

Domestic and international visitors stay in a range of accommodation while travelling in Australia. This snapshot presents information on the backpacker accommodation sector and a profile of domestic and international visitors who used backpacker accommodation in 2008.

Definition

A backpacker is a person who spends at least one night in either backpacker or hostel accommodation. Visitors do not necessarily spend all nights in backpacker accommodation; they may also stay in other types of accommodation.

What are the recent visitor trends?

International backpacker visitation has grown by approximately 3% each year since 2000, to reach 559,000 in 2008. Total international visitation grew by an average annual rate of 2% over the same period.

International nights spent in backpacker accommodation have increased marginally since 2000 (average annual growth of 1%) while nights spent in Australia by these visitors have increased at an average annual rate of 2%. This was lower than the average growth in total international visitor nights in Australia of 4% over the same period.

The domestic backpacker market has fluctuated in terms of both visitors and nights, with visitor numbers declining solidly over the past few years.

Table 1 Visitors and nights spent in backpacker accommodation, 2000–2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008	Average annual change
International										
Visitors ('000)	453	451	479	468	482	499	545	566	559	3%
Nights in backpacker accommodation (million)	13	11	11	12	13	12	15	15	14	1%
Average stay in backpacker accommodation (nights)	28	25	23	25	26	24	27	26	25	
Nights in Australia (million)	34	33	32	30	33	32	39	40	41	2%
Average stay in Australia (nights)	75	73	67	64	68	64	72	71	73	
Domestic										
Visitors ('000)	462	283	386	475	439	413	524	500	426	-1%
Nights in backpacker accommodation (million)	2.3	1.3	1.5	1.6	1.5	1.3	1.7	1.7	1.4	-6%
Average stay in backpacker accommodation (nights)	5	5	4	3	3	3	3	3	3	
Nights away from home (million)	3.1	2.1	2.5	2.4	2.2	2.1	2.5	2.9	1.8	-7%
Average stay away from home (nights)	7	7	7	5	5	5	5	6	4	

Table 2 International visitors, nights and expenditure by backpackers, 2008

	Visitors ('000)	Nights in Australia ('000)	Average stay in Australia (nights)	Nights in backpacker accommodation ('000)	Average stay in backpacker accommodation (nights)	Expenditure (\$ million)	Average expenditure per trip (\$)
New Zealand	37	948	25	341	9	109	2 903
Japan	28	2 663	97	884	32	200	7 270
Korea	29	3 641	126	581	20	265	9 149
USA	47	2 394	51	521	11	351	7 443
Canada	26	1 984	76	786	30	222	8 449
United Kingdom	114	7 186	63	3 392	30	873	7 658
Germany	53	4 184	79	1 651	31	438	8 222
France	27	2 334	86	929	34	217	7 959
Scandinavia	29	1 926	68	881	31	252	8 836
Netherlands	15	1 052	70	457	31	131	8 748
Other Asia	49	3 877	80	1 010	21	371	7 635
Other Europe	78	6 517	83	2 191	28	763	9 776
Other countries	27	2 060	75	592	22	224	8 182
Total	559	40 765	73	14 215	25	4 415	7 894

Since 2000, the average annual decline of visitors using backpacker accommodation was 1% and there was an average annual decline of 6% of visitor nights spent in backpacker accommodation. While the decrease in backpacker visitors coincides with an overall decline in domestic visitation, the decline in visitor nights was larger than the national decline (average annual decline of 1%).

Who are they?

International visitors from Europe comprised more than half (57%) of the international backpacker

market in Australia. UK (20%) and Germany (10%) continued to be the strongest backpacker markets in 2008. While Europe continues to dominate in terms of visitor numbers, the real growth in the market since 2000 has been from New Zealand (average annual growth 8%), Asia (average annual growth 5%) and North America (average annual growth 4%).

International visitors aged between 20 and 29 were the main backpacker market representing about two thirds (67%) of all international backpacker visitors. While international backpacker visitors aged between 15 and 19 years and 50 years and over were the strongest growth demographic, they only accounted for 8% and 6% of all backpacker visitors respectively.

Domestic backpacker age profiles have been shifting over the past few years. The largest backpacker market, 20–29 years, has been declining at an average annual rate of 4% since 2000, now representing 33% of all domestic backpackers. Backpackers over 50 years of age have seen the strongest growth during this time, increasing at an average annual rate of 5% to make it the second largest backpacker market (or 24%) of all domestic backpackers.

How much do they spend?

International backpackers spent an average of \$7,894 per person on their trip, almost double the spend of other international visitors (\$4,891). This is expected due to the higher average length of stay of backpackers (73 nights) compared to other visitors (28 nights). International backpackers spent

proportionally more than other visitors on items such as *accommodation, food and beverage, domestic airfares, and organised tours* and spent proportionally less than other visitors on items such as *shopping and education*.

Domestic backpackers had similar spend patterns to other visitors. Apart from *accommodation, food and beverage*, the main expenditure items for domestic backpackers were *transport and domestic airfares* and *shopping, gifts and souvenirs*.

Table 3 Average visitor expenditure by item, 2008

Expenditure item	International		Domestic	
	Backpacker	Other	Backpacker	Other
Accommodation, food and beverages	2 765	1 318	361	389
Shopping	506	486	169	218
Domestic airfares	430	372	342	480
Other transport	2 508	1 721	148	146
Organised tours	763	398	144	279
Education	6 000	9 385	73	411
Entertainment	228	179	90	125
Other	833	1 537	167	29
Total spend per visitor	7 894	4 891	653	633
Total spend per night	\$108	\$177	\$152	\$164

What do they do?

