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This Market Insight is one of an ongoing series of market profiles produced by the Market Intelligence Group [MIG] of the European Travel Commission [ETC]. New market profiles are added to the series and updated at regular intervals. Market Insights are freely available to the public.

The members of the MIG comprise the Research Directors of the 33 National Tourist Offices (NTOs) who are members of ETC. The group regularly commissions and publishes market intelligence studies, handbooks on methodologies and best practice, and facilitates the exchange of European tourism statistics and other indicators.

A complete overview of ETC's programme of market intelligence activities – including links to studies and sources of European tourism statistics – can be found on the organisation's corporate website: www.etc-corporate.org.

OVERVIEW

- With an expenditure of US$27.5 bn (€21.4 bn) in 2012, Australia was ranked 9th in the world by the World Tourism Organization in terms of spending on travel abroad (excluding transport).
- Australia is not a large market, but it is an affluent one, and one with a very high propensity to travel. Although Australians have close historical and ethnic ties with Britain and Ireland, they travel worldwide. As a result, this is one of the most competitive markets in the world.
- Australians made 8.2 mn trips abroad in 2012 (36 trips per 100 inhabitants), which reflected an average annual increase of 9.0% a year in 2003-12. The growth has continued almost unabated in recent years, in spite of the world's economic problems – trips increased by an average of 8.5% a year in 2008-12 . However, outbound trips are expected to grow by only 5% in FY 2013/14 (fiscal year ending 30 June 2014) and 3% in FY 2014/15.
- The most important destinations are New Zealand, the UK and the USA. The Pacific Islands and many countries in Southeast Asia are also important holiday destinations. Figures are complicated by the large numbers of Australians who make stopovers in, for instance, Hong Kong, Singapore, Kuala Lumpur, Bangkok, or now increasingly the Middle East, on their long-haul journeys. Multiple destinations for long-haul trips are also very common.
- Departure figures suggest that, in 2012, Europe accounted for 16% of trips. Aside from the UK, the most important destinations in Europe are France, Italy, Germany, Spain, Austria, Greece, Ireland and Switzerland.
- Over the last five years trips to Europe have been growing by about 5% a year. However, many countries in Southeast Asia and a scattering of countries in the rest of the world – including the USA, India, Sri Lanka and South Korea – have performed much better. Countries in Europe which have performed better than average include France, Spain, the Netherlands, Poland, the Czech Republic and Turkey.

ECONOMIC PROFILE

Currency

- **Australian dollar (A$)**

Exchange rates (av.)[2,4]	2008	2009	2010	2011	2012	1 Nov 13
A$/US$	1.198	1.282	1.090	0.969	0.966	1.052
A$/€	1.751	1.781	1.444	1.348	1.242	1.420
A$/£	2.194	2.000	1.685	1.553	1.531	1.690

- The Australian dollar is a heavily traded currency that tends to fluctuate quite strongly with commodity prices and international sentiment, sometimes for no very obvious reason. It has been very strong in recent years, supported by the high commodity prices seen since 2005: the 'real effective exchange rate', according to the IMF, has risen by over 50% since then. In November 2010 the Australian dollar rose above parity with the US dollar for the first time since 1982, and remained there until April 2013. At these levels it was high enough to punish exporters and favour travel abroad. It has since fallen by about 10%, but even now it remains at a level that would have been regarded as strong in 2010 and phenomenally strong in the early 2000s, when it was trading at A$1.50-A$2.00 per US dollar.
- It has been rather more stable – but nevertheless strong – against the euro and sterling in recent years. Against the euro, for example, it rose by 40% between 2008 and 2012, but fell back a little during 2013.

Australia's Economy 2008-13

Economic data[1]	2008	2009	2010	2011	2012
GDP (A$ bn)	1,233	1,255	1,356	1,444	1,488
(US$ bn)	1,051	993	1,247	1,490	1,542
(€ bn)[17]	704	704	939	1,072	1,198
Real GDP growth (%)	2.7	1.4	2.6	2.4	3.7
GDP per capita (US$)	48,951	45,430	56,251	66,202	67,304
Inflation (%)	4.4	1.8	2.9	3.3	1.8
Employment (mn)	10.9	11.0	11.2	11.4	11.5
Unemployment (%)	4.3	5.6	5.2	5.1	5.2

- Australia has generally enjoyed great prosperity over the last 20 years, based on strong international demand for its mineral and agricultural commodities and its growing integration with the booming economies of Asia.
- It was one of the few economies to escape a recession in 2008-09 and, by 2012, GDP growth was back up to 3.7%. However, Australia is now entering a period of greater uncertainty. It is more exposed to a slowdown in the Chinese economy than any other country except Mongolia, according to the IMF. The boom in mining investment is coming to its natural conclusion, and although the minerals exports resulting from those investments will continue to rise, their prices are more uncertain. And, as the OECD puts it, "the high exchange rate inhibits the emergence of new drivers of growth".
- The economy is nevertheless regarded as robust, with qualifications. The government is running a significant and growing structural deficit. The banking system is highly concentrated and heavily exposed to mortgages financed by wholesale borrowing, but is regarded as profitable, well capitalised and efficient. The country runs a moderate deficit on its current account balance of payments, which would increase if commodity prices fall further – but the flexible exchange rate should in time correct that. The IMF, in its October 2013 *World Economic Outlook*, forecast that GDP would rise by 2.5% in 2013, 2.8% in 2014 and 3.0% in 2015. However, the Reserve Bank of Australia cut its forecast for 2014 from 3.0% to 2.5% in November 2013.

