Northern Territory

Year ending June 2017

NORTHERN TERRITORY GOVERNMENT

The following is a summary of information relevant to the Northern Territory tourism industry using visitation results from Tourism Research Australia's National and International Visitor Surveys and overseas arrivals information from the Department of Immigration and Border Protection.

This report has been prepared by the Strategic Research team in October 2017.

Estimates in this report are based on survey data and could therefore be affected by sampling variation. The table below summarises the sample sizes and Confidence Intervals (CI) for the Northern Territory for the different groups.

YE June 2017	Domestic overnight*		International	
	Sample size	CI Visitor Numbers	Sample size	CI Visitor Numbers
Youth traveller	95	+/-19%	761	+/-10%
Backpacker	6	+/-110%	629	+/-11%
Working Holiday Maker	-	-	298	+/-16%

For more information on the methodology used in the national surveys please visit Tourism Research Australia's website

*Due to the small sample for domestic overnight visitation, this report will focus predominantly on the international market.

Disclaimer: The Department of Tourism and Culture has taken due care and skill in preparing this information, however does not warrant that it is correct or suitable for the purpose for which it is intended to be used. The Department disclaims all liability associated with the use of this information.

DEFINITIONS AND TERMS

YOUTH: Any visitor aged between 15 to 29, who did not travel as part of a family group (parents and children) or school group.

BACKPACKER: Any visitor that stayed one or more nights in backpacker type accommodation during their trip.

WORKING HOLIDAY MAKER: Any international visitor that confirmed that they had arrived in Australia on a working holiday visa (subclass 417 and 462).

Note: Backpackers are loosely defined as tourists who travel with backpacks, on a budget, go to more places and have a longer journey compared to conventional tourists. Given this definition is difficult to measure - being based on consumer behaviour, Tourism Research Australia define a backpacker as someone who has stayed one or more nights in backpacker type accommodation. This definition however makes it difficult to measure the actual trends of what we call a backpacker, especially if they are staying in other types of accommodation. Therefore, this report also focuses on the 'youth' market.

Summary of the Youth & Backpacker Market for the Northern Territory

The youth market made up one fifth of the overall tourism market in the Northern Territory (NT), representing 21% of all tourism visits in year ending (YE) June 2017. This result was also in line with the proportion represented nationally (21% of all overnight visitors). One quarter (23%) of youth visitors to the NT were from overseas and represented 30% of all international visits to the NT. Domestic overnight youth travellers made up 19% of all domestic travel to the NT.

On the other hand, nine in ten (90%) backpacker visitors were from overseas and they made up a more significant portion of the international tourism market, representing 28% of all international visits to the Northern Territory. This was also greater than at the national level which was at 8.2%.

For the purpose of this report, the focus will be on **international** youth and backpacker visitation.

Key international results:

- The international youth market in the NT has experienced small growth, up +3.9% to 90,000 compared to YE June 2016. Looking at the regional breakdown, however, youth visitation for both Central Australia and the Top End has remained relatively steady at +0.7% and -0.4% respectively for YE June 2017.
- The overall growth in the international youth market was much stronger across Australia than for the NT (up +9.0%) as larger numbers were travelling to all other jurisdictions.
- It remains a challenge for the Territory to achieve the stronger numbers experienced seven years ago of over 120,000 visitors.
- More youth visitors travelled to the NT for a holiday or to visit friends and family, which collectively increased by +6.3% to 84,000. Fewer were recorded for employment or education purposes.
- While numbers have increased slightly, the average length of stay has declined from 20.2 nights to 17.3 nights as the number of visitor nights decreased (-11%). While two in five (43%) youth travellers stayed in backpacker hostels (down -3.7%), there is an increasing tendency to stay at hotels/motels/resorts (+17%). This was the case in both the Top End and in Central Australia.
- The United States, Greater China, New Zealand and Switzerland accounted for most of the increase in the youth market in the NT. On the other hand fewer were recorded from France, Germany and the United Kingdom.
- For YE June 2017, 86,000 backpackers were estimated in the Northern Territory, which was relatively steady on the previous year. It is important to take into consideration that not all users of backpacker accommodation are youth travellers and that around one third (33%) are 30 years and over.
- For YE June 2017, 36,000 international visitors to the NT arrived in Australia on a working holiday visa. However, around 6,000 international visitors indicated that their main location of the working holiday was in the NT. Of those, 19% had been employed as a farm hand, 15% were a waiter/bar attendant/kitchen hand and 13% were an accommodation cleaner or room attendant.

