



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.

Year-to-Date March 2018 Quick Facts¹

Visitor Expenditures:	\$220.2 million
Primary Purpose of Stay:	Pleasure (74,907) vs. MCI (1,002)
Average Length of Stay:	9.62 days
First Time Visitors:	48.7%
Repeat Visitors:	51.3%

OCEANIA MMA (by Air)	2016	2017P	% Change 2017P vs 2016	2018 Forecast (Feb. 2018)	% Change 2017P vs 2018 Forecast	YTD Mar. 2018P	YTD Mar. 2017P	% change YTD
Visitor Expenditures* (\$ Millions)	1,070.4	1,033.2	-3.5%	1,062.1	2.8%	220.2	195.7	12.5%
Visitor Days	3,736,542	3,786,662	1.3%	3,862,738	2.0%	760,299	704,861	7.9%
Arrivals	390,364	392,560	0.6%	400,411	2.0%	79,052	72,921	8.4%
Per Person Per Day Spending* (\$)	286.5	272.8	-4.8%	275.0	0.8%	289.6	277.6	4.3%
Per Person Per Trip Spending* (\$)	2,742.0	2,631.9	-4.0%	2,652.6	0.8%	2,785.5	2,683.3	3.8%
Length of Stay (days)	9.57	9.65	0.8%	9.65	0.0%	9.62	9.67	-0.5%

*Excludes supplemental business spending

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¹ 2016 visitor data are the final numbers and reflect data from the National Travel and Tourism Office and updated reports from airlines. 2017 and 2018 data are preliminary.

Market Summary

- In 2017, visitor arrivals rose slightly (+0.6% to 392,560) while visitor days increased 1.3 percent compared to 2016. Daily spending (-4.8% to \$273 per person) was lower compared to 2016 and contributed to a 3.5 percent decline in visitor expenditures to \$1.03 billion. Through the first three months of 2018, arrivals grew 8.4 percent to 79,052 visitors while visitor days increased 7.9 percent compared to year-to-date 2017. Daily spending (+4.3% to \$290 per person) was higher than a year ago and contributed to a 12.5 percent growth in visitor expenditures to \$220.2 million.
- In 2017, air capacity from Oceania declined 6.1 percent from 2016 to 483,122 seats. Through March 2018, scheduled air seats rose 5.2 percent compared to year-to-date 2017, mainly due to more seats added from Auckland New Zealand (+25.6%). Total seats from Brisbane, Melbourne and Sydney Australia (-0.1%) were similar to the first three months of 2017.

Market Conditions

- The Reserve Bank of Australia cash interest rate remained low through 2017. Interest rates are expected to remain so or increase slightly in 2018 which will continue to drive growth.
- The Australian dollar remains fairly consistent, with the monthly average exchange rate for March at US\$0.775, compared to US\$0.787 in February. The unemployment rate has remained relatively constrained over the past 12 months and is currently at 5.6%. The inflation rate remains at around 2.2% and is estimated to stand at 2.3% in 12 months' time.
- 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, business confidence remains buoyant, however consumer confidence is flat as Australians are concerned about rising living costs and flat wages growth.
- 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. The 2017 General Election surprise – which saw a new coalition government formed – has led to a slight softening in the NZD, but still within that range.
- 2017 was record year for outbound travel from New Zealand with over 2.9 million departures (up 9.3%).
- 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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Distribution by Island

OCEANIA MMA (by Air)	2016	2017P	% Change 2017P vs 2016	YTD Mar. 2018P	YTD Mar. 2017P	% change YTD
O'ahu	377,479	382,751	1.4%	77,472	70,486	9.9%
Maui County	74,603	74,540	-0.1%	13,549	13,519	0.2%
...Maui	73,197	73,298	0.1%	13,255	13,264	-0.1%
...Moloka'i	4,913	5,220	6.2%	685	1,073	-36.1%
...Lāna'i	5,357	6,202	15.8%	998	1,162	-14.2%
Kaua'i	31,842	35,018	10.0%	6,226	5,986	4.0%
Island of Hawai'i	56,765	64,540	13.7%	10,140	11,720	-13.5%

Airlift

Departure City	2018					2017					% CHANGE				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
OCEANIA	119,701	138,712	141,893	129,546	529,852	113,807	119,312	127,765	122,238	483,122	5.2	16.3	11.1	6.0	9.7
Auckland	29,192	42,186	46,008	38,370	155,756	23,248	24,734	29,592	27,358	104,932	25.6	70.6	55.5	40.3	48.4
Brisbane	11,398	10,842	10,842	11,120	44,202	11,398	10,842	11,120	10,842	44,202	0.0	0.0	-2.5	2.6	0.0
Melbourne	14,405	15,745	14,740	14,070	58,960	14,740	14,740	15,410	15,410	60,300	-2.3	6.8	-4.3	-8.7	-2.2
Sydney	64,706	69,939	70,303	65,986	270,934	64,421	68,996	71,643	68,628	273,688	0.4	1.4	-1.9	-3.9	-1.0

Source: Diio Mii airline schedules, updated March 2018.

Group vs. FIT; Leisure vs. Business

OCEANIA MMA (by Air)	2016	2017P	% Change 2017P vs 2016	YTD Mar. 2018P	YTD Mar. 2017P	% change YTD
Group vs FIT						
Group tour	9,552	7,890	-17.4%	1,454	1,253	16.0%
True Independent	226,420	223,297	-1.4%	48,101	42,577	13.0%
Leisure vs business						
Pleasure (Net)	360,759	370,338	2.7%	74,907	67,285	11.3%
MCI (Net)	7,608	7,737	1.7%	1,002	2,072	-51.6%
Convention/Conf.	5,187	6,086	17.3%	603	1,907	-68.4%
Corp. Meetings	604	589	-2.4%	185	169	9.3%
Incentive	1,946	1,416	-27.2%	274	16	1606.5%

First Timers vs. Repeat Visitors

OCEANIA MMA (by Air)	2016	2017P	Change 2017P vs 2016	YTD Mar. 2018P	YTD Mar. 2017P	% change YTD
1st timers (%)	53.2	51.3	-1.9	48.7	52.2	-3.5
Repeaters (%)	46.8	48.7	1.9	51.3	47.8	3.5

Tax Revenue

OCEANIA MMA (by Air)	2016	2017P	% Change 2017P vs 2016	YTD Mar. 2018P	YTD Mar. 2017P	% change YTD
State tax revenue generated* (\$ Millions)	124.9	120.60	-3.5%	25.70	22.84	12.5%

*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)
- (now in receivership – please remove)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)
- House of Travel Group (House of Travel NZ, Orbit World Travel, HOOT Holidays AU, Travel Managers AU, Travel Advocates NZ)
- Expedia
- Excite Holidays (wholesaler)
- Hawaiian Airlines
- Jetstar
- Qantas
- Air New Zealand
- Luxury Escapes AU (newly entered into the Hawai'i market)