- Aware of the imminent slowdown in the mining sector, the Reserve Bank of Australia has cut its reference interest rate eight times since early 2011, to 2.5% in August 2013, in a bid to encourage economic activity and investments in other sectors, with little apparent effect. Business confidence remained persistently weak in 2009-12. It improved in the second half of 2013, but this improvement seems to have been limited to the utilities and housing sectors. Most indicators of business conditions have been slackening since Q4 2010 and, in October 2013, capacity utilisation fell sharply again in manufacturing, construction, mining and retailing.
- Consumers were unsettled by the financial crisis in the last quarter of 2008 and have since remained somewhat erratically cautious. Household debt remains high, incomes are scarcely growing, and the labour market has been persistently slack. Retail sales were generally weak in 2013. However, the reductions in interest rates resulted in an increase in house prices. The Westpac / Melbourne Institute Index of Consumer Confidence recovered from lows of around 95 in Q2 2012 to 110 in November 2013.

SOCIO-DEMOGRAPHIC PROFILE

Population

Population (000s)[3]	2008	2009	2010	2011	2012
Total	21,645	22,037	22,404	22,741	23,050
Male	10,765	10,965	11,151	11,320	11,473
Female	10,880	11,072	11,253	11,421	11,577

- The total population in 2012 was estimated at 23.1 mn, growing by about 1.4% a year. Australia ranks 52nd among the world's 233 countries by population. Its population is a little more than one third of the UK and French populations, and a third larger than the Netherlands'.
- Although most Australians are of British and Irish descent, this is a multi-cultural society with over 6 mn settlers from 200 different countries. The Aborigines represent only 2.5% of the total population. Net immigration is very high (well over 100,000 a year).
- Life expectancy at birth is 82.4 years (80.2 years for men and 84.7 for women).
- The fertility rate (the average number of children per female) is estimated at 1.9, close to the notional long-term 'replacement rate' of 2.1. It has risen slightly in recent years, mainly because of the increase in immigration.
- The median age is 36.8 years. The population, like all OECD populations, is ageing, but not exceptionally fast, and the Australian population remains relatively young. The annual birth rate is 13.2 per thousand population and the death rate 6.6 per thousand.
- The population density is just 3 per km2 (very sparse), but the population is heavily concentrated in the eastern and south-eastern coastal regions. New South Wales has a population of 7.4 mn, Victoria 5.6 mn, Queensland 4.6 mn, Western Australia 2.4 mn, South Australia 1.6 mn, Tasmania 0.5 mn and the Northern Territory 0.2 mn.
- About 90% – a very high proportion – of the total population is defined as urban. 66% live in the capital cities of the states and territories. Sydney has a population of 4.4 mn, Melbourne 3.8 mn, Brisbane 2.0 mn, Perth 1.6 mn and Adelaide 1.1 mn. The national capital, Canberra, has a population of 382,000.
- According to the 2011 Census, there were 7.8 mn households in Australia, with an average of 2.6 persons per household. 1.9 mn (24.3%) were single-person households, 5.6 mn (71.5%) family households and 0.3 mn (4.1%) group households.
- The Australian population is highly educated. According to the OECD, 38% of the population over 25 in 2010 had attained tertiary (university level) qualifications, 36% had completed upper secondary or non-tertiary further education, and 27% had completed their education at below upper secondary level.

Age

Breakdown (%)[3]	2010	2015[f]	2020[f]
0-4 years	6.5	6.7	6.5
5-14	12.4	12.5	12.9
15-24	14.1	13.0	12.4
25-34	14.3	14.6	13.9
35-44	14.2	13.6	13.5
45-54	13.7	13.2	12.7
55-64	11.4	11.5	11.7
65-74	7.2	8.4	9.2
75-84	4.4	4.5	5.1
85+	1.8	2.0	2.1
Total	100.0	100.0	100.0

- More simply, the population in 2012 may be broken down as follows: 0-24 years: 33%; 25-59 years: 48%; over 60: 19.5%. This compares with world averages of 45%, 35% and 11%. The averages for the for the 'more developed regions' of the world (Europe, Northern America, Australia/New Zealand and Japan) are 29%, 49% and 24%.
- According to the UN's 'medium variant' forecasts, the numbers of people aged 0-59 will rise by 9% between 2010 and 2020, while those over 59 will increase by 32%. The only age group in which there will be no growth at all is the 15-24 year-olds.

Employment

Labour force, 2010[5]

	Total		Male		Female	
	000s	%	000s	%	000s	%
Population over 15	19,059	100.0	9,402	100.0	9,657	100.0
in labour force	12,350	64.8	6,695	71.2	5,655	58.6
in employment	11,664	61.2	6,311	67.1	5,353	55.4
~ full time	8,059	42.3	5,202	55.3	2,857	29.6
~ part time	3,605	18.9	1,109	11.8	2,496	25.8
unemployed	687	3.6	385	4.1	302	3.1

- By OECD standards, participation rates for both men and women are high. However, the labour market is perceived to be weak, and this is one of the principal political concerns in Australia. Unemployment, at 5.8% of the labour force in December 2013, is not high, but it has been rising in recent months. The participation rate among males has been falling rapidly. Among females, it was rising until the end of 2010, but has now stabilised. Part-time employment has been increasing, but full-time has been declining.

Spending Power

GDP per capita[1]		2008	2009	2010	2011	2012
At current prices	(A$)	57,431	57,382	61,160	64,161	64,970
	(US$)	48,951	45,430	56,251	66,202	67,304
	(€)	32,799	32,219	42,355	47,597	52,311
Real increase (%)		0.5	-0.4	1.2	0.9	1.9
at PPPs (US$)		38,271	38,414	39,348	40,470	41,954

- Australia is one of the wealthiest countries in the world. In terms of nominal GDP per capita, it ranks 5th, behind Luxembourg, Qatar, Norway and Switzerland. Since prices tend to be relatively high in Australia, it slips to 10th place at purchasing power parities (PPPs), behind Singapore, Hong Kong and the USA. GDP per capita at PPPs is similar to that in Canada, Austria and the Netherlands, and is substantially higher than that in Germany, France, Japan and the UK.

