



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 2017 base funding level is \$1.7 million with higher YOY targets.

November 2017 Quick Facts¹

Visitor Expenditures:	\$941.6 million
Primary Purpose of Stay:	Pleasure (337,614) vs. MCI (7,391)
Average Length of Stay:	9.58 days
First Time Visitors:	50.8%
Repeat Visitors:	49.2%

OCEANIA MMA (by Air)	2015	2016	% Change 2016 vs 2015	2017 Forecast (Aug. 2017)	% Change 2016 vs 2017 Forecast	YTD Nov. 2017P	YTD Nov. 2016	% change YTD
Visitor Expenditures* (\$ Millions)	1,001.3	1,070.4	6.9%	1,019.8	-4.7%	941.6	976.9	-3.6%
Visitor Days	3,810,265	3,736,542	-1.9%	3,753,760	0.5%	3,430,716	3,394,893	1.1%
Arrivals	399,619	390,364	-2.3%	389,953	-0.1%	357,974	357,631	0.1%
Per Person Per Day Spending* (\$)	262.8	286.5	9.0%	271.7	-5.2%	274.5	287.8	-4.6%
Per Person Per Trip Spending* (\$)	2,505.5	2,742.0	9.4%	2,615.1	-4.6%	2,630.3	2,731.6	-3.7%
Length of Stay (days)	9.53	9.57	0.4%	9.63	0.6%	9.58	9.49	1.0%

*Excludes supplemental business spending

Contact Information

Hawai'i Tourism Authority: Chris Sadayasu, Tourism Brand Manager
 Tel: (808) 973-2274
chris@gohta.net

Hawai'i Tourism Oceania:
 Australia: Charis Ricafuente, Senior Marketing Manager
 Tel: +61 (2) 9286-8976
cricafuente@hawaiiitourism.com

New Zealand: Darragh Walshe, Country Manager
 Tel: +64 (9) 977 2234
dwalshe@hawaiiitourism.co.nz

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

Market Summary

- Through November 2017, visitor arrivals was flat (+0.1% to 357,974) while visitor days rose slightly (+1.1%) compared to year-to-date 2016. Daily spending (-4.6% to \$274 per person) was lower compared to year-to-date 2016 and contributed to a 3.6 percent decline in visitor expenditures to \$941.6 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, (however this service was subsequently suspended indefinitely in October 2016),² Air New Zealand's increased capacity – Auckland to Honolulu, and Qantas increasing service – Sydney to Honolulu. Through November 2017, air capacity from Oceania declined 7.3% to 439,187 seats.
- Hawaiian Airlines routes and connectivity throughout the State is contributing to greater neighbor island awareness in Oceania. 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. While overall number of visitors from Oceania showed no growth through the first 11 months of 2017, visitation to Kaua'i (+10.2%) and the Island of Hawai'i (+14.7%) has increased.

Market Conditions

- The Reserve Bank of Australia cash interest rate is forecast to remain low through 2017, which is expected to drive growth.
- The Australian dollar rebounded in the second half of the year, reaching \$0.79-\$0.80. This is good news for Aussies considering travel to Hawaii.
- Unemployment has sat at around 5.7% for most of 2017 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*. Wages growth however remains flat.
- 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.
- 2016 was record year for outbound travel from New Zealand with over 2.6 million departures (up 9%). 2017 has continued that trend, 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.

² 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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Distribution by Island

OCEANIA MMA (by Air)	2015	2016	% Change 2016 vs 2015	YTD Nov. 2017P	YTD Nov. 2016	% change YTD
O'ahu	386,815	377,479	-2.4%	348,817	345,385	1.0%
Maui County	74,780	74,603	-0.2%	68,245	68,861	-0.9%
...Maui	73,399	73,197	-0.3%	67,108	67,684	-0.9%
...Moloka'i	4,457	4,913	10.2%	4,685	4,132	13.4%
...Lāna'i	5,393	5,357	-0.7%	5,634	4,817	17.0%
Kaua'i	32,904	31,842	-3.2%	31,951	28,988	10.2%
Island of Hawai'i	58,691	56,765	-3.3%	58,368	50,899	14.7%

Airlift

DepCityName	2017					2016					%CHANGE				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
OCEANIA	113,807	119,312	127,765	122,238	483,122	126,007	132,343	135,581	120,710	514,641	-9.7	-9.8	-5.8	1.3	-6.1
Auckland	23,248	24,734	29,592	27,358	104,932	21,762	24,466	28,974	25,260	100,462	6.8	1.1	2.1	8.3	4.4
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	15,410	60,300	17,420	14,405	14,740	14,405	60,970	-15.4	2.3	4.5	7.0	-1.1
Sydney	64,421	68,996	71,643	68,628	273,688	63,504	67,799	66,194	65,444	262,941	1.4	1.8	8.2	4.9	4.1

Source: Diio Mii airline schedules, updated December 2017.

Group vs. FIT; Leisure vs. Business

OCEANIA MMA (by Air)	2015	2016	% Change 2016 vs 2015	YTD Nov. 2017P	YTD Nov. 2016	% change YTD
Group vs FIT						
Group tour	7,715	9,552	23.8%	7,479	9,371	-20.2%
True Independent	241,090	226,420	-6.1%	202,014	207,431	-2.6%
Leisure vs business						
Pleasure (Net)	372,179	360,759	-3.1%	337,614	329,987	2.3%
MCI (Net)	8,214	7,608	-7.4%	7,391	7,423	-0.4%
Convention/Conf.	5,872	5,187	-11.7%	5,886	5,017	17.3%
Corp. Meetings	927	604	-34.9%	486	596	-18.5%
Incentive	1,663	1,946	17.0%	1,313	1,939	-32.3%

First Timers vs. Repeat Visitors

OCEANIA MMA (by Air)	2015	2016	% Change 2016 vs 2015	YTD Nov. 2017P	YTD Nov. 2016	% change YTD
1st timers (%)	54.2	53.2	1.0	50.8	53.1	-2.3
Repeaters (%)	45.8	46.8	-1.0	49.2	46.9	2.3

Tax Revenue

OCEANIA MMA (by Air)	2015	2016	% Change 2016 vs 2015	YTD Nov. 2017P	YTD Nov. 2016	% change YTD
State tax revenue generated* (\$ Millions)	113.14	124.9	10.4%	109.90	114.03	-3.6%

*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)