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AUSTRALIAN TOURISM BUSINESSES RISING TO MEET CHALLENGES POSED BY TOUGH ECONOMIC CONDITIONS

The June 2024 quarterly business sentiment survey from the Australian Tourism Industry Council (ATIC) reports that 52% of our nation’s tourism businesses are experiencing weaker activity compared to the same quarter in 2023.

The national survey, supported by the state and territory Tourism Industry Councils cited economic conditions as the main contributing factor to the weaker activity businesses are experiencing. The survey further identified that decreased visitor numbers and forward bookings, staff wages and changes in visitor behaviour and spending are also major contributors to these weak economic conditions.

However, businesses that did experience growth cited introducing new products and services and increased digital presence as key factors. Programs such as our Quality Tourism programs are available to businesses to support them in enhancing their tourism products or services and improving online presence. For more information, [click here](#).

The national survey also reports that economic conditions are impacting visitor behaviour, with many respondents stating an obvious shift in customer behaviour to favour more cost-friendly options. “People are still wanting to holiday but are looking at ways to dramatically decrease the costs of doing so and are thereby turning to caravans and self-catering models...,” said a Tasmanian respondent. Some have pivoted to meet this change in behaviour, with a South Australian respondent sharing, “we want to offer self-guided tours and hope these experiences bring different customers”.

In response to current economic challenges, businesses are taking various measures to adjust their business operations, with 21% reducing their staff numbers compared to the same quarter in 2023 and 46% reporting an increase in average prices and rates compared to the June quarter of 2023. It is encouraging to see that despite all this, 37% of respondents are planning to make more investment into their business in the next 12 months, aligning with the approximately 41% of respondents feeling confident to extremely confident about their business prospects for the next 12 months ahead. A New South Wales based respondent said “...the reputation we have gained through our reviews and the advertising we do,” were critical to their optimistic outlook.

In association with



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Australian tourism businesses are facing many challenges, with businesses taking a range of measures to maintain and attract new business. However, a return to stronger customer confidence as well as an improvement in the nation's economy will see more businesses enjoying sound business returns and increased visitation.

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