- The overall tax burden, at 26.5% of GDP in 2011, is low by OECD standards, but a little higher than that in the USA. Individuals are relatively lightly taxed and companies more heavily taxed. The OECD reckons that the tax burden for a single person on average private-sector earnings fell from 31.0% in 2000 to 27.2% in 2012. The burden for a single-income couple with two children fell from 23.4% to 16.5%, and for a dual-income couple with two children (the second earner on 2/3 of average private-sector earnings) from 26.7% to 24.9%.

Average household disposable incomes, adjusted for household size, 2011/12[5] (A$/week/person)

	Disposable income (A$)	Share of total incomes (%)
First quintile	346	7.5
Second quintile	581	12.6
Third quintile	793	17.3
Fourth quintile	1,057	23.0
Fifth quintile	1,814	39.5
All persons	918	100.0

Note: the figures in the first column show the disposable cash income that single-person households would require to maintain the same standard of living as other households in each quintile, regardless of their size or composition.

- The distribution of household incomes by quintile of wealth (net worth) is rather different. The wealthiest 20% of Australian households (by net worth) had an average 'adjusted' disposable income of A$2,215 per week and an average net worth of A$2.2 mn. The middle quintile had a weekly income of A$1,606 and a net worth of A$438,000. The poorest quintile had a weekly income of A$1,121 and a net worth of A$31,000.
- The 'Gini coefficient' (a measure of income inequalities) for household disposable incomes is generally put at around 0.31 – a little higher than that in many OECD countries but similar to that in Japan, Germany, France and the UK, and compared with around 0.40 in the USA and 0.50 or more in many developing countries.
- Over the past 15 years there has been some increase in income inequalities, but the increase has been less marked than in other OECD countries. Real incomes have increased for all deciles on the income scale. There has been an increase in the dispersion of incomes, especially for males in full-time employment, with larger increases for the more highly paid and more highly skilled, but the effects have been moderated by increases in employment, increases in the hours worked by part-time employees and increases in real hourly wages. However, as described above under 'Employment'. there is concern about trends in employment, which could damage the distribution of incomes.
- The Capgemini/RBC 2013 *World Wealth Report* puts the number of HNWIs ('high net worth individuals', with investable assets exceeding US$1 mn) in Australia at 207,000 in 2012 – 0.9% of the total population, compared with 1.1% in the USA, 3.5% in Switzerland, 1.5% in Japan, 1.2% in Germany, 0.7% in the UK, 0.3% in South Korea and 0.1% in Brazil.

Ancestry & Migration

- Although over two thirds of Australians are of British and/or Irish origin, large numbers of immigrants came from Europe, particularly in the third quarter of the 20th century, and more recently from Asia.
- Australia is still a country with high levels of immigration and emigration. The census of 2011 found that 27% of respondents were born abroad and another 20% had at least one foreign-born parent. Of those born abroad, 21% were born in the UK, 9% in New Zealand, 6% in China, 6% in India and 58% in other countries.
- The indigenous Aboriginal people and Torres Strait Islanders represent only 2.5% of the total population.
- It is estimated that about 1.2 mn Australians live abroad, permanently or temporarily. These include about 400,000 in the UK, 200,000 elsewhere in Europe (including 100,000 in Greece), 160,000 in the USA, 80,000 in Hong Kong and 65,000 in New Zealand. There are smaller numbers in many other countries.

- There is a good deal of coming and going between the immigrant and emigrant communities. Many of the emigrants (especially those in Greece, Malta and other European and Asian countries) are returning to countries from which they had themselves emigrated, and many intend to return to Australia eventually. Many professional Australians spend part of their working lives in the UK or USA.

Language & Religion

- With such a variety of ancestral backgrounds, many Australians speak a second or third language. However, the 2011 Census found that 81% of Australians speak only English at home. No other language is spoken at home by more than 2% of the population, and the majority of those who do speak another language also speak English well. Only 3% report not speaking English at all.
- In 2011, 61% of Australians reported themselves to be Christians (25% Roman Catholic and 36% other denominations), and 7% to be of other religions (including Buddhism, Islam, Hinduism and Judaism); two thirds of this 7% were born abroad. Some 22% professed no religion (up from 15% in 2001).

TRAVEL PROFILE

Australian Outbound Trips

Trips[5]	2007	2008	2009	2010	2011	2012
Total (000s)	5,462	5,808	6,285	7,111	7,795	8,220
% annual change	10.6	6.3	8.2	13.2	9.6	5.4

Note: Short term (less than 1 year) resident departures.

- Outbound travel by Australians has increased steadily in recent years – even during the world economic downturn of 2008-09. It has been supported by high incomes (see above, under 'Spending Power') and the very strong exchange rate, which has made travel abroad an attractive option. The total number of trips has doubled over the last ten years to 8.2 mn.
- The number of outbound trips per 100 inhabitants has risen quickly from 9.5 in 1985 to 18 in 2000, 29 in 2009 and 36 in 2012. It is still considered to be rising.
- In October 2013 the Tourism Forecasting Committee (TFC) forecast that outbound trips would increase by 4.9% in FY 2013, to 8.8 mn and by 2.9% in FY 2014. It has reduced these short-term forecasts slightly since the beginning of the year, because of the recent depreciation of the Australian dollar and the below-trend rate of growth in the Australian economy.
- Although 90% of all overnight trips are spent within Australia, there is a well-entrenched trend towards travelling abroad rather than within the country – a trend which has been assisted by the growth in earnings and the strength of the Australian dollar. Domestic overnight trips staged something of a recovery to 71.5 mn (for people over 15 years old) in 2011 and 74.5 mn in 2012, but remained below the all-time peak in 2003. The length of these trips has also been tending to fall, but day trips, which had been in 'free fall' until 2005, have since recovered, rising by 8% to 174 mn (again for residents over 15 years old) in 2012.
- Departure statistics suggest that, in 2012 and in terms of the main destination for each trip, Asia accounted for about 46% of trips, Oceania for 21%, Europe for 15%, the Americas for 13%, North Africa and the Middle East) for 3% and sub-Saharan Africa for 2%. In recent years Europe and to a lesser extent Oceania and the Americas have lost ground to Asia, but the number of trips to Europe nevertheless grew from just over 1.0 million in 2007 to just over 1.25 million in 2012.