International backpackers took part in an average of 15 activities, almost double that of other international visitors (8 activities). This is expected due to the longer length of stay of backpackers allowing more time to participate in a greater number of activities. The most common activities for backpackers were: *social* (98%); *outdoor and nature-based* (94%) and *local attractions/tourist activities* (90%). Backpackers (65%) were more likely to participate in *active outdoor/sports activities* than other visitors (26%).

Domestic backpackers participated in similar activities to international backpackers. The most common were *social* (84%) and *outdoor and nature-based activities* (51%). They were also more likely to participate in *arts/heritage/festival activities* (36%) than other visitors (14%).

Where do they go?

Around three quarters (74%) of international backpackers spent time in regional Australia, and 39%

of their nights spent in backpacker accommodation were in regional areas. The most popular regional areas for nights in backpacker accommodation were Tropical North Queensland, Northern Rivers (New South Wales) and Hervey Bay/Maryborough (Queensland).

Just over half (55%) of domestic backpackers spent time in regional Australia. They spent around 48% of their nights in backpacker accommodation in regional areas.

Table 4 Most popular tourism regions for international backpackers, 2008

Tourism region and State	Visitors '000	Nights in Australia (million)	Nights in backpacker accommodation (million)
Sydney, NSW	560	9.2	3.2
Melbourne, VIC	422	5.1	1
Brisbane, QLD	241	5.2	1
Tropical North Qld, QLD	239	2.6	1.5
Northern Rivers, Tropical NSW	217	0.9	0.6
Hervey Bay/Maryborough, QLD	145	0.6	0.3
Whitsundays, QLD	142	0.9	0.4
Gold Coast, QLD	141	1.6	0.5
Experience Perth, WA	133	3.3	1.1
Sunshine Coast, QLD	101	0.6	0.2
Adelaide, SA	89	1.3	0.2
Total in regional Australia	416	13.2	5.6
Total in capital cities	550	27.5	8.6
Total in Australia	559	40.8	14.2

Where do they stay?

International backpackers chose to stay in a variety of accommodation. While backpackers spent 35% of their nights in *backpacker accommodation* they also spent 31% of their nights in a *rented house or apartment* and 11% of nights in the *home of friends or relatives*.

Domestic backpackers were more likely to spend most of their nights in *backpacker accommodation* (76% of nights), and also chose to stay with *friends or relatives* (9% of nights).

Why do they travel?

International backpacker visitors were more likely to travel for the purpose of *holiday* (70%) than other

visitors (44%). However, they were less likely to travel to *visit friends or relatives* (8%) or for *business* (3%) than other visitors (24% and 19% respectively).

Domestic backpackers mainly travelled for the purpose of *holiday* (68%).

How many businesses offer backpacker accommodation?

The number of backpacker/hostel establishments and bed spaces continued to decline during 2008 (-4% and -3% respectively). Despite this, the number of guest nights continued to increase to reach over 9 million nights. This led to higher occupancy rates and an increase in takings from accommodation.

Table 5 Backpacker/hostels^a, capacity and accommodation, 2005–2007

	2005	2006	2007	2008	Change 2007–2008 %
No. of establishments ^b	456	429	424	407	-4.0
Persons employed ^b	3 337	3 271	3 449	3 385	-1.9
Bed spaces ^b ('000)	48	47	47	46	-3
Guest nights ^c (million)	8.31	8.54	8.73	9.11	4.4
Bed occupancy rate ^d (%)	47.8	49.7	51.2	54.0	5.5
Takings from accommodation (\$ million)	192.3	203.4	218.4	239.7	9.8

Data sources

Tourism Research Australia National Visitor Survey (NVS) and International Visitor Survey (IVS) 2000–2008 (unpublished data)
ABS, Tourist Accommodation, December Quarter 2008, Cat. no. 8635.0

Key

^a Only includes visitor hostel establishments with 25 or more bed spaces.

^b Measured at the December quarter of each year.

^c The total number of paying guests counted on each night they stayed at the accommodation establishment during the survey period.

^d The average over four quarters.

Notes

The number of nights spent in backpacker accommodation (ABS, Tourist Accommodation, December Quarter 2008, Cat. no. 8635.0) differs to the number of guest nights reported by Tourism Research Australia, as the ABS only publishes guest nights for visitor hostel establishments with 25 or more bed spaces. The ABS also uses visitor hostel data as a proxy for backpacker accommodation. Data collected in the IVS and NVS include both backpacker and visitor hostel accommodation, and do not exclude small establishments.

Total capital cities: Includes all capital cities plus the Gold Coast.
‘Regional Australia’ excludes all capital cities and the Gold Coast.

Key findings

- Both international and domestic backpacker visitor numbers decreased during 2008.
- Domestic backpackers over 50 years of age have seen the strongest growth since 2000, increasing at an average annual rate of 5% to make it the second largest backpacker market (or 24%) of all domestic backpackers.
- International backpackers spent an average of \$7,894 per person on their trip; almost double the spend of other international visitors (\$4,891). International backpackers took part in an average of 15 activities in 2008; almost double that of other international visitors.
- Around three quarters (74%) of international backpackers spent time in regional Australia, and 39% of their nights spent in backpacker accommodation were in regional areas. Just over half (55%) of domestic backpackers spent time in regional Australia.

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