

16 February 2026

### Summer Stability Holds as Tourism Operators Enter 2026 with Cautious Confidence

Australia’s tourism operators are entering 2026 with steady confidence and signs of strengthening demand, according to the latest national business sentiment survey from the Australian Tourism Industry Council, supported by state and territory Tourism Industry Councils.

Nearly 64% of respondents were open and trading as usual during the December 2025 quarter, with many operators reporting consistent demand through the peak season. Importantly, 41% experienced stronger activity than the same quarter in 2024, driven by high season demand, local events, increased digital presence and improved visitor spend.

The uplift reflects a continued focus on quality, experience and reputation, with many businesses engaged in the [Quality Tourism Framework](#) to strengthen standards and build visitor confidence. Operators achieving stronger results highlighted the benefits of investing in product and visibility. A Tasmanian respondent noted, “The investments we have made to our business are positively received by visitors, we are receiving great reviews which normally result in strong bookings (new and returning) going forward.”

While some operators experienced softer conditions, many cited broader economic pressures. Respondents reported weaker activity due to decreased visitors to the area, a weaker economy and reduced consumer confidence.

Staffing remained broadly stable throughout the quarter. Compared to December 2024, 64% of respondents had the same number of people working in their business, while 21% increased staffing. However, cost pressures remain persistent, with 48% of respondents reporting increased prices and rates, and 48% reporting higher wage expenses compared to the same period last year.

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Looking ahead, operators are reporting steady forward momentum. For the current March 2026 quarter, 43% of respondents are experiencing stronger bookings compared to the same quarter in 2025. Over the next 12 months, 37% reported stronger forward bookings and activity compared to the past year.

This cautious confidence is also reflected in investment intentions, with 43% of operators planning to invest more over the next 12 months. Overall, 58% of respondents reported feeling confident to extremely confident about their business prospects for the year ahead. A Victorian respondent highlighted improving market conditions, noting, “More are travelling internationally, corporates are starting to do activities again, and our EU/UK business is growing and consolidating.”

At the same time, operators remain realistic about uncertainty. A South Australian respondent pointed to both positive demand drivers and challenges, citing increased domestic and international flights into Adelaide, a strong events and festival calendar, and continued demand for quality, trusted accommodation, while noting cost-of-living pressures, broader economic conditions and environmental impacts influencing visitor sentiment.

Across Australia, tourism businesses continue to demonstrate strength and adaptability. With stable trading through the December quarter, improving booking signals into March, and many operators investing for the future, the nation’s tourism industry is entering 2026 with cautious optimism and a strong focus on quality, capability and long-term sustainability.

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