Destinations (%)[5]	2007	2008	2009	2010	2011	2012
Asia	40.9	41.9	42.6	44.1	45.3	46.1
Oceania	23.9	23.7	24.1	22.8	21.7	20.8
Europe	18.5	17.5	16.1	15.5	15.5	15.3
Americas	11.7	11.4	11.8	12.3	12.7	13.1
Middle East & N. Africa	2.7	3.0	3.2	2.8	2.5	2.5
Sub-Saharan Africa	1.9	1.9	1.7	1.9	1.8	1.8
Unknown	0.5	0.6	0.5	0.5	0.5	0.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

- Arrivals data for individual destinations, on the other hand, suggests that Asia accounts for about 38% of cumulative arrivals, Oceania for 11%, Europe for 31%, the Americas for 10%, the Middle East and North Africa for 8% and sub-Saharan Africa for 2%.
- New South Wales generates about 34% of total outbound trips, Victoria 25%, Queensland 17%, Western Australia 15%, South Australia 5%, the federal capital (Canberra) 2% and Tasmania and the Northern Territory 1% each. Over the last ten years the share of New South Wales has fallen by 5 percentage points, while the shares of Queensland and Western Australia have risen by 2-3 points each.

International Travel Expenditure (excl transport)

Expenditure[5,17]	2007	2008	2009	2010	2011	2012
A$ mn						
Total	17,606	21,994	22,534	24,169	25,868	26,552
Business	2,723	3,272	2,932	2,902	2,840	3,367
Personal	14,883	18,722	19,602	21,267	23,028	23,185
% annual change						
Total	13.5	24.9	2.5	7.3	7.0	2.6
Business	5.1	20.2	-10.4	-1.0	-2.1	18.6
Personal	15.2	25.8	4.7	8.5	8.3	0.7
Spend per trip (A$)						
Total	3,223	3,787	3,585	3,399	3,318	3,230
US$ equivalents						
Total spend (US$ mn)	14,733	18,359	17,577	22,173	26,696	27,487
Spend per trip (US$)	2,697	3,161	2,797	3,118	3,425	3,344
Euro equivalents						
Total spend (€ mn)	10,755	12,558	12,656	16,741	19,194	21,385
Spend per trip (€)	1,969	2,162	2,014	2,354	2,462	2,602

- The World Tourism Organization (UNWTO) ranks Australia as the world's 9th largest market in terms of spending on travel abroad (up from 15th in 2004 and 13th in 2009).
- Spending increased in Australian dollar terms by 9.1% a year from 2002 to 2012 and by 8.6% a year in 2007-12 – or by 6.1% and 7.6% a year respectively in real terms. Note the strikingly different year-on-year increases in business and personal travel, and the faster long-term increase in personal travel. Since 2002 business travel has increased by 3.7% a year, while personal travel has increased by 10.2% a year.
- The increases were much greater in US dollar and euro terms: in 2002-12 business, personal and total travel spending increased by 10.6%, 17.5% and 16.3% a year in US dollar terms, and by 7.2%, 13.9% and 12.8% in euro terms.
- Preliminary figures for international travel spending in the first half of 2013 show an increase of 3.1%, in Australian dollar terms, including a 5.1% increase for business travel and a 2.8% increase for personal travel.
- Overall spending per trip appears to have fluctuated between A$3,200 and A$3,800 over the last five years. The high average spend is due both to Australia's status as one of the world's more affluent countries and to its remoteness from many important destinations, which makes long-haul travel a major financial commitment. Trips to Europe may be assumed to be at the more expensive end of the range.
- However, spend per trip to the UK seems to be more modest, due perhaps to the importance of VFR travel to the UK, with its opportunities for economies on spending. VisitBritain gives an average spend in 2012, for trips averaging 13.5 nights in length, of £1,025 (about A$2,100) per trip.
- Canada also reports a modest spend per trip – C$1,816 (A$1,779) in 2011 – but the USA reports a very high figure of US$4,173 (A$4,043) for trips averaging 20.3 nights.

Leading Destinations

Arrivals from Australia in selected destinations (000s)[10,11,16]