YOUTH

Northern Territory 2016-17	Visitor number ('000)	YoY change
Domestic overnight	306	5.2%
International	90	3.9%

International visitation	Visitor number ('000)	Share of total youth
Purpose of visit		
Holiday (includes working holidays)	80	90%
Visit friends and relatives	4	5%
Country of origin		
Germany	13	14%
United Kingdom	12	13%
United States of America	9	10%
Greater China	8	24%
Japan	7	8%
France	6	7%
Switzerland	4	4%
Regions visited		
Greater Darwin	44	49%
Katherine Daly	15	17%
Kakadu Arnhem	9	10%
Barkly	7	8%
Alice Springs - MacDonnell	35	39%
Lasseter	43	48%
Length of stay in Australia		
1- 14 nights	17	19%
15 - 30 nights	16	18%
31 - 60 nights	14	15%
61 or more nights	43	47%

BACKPACKER

Northern Territory 2016-17	Visitor number ('000)	YoY change
Domestic overnight	9	na
International	86	-0.4%

International visitation	Visitor number ('000)	Share of total backpacker
Purpose of visit		
Holiday (includes working holidays)	83	98%
Visit friends and relatives	1	1%
Country of origin		
United Kingdom	14	16%
Germany	13	15%
United States of America	10	11%
Greater China	6	8%
France	5	6%
Switzerland	5	5%
Scandinavia	4	5%
Regions visited		
Greater Darwin	40	47%
Katherine Daly	19	23%
Kakadu Arnhem	11	13%
Barkly	8	10%
Alice Springs - MacDonnell	42	49%
Lasseter	48	56%
Length of stay in Australia		
1- 14 nights	10	12%
15 - 30 nights	20	23%
31 - 60 nights	18	21%
61 or more nights	38	44%

WORKING HOLIDAY MAKERS

Northern Territory 2016-17	Visitor number ('000)	YoY change
On a working holiday visa	36	-13%
Not on a working holiday visa	67	17%

Location of main working holiday		Share of total Aust
New South Wales	90	27%
Queensland	66	20%
Victoria	55	16%
Western Australia	32	10%
South Australia	7	2%
Northern Territory	6	2%
Tasmania	5	1%
ACT	2	1%

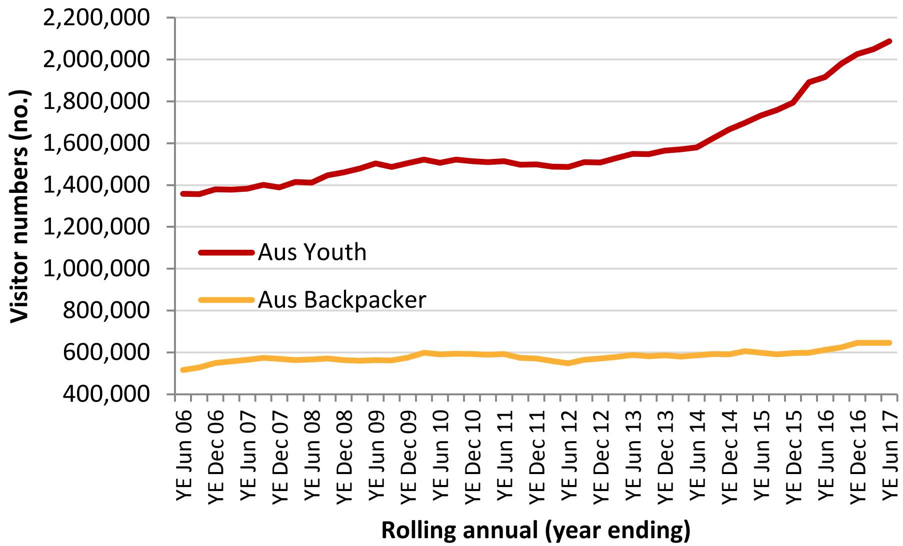
Main working holiday job in the NT	Share of NT main work hol
Farm hand	19%
Waiter, Bar Attendant, Kitchen hand	15%
Accommodation cleaner or room	13%
Construction	10%

