



## Oceania Fact Sheet

### Oceania Overview

The HTA, through Hawai'i Tourism Oceania (HTO), targets visitors from the countries of Australia and New Zealand, which have experienced steady growth in outbound travel to Hawai'i over recent years. Since 2004, the HTA has contracted with The Walshe Group Pty Ltd, to provide marketing services in Oceania. HTO's 2016 base funding level is \$1.7 million with higher YOY targets.

### March 2017 Quick Facts<sup>1</sup>

Visitor Expenditures:	\$195.7 million
Primary Purpose of Stay:	Pleasure (67,285) vs. MCI (2,072)
Average Length of Stay:	9.67 days
First Time Visitors:	52.2 %
Repeat Visitors:	47.8 %

OCEANIA MMA (by Air)	2015	2016P	% Change 2016P vs 2015	2017 Forecast	% Change 2016P vs 2017 Forecast	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
Visitor Expenditures* (\$ Millions)	1,001.3	1,033.60	3.2%	1,005.3	-2.7%	195.7	198.0	-1.2%
Visitor Days	3,810,265	3,831,311	0.6%	3,685,261	-3.8%	704,861	708,049	-0.5%
Arrivals	399,619	399,644	0.0%	384,051	-3.9%	72,921	73,604	-0.9%
Per Person Per Day Spending* (\$)	262.8	269.8	2.7%	275.2	2.0%	277.6	279.7	-0.8%
Per Person Per Trip Spending* (\$)	2,505.5	2,586.3	3.2%	2,617.7	1.2%	2,683.2	2,690.6	-0.3%
Length of Stay (days)	9.53	9.59	0.5%	9.60	0.1%	9.67	9.62	0.5%

\*Excludes supplemental business spending

### Contact Information

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<sup>1</sup> 2016 and 2017 data are preliminary.

## Market Summary

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- Through March 2017, growth in arrivals slightly decreased (+0.9%) at 79,921 visitors. Visitor days were flat at -0.5 percent, as was the average length of stay (+0.5% to 9.67 days). Combined with a slight decrease in daily spending (-0.8% to \$275 per person) it contributed to a decrease in visitor expenditures (-1.2% to \$195.7 million)
- Airlift increased 2.3 percent to 514,641 seats in 2016. The majority of the growth in air seats was attributed to Jetstar's new service – Brisbane to Honolulu<sup>2</sup>, Air New Zealand's increased capacity – Auckland to Honolulu, and Qantas increasing service – Sydney to Honolulu. Through March 2017, air capacity from Oceania declined -9.7% to 113,807 seats.
- Hawaiian Airlines routes and connectivity throughout the State is contributing to greater neighbor island awareness in Oceania. However, with the increase in visitor arrivals Hawai'i is hosting more first-time visitors and these visitors generally travel only to O'ahu on their first trip. One of HTO's key goals is to increase awareness of neighbor island offerings and to encourage visitors to travel to more than one island.

## Market Conditions

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- The Reserve Bank of Australia cash interest rate is forecast to remain low through 2017, which is expected to drive growth.
- The softer Australian dollar, which sat at between \$0.74 and \$0.76 cents throughout most of 2016 and the first quarter of 2017, is good news for Australia's domestic travel industry, but provides challenges for Australians considering outbound travel.
- Unemployment sat at around 5.7% for most of 2016 and is anticipated to remain around this level over the next year or so while inflation is predicted to sit at around 2%. *Reserve Bank of Australia*
- Other potential impacts on the Australian economy include mortgage and rent stress as housing prices and rental accommodation prices in Australia's capital cities continues to soar and remains a hot topic in the media and around the water cooler.
- Overall, consumer and business confidence remain buoyant.
- The New Zealand economy is predicted to see GDP growth of between 2.5% and 3.5% over the next few years.
- The unemployment rate has dipped below 5% which is a sign of NZ's economic growth, and is predicted to be stable.
- After a year of exchange rate falls, the New Zealand dollar appears to have settled and strengthened to a range between \$0.65 and \$0.73 cents. Predictions through 2017 don't seem to indicate a huge change to this, however the NZ dollar is affected by global conditions.
- 2016 was record year for outbound travel from New Zealand with over 2.6 million departures (up 9%). 2017 has begun positively and is already exceeding the previous year's record departures.
- Tourism Research Australia predicts that outbound short-term resident departures from Australia will continue to remain at record levels, with growth of 4% predicted in 2017/18. Australians' outbound travel to the US (which includes Hawai'i) is expected to grow 3.8% to 1.1 million visitors in 2017/18.