	Measure	2007	2008	2009	2010	2011	2012
France	TFr	760e	910e	920e	1,020e	1,160e	1,220e
New Zealand	VFr	950	976	1,083	1,120	1,156	1,156
UK	VFr	941	955	912	986	1,093	1,050e
USA	TFr	670	690	724	904	1,038	1,122
Singapore	VFr	768	833	830	881	956	1,008e
Indonesia	TFr	314	450	584	772	931	962
Thailand	TFr	638	694	646	703	836	937e
China	VFn	607	572	562	661	726	774
Italy	TFn	556	519	527	548	693	644
Qatar	THSr	203	217	265	298	568	598e
Malaysia	TFr	320	427	533	581	558	508
Hong Kong	TFr	507	510	463	506	500	495
Fiji	TFr	207	248	249	318	345	337
Germany	TCEr	245e	250e	235e	276	282	313
Vietnam	VFr	225	235	217	278	290	290
Spain	TCEr	153	177	162	210	259	269
Canada	TFr	220	239	204	233	242	258
Japan	VFn	223	242	212	226	163	206
India	TFn	136	146	149	170	193	203e
Philippines	TFr	112	122	132	147	171	180e
Austria	TCEr	116	121	103	114	126	135
Netherlands	THSr	88	85	85	116	127	134
Ireland	TFr	122	134	113	120e	125e	130e
South Korea	VFn	81	96	99	112	122	129e
South Africa	TFr	96	100	83	108	104	120
Greece	TFr	126	136	134	108	116	118
Switzerland	THSr	100e	100e	90e	98	106	114
Turkey	TFn	93	100	108	94	105	111e
Croatia	TCEr	67	77	51	65	83	88
Papua New Guinea	TFr	54	59	67	75	77	82e
Czech Republic	TCEn	50	54	49	60	67	72
Taiwan	VFr	52	58	57	62	60	64
Vanuatu	TFr	47	53	64	59	58	61e
Belgium	TCEr	35	37	37	40	45	45
Russian Federation	VFn	38	38	32	31	35	43
Portugal	TCEr	33	35	30	33	38	39
Poland	TCEr	17	18	18	23	26	27e
Sweden	TCEr	20	23	20	24	24	26
Finland	TCEr	20	23	18	18	19	22

Notes: These figures represent arrivals as reported by the destinations according to standard UNWTO definitions – TF = tourists at frontiers; VF = visitors at frontiers; TCE = international tourists at all forms of commercial accommodation; THS = international tourists at hotels and similar establishments; n = by nationality; r = by country of residence. Figures for some destinations have been provided or estimated from sources other than UNWTO.

- The arrivals figures (in the table above) differ greatly from those shown by Australia's outbound traveller statistics (in the table below). There are always discrepancies between such inbound and outbound statistics, for a variety of reasons. However, the extraordinary differences in Australia's case may reflect the traditional tendency for long-haul travellers from Australia to make lengthy trips involving multiple destinations. For instance, the figures showing over three times as many Australians arriving in Singapore as departed 'mainly' for Singapore presumably reflects the fact that many are travelling on to other destinations. The fact that over nine times as many Australians arrive in France as departed for France may reflect the habit of many Australian travellers to base themselves in one country (say the UK) while travelling around Europe, crossing borders and staying overnight in individual countries repeatedly.

Selected destinations of short-term departures from Australia (000s)[5,17]

	2007	2008	2009	2010	2011	2012	dep/arr %
New Zealand	902	921	1,033	1,065	1,101	1,103	95
USA	479	492	567	684	798	864	75
Indonesia	283	381	549	739	878	912	93
Thailand	374	404	392	448	553	623	63
UK	429	420	443	457	489	489	45
China	284	277	279	337	369	381	49
Fiji	200	236	242	311	337	333	97
Singapore	222	218	227	259	288	307	29
Malaysia	181	191	227	245	258	259	47
Hong Kong	207	213	206	214	225	230	43
Vietnam	156	166	156	189	211	217	71
India	122	136	149	166	191	214	98
Philippines	90	100	118	127	153	169	88
Japan	131	145	151	165	126	163	69
Italy	115	124	109	132	151	154	23
France	94	94	92	109	127	136	11
Canada	94	101	95	106	105	111	44
Papua New Guinea	53	60	68	76	84	90	104
Germany	61	67	62	74	77	89	27
South Africa	59	62	67	86	76	81	70
Vanuatu	47	53	65	60	59	65	102
Sri Lanka	22	23	32	38	45	55	113
South Korea	33	38	38	45	49	51	40
Spain	28	27	31	36	45	48	17
Greece	49	47	47	53	58	49	41
Taiwan	38	38	41	42	45	46	70
Ireland	34	36	33	34	38	46	30
Turkey	23	25	27	32	36	41	30
Lebanon	19	24	45	35	39	33	66
Netherlands	22	22	22	25	27	29	23
Samoa	20	20	21	21	22	24	88
Switzerland	20	20	19	21	22	22	20
Croatia	15	19	15	17	19	21	25
Austria	13	14	12	14	13	17	11
Sweden	11	11	12	12	12	15	53
Poland	11	10	12	11	12	14	54

Note: The 'Departures/Arrivals' column compares the reported departures from Australia with the arrivals in each country, expressed as the average percentage for the period 2007-12. The figures for European countries may be slightly depressed by the tendency of some Australians (something less than 0.5%) to quote 'Europe' as their main destination.

- A related feature of the Australian outbound market is an eclectic taste in destinations: Australians turn up in relatively large numbers in a great many countries around the world. The arrivals data suggests that around 90 countries receive over 10,000 Australians a year – a larger number of countries than for several much larger markets.
- It is often very difficult to pin down with any certainty the level of arrivals in European countries, because of the readiness with which tourists can cross borders within the Schengen area unrecorded and/or stay in several hotels, etc. Cumulative annual arrivals in European countries are very roughly on the following scale:

>1,000,000	France, UK
500,000-1,000,000	Italy
250,000-500,000	Germany, Spain
100,000-250,000	Austria, Greece, Ireland, Netherlands, Switzerland, Turkey
50,000-100,000	Croatia, Czech Republic, Hungary
25,000-50,000	Belgium, Denmark, Finland, Norway, Poland, Portugal, Russia, Sweden
10,000-25,000	Bulgaria, Cyprus, Malta, Romania, Slovenia
5,000-10,000	Albania, Estonia, Iceland, Latvia, Lithuania, Macedonia FYR, Monaco, Slovakia, Serbia, Ukraine
<5,000	Belarus, Bosnia & Herzegovina, Liechtenstein, Luxembourg, San Marino.