		Share of total NT
Country of origin of NT visitors that arrived on a visa		
Germany	6	18%
United Kingdom	6	16%
Greater China	5	13%
France	4	12%
Regions visited from those that arrived on a visa		
Greater Darwin	22	63%
Katherine Daly	10	27%
Kakadu Arnhem	1	4%
Barkly	5	14%
Alice Springs - MacDonnell	12	33%
Lasseter	15	43%

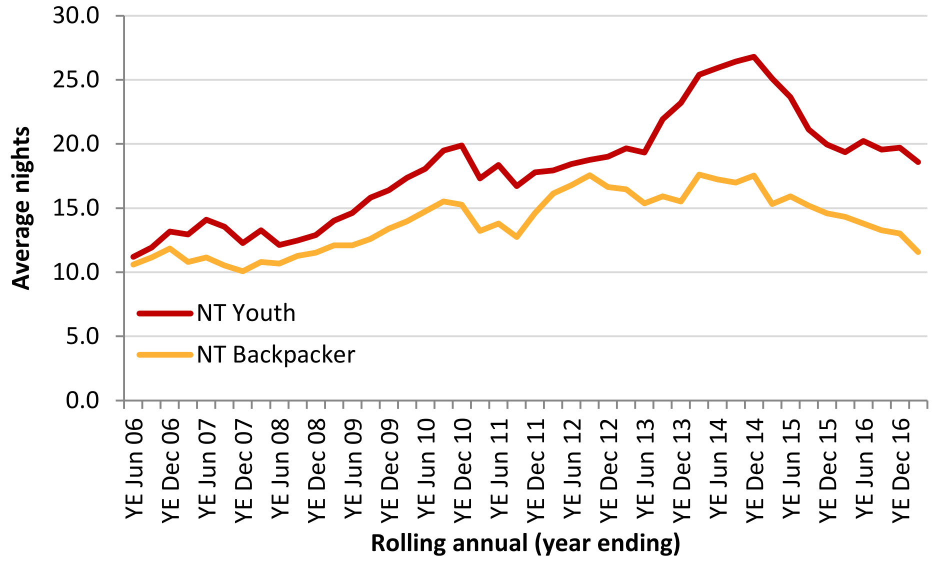
na – not available due to high sampling error

Note: In some instances, the sum of all share percentages will not add to 100% as people can travel to more than one destination and for more than one purpose etc

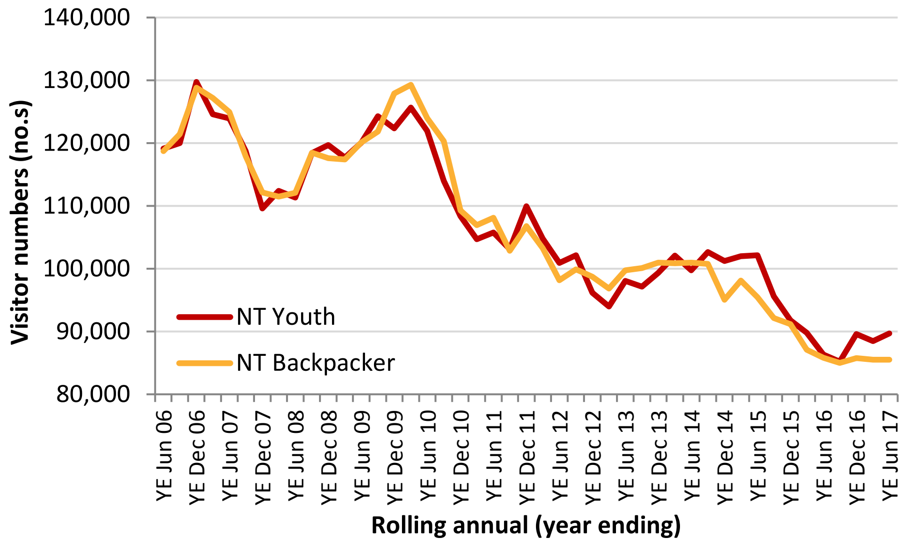
Australia – International Youth and Backpacker Visitor Numbers