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<sup>2</sup> This service was suspended as of October 2016 due to soft load factors, leaving Hawaiian Airlines the only carrier flying Brisbane-Honolulu

## Visitor Statistics

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\*Excludes supplemental business spending

## Distribution by Island

OCEANIA MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
O'ahu	386,815	386,426	-0.1%	70,486	71,058	-0.8%
Maui County	74,780	76,779	2.7%	13,519	12,132	11.4%
...Maui	73,399	75,341	2.6%	13,264	11,901	11.5%
...Moloka'i	4,457	5,052	13.4%	1,073	911	17.8%
...Lāna'i	5,393	5,510	2.2%	1,162	581	100.2%
Kaua'i	32,904	32,770	-0.4%	5,986	5,081	17.8%
Island of Hawai'i	58,691	58,359	-0.6%	11,720	9,198	27.4%

## Airlift

	2017					2016					2017 vs. 2016 (%)				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
OCEANIA	113,869	119,374	127,463	117,054	477,760	126,007	132,343	135,581	120,710	514,641	-9.6%	-9.8%	-6.0%	-3.0%	-7.2%
Auckland	23,248	24,734	29,290	24,854	102,126	21,762	24,466	28,974	25,260	100,462	6.8%	1.1%	1.1%	-1.6%	1.7%
Brisbane	11,398	10,842	11,120	10,842	44,202	23,321	25,673	25,673	15,601	90,268	-51.1%	-57.8%	-56.7%	-30.5%	-51.0%
Melbourne	14,740	14,740	15,410	14,070	58,960	17,420	14,405	14,740	14,405	60,970	-15.4%	2.3%	4.5%	-2.3%	-3.3%
Sydney	64,483	69,058	71,643	67,288	272,472	63,504	67,799	66,194	65,444	262,941	1.5%	1.9%	8.2%	2.8%	3.6%

Source: Diio Mii airline schedules

## Group vs. FIT; Leisure vs. Business

OCEANIA MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
Group vs FIT						
Group tour	7,715	9,731	26.1%	1,253	1,540	-18.6%
True Independent	241,090	231,143	-4.1%	42,577	44,059	-3.4%
Leisure vs business						
Pleasure (Net)	372,179	369,433	-0.7%	67,285	67,734	-0.7%
MCI (Net)	8,214	7,700	-6.3%	2,072	2,087	-0.7%
Convention/Conf.	5,872	5,229	-10.9%	1,907	1,432	33.2%
Corp. Meetings	927	618	-33.3%	169	271	-37.7%
Incentive	1,663	1,981	19.1%	16	471	-96.6%

## First Timers vs. Repeat Visitors

OCEANIA MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
1st timers (%)	54.2	53.3	0.9	52.2	51.8	0.3
Repeaters (%)	45.8	46.7	-0.9	47.8	48.2	-0.3

## Tax Revenue

OCEANIA MMA (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
State tax revenue generated* (\$ Millions)	106.63	120.65	13.1%	22.84	23.12	-1.2%

\*State government tax revenue generated (direct, indirect, and induced)

## Industry

### Major industry partners

- Infinity Holidays (wholesaler for Flight Centre Group)
- Ignite Travel (My Hawai'i)
- Flight Centre Group (Flight Centre; Travel Associates; Escape Travel; Student Flights)
- Si Travel (formerly Pinpoint)
- Helloworld (Wholesale and retail-amalgamation of Jetset; Travelworld; Harvey World Travel; Travelscene AMEX; GO Holidays (NZ) Wholesale – Qantas Holidays/Viva! Holidays)
- Lifestyle Holidays (wholesaler for First Travel Group and You Travel)
- Expedia
- Excite Holidays (wholesaler)
- Hoot Holidays/House of Travel NZ
- Hawaiian Airlines
- Jetstar
- Qantas
- Air New Zealand
- Luxury Escapes AU (newly entered into the Hawai'i market)