- Over the five years to 2012, arrivals in Europe grew by about 5% a year. Destinations that achieved significantly higher growth rates include France, Spain, the Netherlands, Poland and the Czech Republic. The departure figures suggest that Turkey and maybe Germany should be added to the list. Destinations which saw little growth in that period include the UK, Greece, Switzerland and Ireland. A fashion for Eastern Europe seems to have faded.
- In the rest of the world, countries which saw strong growth from Australia in 2007-12 include the USA, Fiji, India, Sri Lanka, Nigeria, South Korea and many countries in Southeast Asia, ranging up to 25% a year for Indonesia.
- Among European destinations, the available figures for the first six to nine months of 2013 show increases for many destinations (often after a poor start to the year) – notably, in order of magnitude, for Serbia, Slovenia, Norway, Switzerland and Denmark.

Purpose of Trip

- VFR is exceptionally important in the Australian outbound travel market, especially for travel to the UK, continental Europe and North America. The fact that in 2012 (as in earlier years) holiday visitors to the UK spent almost as many nights with friends or relatives as in paid accommodation suggests that there is a strong VFR element in many holiday trips, and (one imagines) vice versa. There is plenty of other evidence suggesting the same thing.

Main purpose of outbound trips (%)[5]

	2007	2008	2009	2010	2011	2012
Holiday	49.7	51.6	53.3	55.8	57.3	57.5
VFR	23.8	23.5	25.5	23.1	22.4	22.9
Convention/conference	3.7	3.6	2.8	3.0	2.9	2.8
Business	14.1	12.8	10.9	10.8	10.2	9.8
Employment	2.2	2.1	2.0	1.7	1.6	1.5
Education	1.1	1.1	1.0	0.9	0.9	1.0
Other & not stated	5.4	5.2	4.5	4.5	4.8	4.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

- The National Visitor Survey (NVS) also provides breakdowns of the main purpose of trip for travellers over 15 years old to major destinations, but the full breakdowns have not been published recently, presumably because the small sample numbers involved make some of the results untrustworthy. For this reason, averages for the ten years to September 2011 are shown in the table below, reducing but not eliminating possible sampling errors.

Main purpose of outbound trips to selected destinations, 2002-11 (%)[9,17]

	UK	Germany	France	Italy	Other Europe	USA	Canada
Holidays	38	34	65	67	52	48	52
VFR	44	28	14	15	32	18	30
Business	16	34	16	13	14	31	15
Other	2	4	5	5	2	2	3
Total	100	100	100	100	100	100	100

Note: Averages for the ten years to September 2011.

- Of course, the inbound data reported by individual destinations does not match the outbound data closely. For instance, in terms of the breakdown of arrivals in 2012, different destinations report the following:
  – UK: holidays 46%, VFR 41%, business 7%, and other 6%;
  – USA: holidays 71%, VFR 15%, business 11% (including MICE 5%), and other 3%;
  – Canada: holidays 62%, VFR 26%, business 8% and other 2%;
  – Austria: holidays 50%, VFR 20%, business 20%, other 10%; and
  – Bulgaria: holidays 92%, VFR 2%, business 4%, other 2%.
- Malta believes that as many as two thirds of visits by Australians may be VFR.
- For trips to the USA, the US Department of Commerce also gives figures for all the purposes of trips (i.e. including subsidiary purposes, and adding up to more than 100%): 82% holidays, 30% VFR, 15% business (including 7% MICE), 5% education and 3% others. This suggests that at least a third of business, MICE and VFR trips include a substantial leisure element and that about a fifth of holiday trips include a VFR element.
- Although 40% of Australians travel on holiday each year, nearly 90% of these holidays are taken within Australia. However, the share of holidays taken abroad is rising.

Nature of Trip

- Australian holidays abroad tend to be long – partly because so many trips are long haul. In 2012, according to the NVS, the average length of all outbound trips was 20 nights – 10 nights for trips to Oceania, 16 to Asia, 26 to the Americas (23 to the USA and about 39 to the rest of the Americas), 34 to the Middle East and Africa and 36 nights for trips to Europe.

Intended length of stay (% of trips)[5]

	2007	2008	2009	2010	2011	2012
<1 week	13.0	12.7	12.9	13.4	13.8	14.0
1-2 weeks	29.4	29.6	31.2	31.8	32.5	31.8
2 weeks - 1 month	28.9	29.5	29.6	29.4	29.1	29.5
1-2 months	16.4	16.1	15.2	15.1	15.0	15.3
2-3 months	4.8	4.8	4.6	4.3	4.1	4.1
3-6 months	4.3	4.1	3.9	3.5	3.3	3.3
6-12 months	3.4	3.1	2.7	2.4	2.0	2.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

- Length of stay in individual countries tends to be much shorter (since a single trip may take in several countries). VisitBritain found that, in 2012, average length of stay was 17 days for VFR trips, 11 days for holidays and 10 days for business trips. Average length of stay in France seems to be about two weeks, but in most European countries it seems to be 2-4 nights, ranging up to about 10 nights in some Mediterranean resort destinations.
- In 2009, also according to the NVS, the average length of trips was 19 days for holidays, 25 days for VFR, 13 days for business trips and 37 days for other trips. The average for trips to the UK and Europe was 34-35 days, much longer than trips to Canada and the USA (23 days) and to New Zealand (11 days). The share of long trips has tended to decline in recent years.