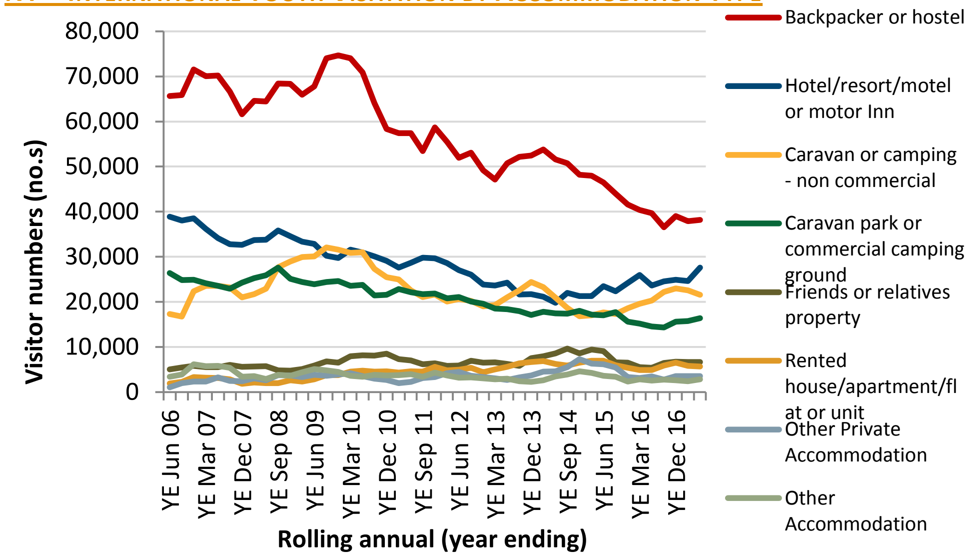
NT - International Youth and Backpacker Average Length of Stay (Nights)



NT- International Youth and Backpacker Visitor Numbers



NT – International Youth Visitation by Accommodation Type



International Youth Visitation by NT Region

While the international youth market for the NT as a whole for the YE June 2017 experienced a small increase (+3.9%), the results for individual NT regions were mixed.

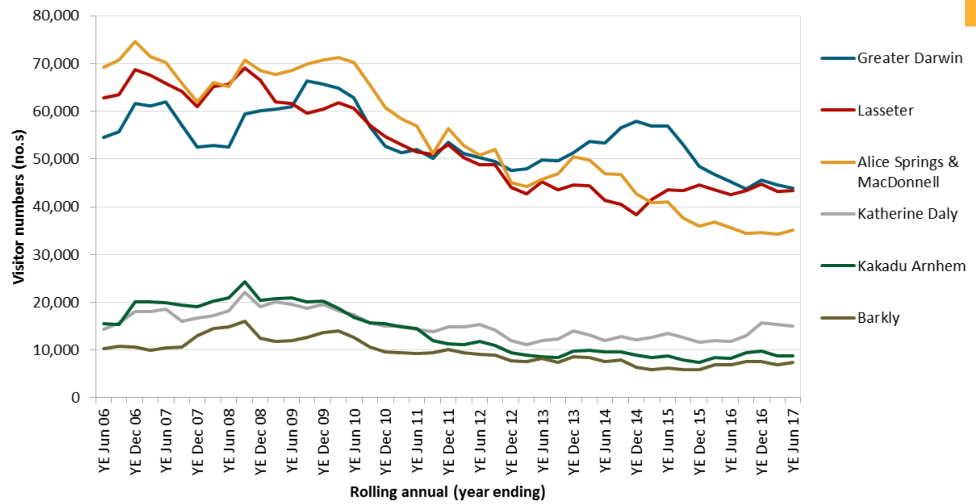
Region	YE June 16	YE June 17	YoY change
Greater Darwin	45,300	43,800	-3.3%
Katherine Daly	11,700	15,000	28%
Kakadu Arnhem	8,300	8,800	6.0%
Barkly	6,900	7,400	7.2%
Alice Springs & MacDonnell	35,700	35,000	-2.0%
Lasseter	42,500	43,300	1.9%
Total NT	86,300	89,700	3.9%

The Katherine Daly region showed the highest proportional increase of +28% for the YE June 2017 compared to the same period last year, albeit off a lower base. On the other hand, both Greater Darwin and Alice Springs & MacDonnell experienced small declines in youth visitation of -3.3% and -2.0% respectively. The remaining regions of Kakadu Arnhem, Barkly and Lasseter showed minor growth in youth visitation.

Overall, the different regions were following a similar pattern as that of the NT as a whole with international youth visitation numbers generally declining over the past decade. However, the past couple of years have seen Lasseter trending upwards (since YE March 2015) whereas the Greater Darwin and Alice Springs & MacDonnell regions have been trending downwards (since YE March 2015 and YE June 2013 respectively).

The top five international youth markets for Greater Darwin were the United Kingdom (UK), Germany, the United States of America (USA) France and Greater China, accounting for over half (58%) of international youth visitors to the region. For Alice Springs & MacDonnell, a similar proportion (60%) were from Germany, the UK, France, the USA and Switzerland. Japan was the top youth market for the Lasseter region, followed by Germany and the USA.

INTERNATIONAL YOUTH VISITATION BY NT REGION



YOUTH - TOP FIVE MARKETS BY REGION

Three year average YE June 2015-2017

International visitation	Visitor number (Annual avg)	% of total youth to region	International visitation	Visitor number (Annual avg)	% of total youth to region
Greater Darwin			**Barkly**		
United Kingdom	8,200	17%	Germany	1,400	21%
Germany	8,100	17%	France*	1,000	15%
France	5,200	11%	United Kingdom*	900	13%
United States of America	3,600	7%	United States of America*	700	10%
Greater China	3,100	6%	Scandinavia*	400	6%
Total	48,700		Total	6,800	
Katherine Daly			**Alice Springs & MacDonnell**		
Germany	2,300	17%	Germany	7,600	20%
France	2,000	15%	United Kingdom	6,100	16%
United States of America*	1,600	12%	France	3,800	10%
United Kingdom	1,600	12%	United States of America	2,500	7%
Greater China*	700	5%	Switzerland	2,500	7%
Total	13,400		Total	37,200	
Kakadu Arnhem			**Lasseter**		
Germany	1,600	19%	Japan	6,500	15%
United Kingdom	1,500	17%	Germany	6,200	14%
United States of America*	1,000	12%	United Kingdom	5,900	14%
France*	800	9%	United States of America	3,700	9%
Italy*	500	6%	France	3,200	7%
Total	8,600		Total	43,100	

Note: Three year average provided due to low sample. *Caution required when interpreting results due to low sample size (<40).

International Backpacker Visitation by NT Region

Even though the international backpacker market to the NT remained relatively steady for the YE June 2017 (-0.4%), the results for individual NT regions varied.

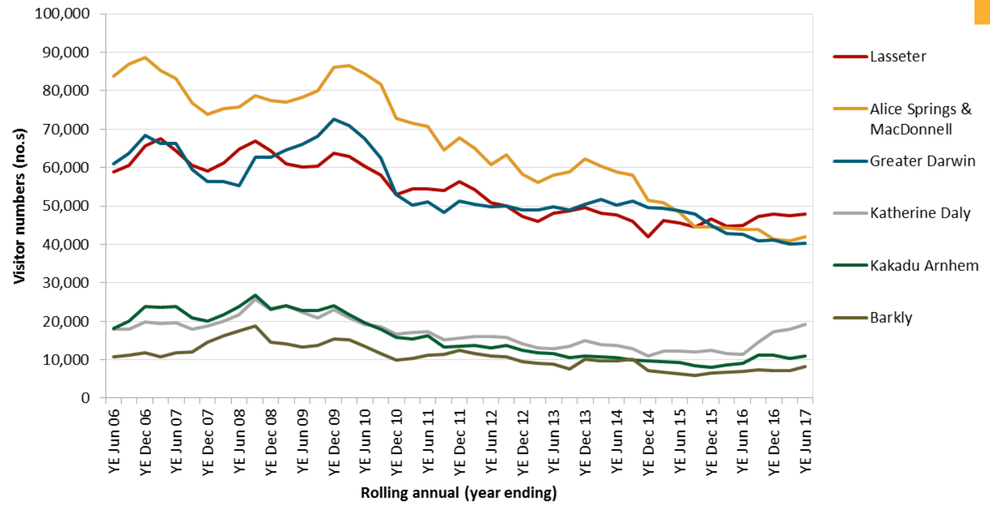
Region	YE June 16	YE June 17	YoY change
Greater Darwin	42,600	40,300	-5.4%
Katherine Daly	11,500	19,200	67%
Kakadu Arnhem	9,100	11,100	22%
Barkly	7,000	8,200	17%
Alice Springs & MacDonnell	43,900	41,900	-4.6%
Lasseter	44,900	47,900	6.7%
Total NT	85,800	85,500	-0.3%