- The number of countries visited per trip also varies greatly by region. Trips to New Zealand, the Pacific Islands and North America tend to be to a single destination. Those to Asia and, more markedly, Europe tend to take in several destinations (as discussed above in 'Leading destinations'). The situation is complicated by the large numbers of travellers to Europe who break their journeys in, for instance, Dubai, Thailand, Malaysia, Singapore or Hong Kong. VisitBritain finds that 80% of holiday trips to the UK, and 60% of VFR and business trips, are combined with other European destinations. Tourism Ireland has figures showing 75% of visitors also visiting England and 25-45% also visiting Scotland, France, Germany, Italy, the Benelux countries and other European countries.
- Australians generally place a high importance on independent travel. About four fifths of trips to Europe are independently arranged. VisitBritain finds that roughly 15% of holiday trips to the UK (and and 3-4% of business trips, but virtually no VFR trips) are part of a package or all-inclusive tour. For the USA, OTTI reports that in 2011-12 11-12% of visits by Australians involved prepaid packages.
- CTC finds that 58% of Australians visiting Canada travel independently, 18% take a fully escorted or guided tour, 16% combine independent travel with some guided tours, 5% stay in a resort stay and 4% take a cruise.
- Cruise Lines International Association – Australasia reports that in 2012 Australians took 694,000 cruises (including 39,000 river cruises). 70% of these cruises were in South Pacific, Australian and New Zealand waters, but Europe is now the leading fly-cruise destination region for Australians: they took 57,500 cruises in Europe (excluding river cruises). Australia is, with Germany, the world's fastest growing market for cruises, and is, with North America, the world's only market where 3% or more of the population take a cruise each year.

Seasonality

Breakdown of overseas trips by month (%)[5,17]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2007-09	6.8	5.9	7.5	8.0	8.1	9.1	8.6	8.3	10.1	8.2	7.9	11.4
2010-12	7.0	5.9	7.4	8.2	7.9	9.6	8.6	8.2	10.2	8.0	7.7	11.2

- The ABS monthly short-term outbound travel statistics show peaks in June, September and December; the first three months of the year are always slack. The peaks in June and September seem to have become stronger in recent years. The peak month for holiday travel is said to be September, and for VFR travel December.
- European NTOs with data (which are few and far between) find that about 40% of Australian arrivals come in the peak July-September season. About 15% come in the first quarter of the year, 25% in the second quarter and 20% in the fourth quarter.
- **Holiday entitlement**
  Australians are entitled to 4 weeks' holiday a year, plus 10 public holidays. Many employees do not take up their entitlement in full, but conversely many companies and other organisations have been making it easier for employees to take additional unpaid leave. However, with the shift in employment patterns, the traditional 10-year long-service leave is becoming rare.
- **School holidays**
  Schools typically take two weeks holiday over Easter, two weeks in July, two weeks in October and six weeks in December-January (the precise dates vary slightly by state and in private schools). The principal summer and school holiday season coincides with Christmas; little business is done in the second half of December and first half of January.
- **Public holidays**
  There are eight national public holidays (transferred if they fall on a weekend): 1 January (New Years Day), 26 January (Australia Day), Good Friday, Easter Monday, 25 April (Anzac Day), the Queen's Birthday (set by the states and territories, normally in June), 25 December (Christmas Day) and 26 December (Boxing Day). The states and territories set two further holidays and a Labour Day.

Accommodation

- In 2012, Australian visitors to the UK spent about 62% of the nights on their trips staying as non-paying guests with friends or family, 22% in hotels and guesthouses, 6% in rented houses, 3% in bed & breakfasts, 4% in hostels, schools or universities, and 3% in other forms of accommodation.
- This pattern, with large numbers of visitors staying with friends or family and in other forms of private accommodation, seems to be repeated (though less markedly) in other European countries.
- Relatively large numbers of Australians, in their enthusiasm for roaming independently, use cars to travel around their destinations, staying in relatively modest accommodation. Tourism Ireland finds that roughly a third of Australian visitors to Ireland use a car and roughly a third use bed & breakfast lodgings.
- The Austrian National Tourist Office (ANTO) reports that the 'choice of accommodation' for Australians visiting Austria is 44% 4- and 5-star hotels, 21% 3-star, 11% 2-star, 6% farms, campsites and other holiday resorts, 2% private accommodation and 18% other. Average length of stay is 2.5 nights.

Leisure / Recreational Activities

- Australians have a reputation for being remarkably confident and active travellers, with strong compatriot support networks in many destinations.
- About 80% of Australians live within 50km of the sea, and for many the beach is an integral part of their recreational lifestyles. They are unlikely to visit Europe in order to relax on the beach. However, their love of the 'great outdoors' may lead them to walk the coastlines and other wildernesses of Europe.
- VisitBritain's survey of travellers' activities show the Australians to be very active, with higher proportions engaging in almost all types of activity than the average for all visitors. This would be related to the extended average length of stay of Australian visitors. They tend to travel extensively around the country, staying in hotels, bed & breakfasts and with friends and family. They are much more likely than the average traveller to visit the countryside and villages or the coast.
- Australians are famously addicted to sports, and substantial numbers watch sporting events or participate themselves in sports while on holiday.
- Tourism Ireland reports a remarkable and sustained increase in visits to gardens, from 18% of Australian visitors in 2006 to 68% in 2011. In 2011 67% visited a national park or forest (also a remarkably high figure), 22% attended a cultural event or festival, 11% attended an organised sports event and 17% spent time tracing roots/genealogy. 25% went hiking or on cross-country walks. Fishing, horse riding, cycling and golf have all usually attracted 1-2% of visitors in recent years, but in 2011 the number going cycling leapt to 9%. VisitBritain also reports an increase in cycling and hiking.

PROFILE OF TRAVELLERS

Nature of Overseas Travellers

- As described above, outbound travel intensity has been rising rapidly, reaching 36 trips per 100 inhabitants in 2012. This is a very high value, but the Australian Passport Office website says that just under 50% of Australians hold a passport. This would mean that half of Australians have never travelled abroad – suggesting considerable scope for further growth in outbound travel – and that most of the other half are travelling abroad most years.
- In 2012 50% of holiday, 80% of VFR and 90% of business arrivals in the UK were repeat visitors. These shares were slightly lower than the averages for all markets. Ireland reports that in 2005-11 repeat visitors varied between 18% and 28% of arrivals.
- CTC's Holiday Tracking Survey finds that 23% of (all) Australian long-haul travellers are professional managers and 26% white-collar workers; 43% have a diploma or degree, 13% are at university, and 15% have finished technical school or secondary education.