The regions with the highest year on year increases of backpacker visitors were Katherine Daly (+67%), Kakadu Arnhem (22%) and Barkly (+17%). Backpacker visitation to Lasseter also grew with 6.7%. Conversely, Greater Darwin and Alice Springs & MacDonnell experienced moderate declines in backpacker visitation of -5.4% and -4.6% respectively.

The different regions were showing similar trends as that of the NT overall with backpacker numbers in the main decreasing over the past decade. Since a low in YE March 2015, however, the Lasseter region has generally been trending upwards. The Katherine Daly region has also been trending upwards the past year (since YE September 2016).

The top five international backpacker markets for Greater Darwin were the UK, Germany, France, the USA and Scandinavia, making up 63% of international backpacker visitors to the region. For Alice Springs & MacDonnell, the top five markets were Germany, the UK, France, the USA and Switzerland accounting for 61% of backpacker visitors to the region. Similarly, the UK, Germany, France and the USA featured in the top four international backpacker markets for all remaining regions albeit in differing orders.

INTERNATIONAL BACKPACKER VISITATION BY NT REGION



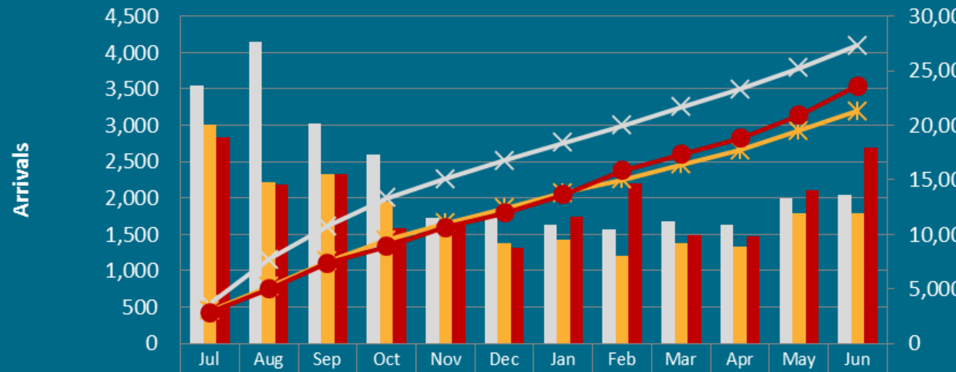
BACKPACKERS - TOP FIVE MARKETS BY REGION

Three year average YE June 2015-2017

International visitation	Visitor number (Annual avg)	% of total youth to region	International visitation	Visitor number (Annual avg)	% of total youth to region
Greater Darwin			**Barkly**		
United Kingdom	9,300	21%	Germany	1,500	21%
Germany	8,500	19%	United Kingdom*	1,200	17%
France	4,600	10%	France*	900	13%
United States of America	3,600	8%	United States of America*	700	10%
Scandinavia	2,200	5%	Netherlands*	500	7%
Total	43,900		Total	7,100	
Katherine Daly			**Alice Springs & MacDonnell**		
Germany	2,500	17%	Germany	8,900	20%
United Kingdom	2,100	15%	United Kingdom	7,400	17%
France	1,900	13%	France	4,300	10%
United States of America*	1,500	10%	United States of America	3,200	7%
Netherlands*	900	6%	Switzerland	3,100	7%
Total	14,300		Total	44,700	
Kakadu Arnhem			**Lasseter**		
United Kingdom	2,100	21%	United Kingdom	7,300	16%
Germany	1,600	16%	Germany	7,100	15%
United States of America*	1,100	11%	United States of America	4,500	10%
France*	1,000	10%	France	3,600	8%
Switzerland*	600	6%	Japan	3,400	7%
Total	9,800		Total	46,100	

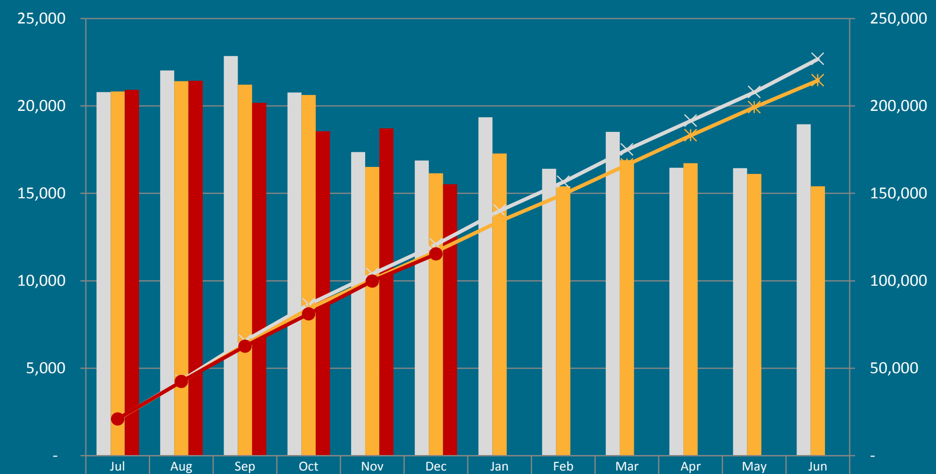
Note: Three year average provided due to low sample. *Caution required w hen interpreting results due to low sample size (<40).

International Short Term Visitor Arrivals through the Darwin airport 15 to 34 Years



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2014-15	3,551	4,152	3,020	2,598	1,728	1,721	1,631	1,568	1,676	1,627	1,990	2,045
2015-16	3,011	2,211	2,323	1,941	1,505	1,375	1,433	1,208	1,382	1,325	1,791	1,786
2016-17	2,828	2,179	2,335	1,578	1,691	1,320	1,738	2,194	1,487	1,471	2,099	2,694
FY 2014-15	3,551	7,703	10,723	13,321	15,049	16,770	18,401	19,969	21,645	23,272	25,262	27,307
FY 2015-16	3,011	5,223	7,545	9,486	10,991	12,366	13,799	15,006	16,388	17,714	19,504	21,290
FY 2016-17	2,828	5,007	7,342	8,920	10,612	11,931	13,670	15,863	17,350	18,821	20,921	23,614

Total Number of Working Holiday Maker Visas Granted Nationally



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2014-15	20,794	22,030	22,857	20,772	17,357	16,876	19,354	16,402	18,516	16,468	16,438	18,948
2015-16	20,824	21,421	21,222	20,629	16,511	16,143	17,279	15,411	16,897	16,727	16,116	15,403
2016-17	20,928	21,437	20,175	18,553	18,722	15,520						
FY 2014-15	20,794	42,824	65,681	86,453	103,810	120,686	140,040	156,442	174,958	191,426	207,864	226,812
FY 2015-16	20,824	42,245	63,467	84,096	100,607	116,750	134,029	149,440	166,337	183,064	199,180	214,583
FY 2016-17	20,928	42,365	62,540	81,093	99,815	115,335						

Source: Department of Immigration and Border Protection

KEY DATES

6 October 2017 - Tourism Australia launched $10M youth campaign through Aussie News Today. This includes the 'BuzzFeed Mates' – eight young travellers and aspiring content creators from the UK, Germany, Italy and France being flown to Australia for a three-month road trip to discover and report on their experiences for both Tourism Australia and BuzzFeed.com social channels.

31 August 2017 – From March 2018, Qantas will move its current hub for United Kingdom / European flights from Dubai to Singapore – a reverse of the decision made in late 2012. This includes connection flights from London, Singapore to Darwin (with Jetstar) being re-introduced.

1 January 2017 – Australian Government's new backpacker tax changes came into effect. For working holiday makers, the first $37,000 of income is taxed at 15%, with the balance taxed at ordinary rates.

19 November 2016 – first time Work and Holiday (subclass 462) visa holders can apply for a second 462 visa if they complete three months of 'specified subclass 462 work' in northern Australia after that date.

May 2016 - Australian government announced plans to increase backpacker tax to 32.5 cents in the dollar and scrap the tax free threshold.