Market Segmentation

- One standard view of Australians as travellers would divide them into:
  – **Younger people** seeking social experiences, new friends and city cultures. They are both gregarious (in the sense that they can often be found in groups) and outgoing (in the sense that they socialise with locals and team up with travellers of other nationalities).
  – **Older people** motivated by a sense of heritage, history, beautiful scenery and cultural sights and experiences.
  – **Outdoor activists**, motivated by the great outdoors and sports.
- Another traditional segmentation of the Australian market includes:
  – **Touring youths**: young people touring the world on minimal budgets.
  – **'DINKS'** (double income no kids) and **'SINKS'** (single income no kids): single-person households and young childless couples have become very common in Australia.
  – **Families on holiday**: perhaps more likely to choose destinations within Australia, or the Pacific Islands and Southeast Asia if they travel abroad at all.
  – **'Retirees and empty-nesters'**: over 55s, some going in search of distant relatives and their cultural heritage, and some going in search of new experiences.
- CTC distinguishes:
  – **Free spirits**: attracted to exciting experiences they cannot find at home. Some 'live for travel'; they like exploring a destination on their own terms and sharing their experiences.
  – **Cultural explorers**, who like unstructured travel and going off the beaten path. They enjoy learning about the history of the places they visit and immersing themselves in the modern culture. Some of these also 'live for travel'; many look for natural beauty and fun.
  – **No-hassle travellers** prefer organised tours. They tend to view travel as a social event and like sharing their experiences with others. They want to unwind and to be pampered while on vacation.
  – **Social samplers** also prefer organised tours, which give them an opportunity to share the experience with others. Like the 'cultural explorers', they are fascinated in learning about the history and culture of the places they visit, and seeing the destination's natural beauty.
- More generally, as a nation of immigrants, Australians usually have friends and relatives scattered around the world and their travel plans often involve them. As already described, the distinction between holiday and VFR travellers is often arbitrary. A growing distinction may be drawn between Australians with a British and/or Irish heritage, those with continental European ancestors, and the more recent immigrants of Asian origin.

Age and Gender of Outbound Travellers

Age of short-term outbound travellers (%)[5]

	2002		2007		2012	
	000s	%	000s	%	000s	%
0-4 years	106	3.1	170	3.1	303	3.7
5-14	231	6.7	362	6.6	561	6.8
15-24	373	10.8	589	10.8	938	11.4
25-34	670	19.3	951	17.4	1,516	18.4
35-44	688	19.9	1,038	19.0	1,428	17.4
45-54	724	20.9	1,110	20.3	1,534	18.7
55-64	447	12.9	834	15.3	1,234	15.0
65-74	167	4.8	315	5.8	564	6.9
75+	55	1.6	94	1.7	143	1.7
Total	3,461	100.0	5,462	100.0	8,220	100.0

- The breakdown of outbound travellers by age has not changed much over the last ten years, but the proportions of travellers in their 30s and 40s have declined a little, while those in their 60s and over have increased a little.
- However, larger numbers of people of all ages are travelling abroad. The following table shows how dramatically departure rates have increased for all age groups over the past ten years. Overall, short-term departures (i.e. for intended stays of up to one year) now represent 36% of the total population, compared with just 18% ten years ago.

Departure rates for short-term outbound travellers (%)[5,17]

	2002	2007	2012
0-4 years	8	12	20
5-14	8	13	20
15-24	14	20	30
25-34	23	31	46
35-44	23	33	44
45-54	27	38	50
55-64	23	36	47
65-74	12	21	32
75+	5	7	10
Total	18	26	36

Note that these figures for departure rates represent the number of trips per person in each age group (trips/persons), not the number of travellers in each age group who made one or more trips (travellers/persons).

- Departure rates vary among the states and territories of Australia, ranging from 51% in Western Australia and 42% in Canberra, 39% in the Northern Territory and New South Wales to 36% in Victoria, 31% in Queensland, 22% in South Australia and 16% in Tasmania.
- The difference in the numbers of male and female travellers has been decreasing. In 2012, 53% of short-term departures were male and 47% female, compared with 55% and 45% in 2002. There are much larger numbers of males than females travelling in their 40s and 50s, but the shares of males and females among younger and older travellers are very similar.

Travel Companions

- Fully independent travel (FIT) predominates. However, coach tours remain popular, particularly for older people and for secondary destinations in continental Europe (including the 'new' destinations in Eastern Europe). These tours may be booked after the visitors have arrived in Europe.
- Small-group tours are becoming more popular among people who do not want to travel alone but dislike the idea of a coach tour.
- In 2012, roughly 20% of Australian holiday travellers arriving in the UK were travelling alone, 55% as a couple, and 10-15% each as a couple with children, with adult family and with friends. Roughly 40% of VFR travellers were travelling alone and 45% as a couple. About 75% of business travellers were travelling alone. In 2005-11, roughly 25% of Australians arriving in Ireland were travelling alone, 50% as a couple, 10% as a family with children and 15% with other adult parties.

AIR TRANSPORT

Airports

- The principal international airports for long-haul flights are Sydney (SYD), Melbourne (MEL) Brisbane (BNE) and Perth (PER). Other international airports (including Cairns, Gold Coast, Darwin and Adelaide) serve mainly regional destinations. Being such a large country, Australia is plentifully endowed with regional airports: about 150 have scheduled services.
- Only three airlines provide direct services from Sydney and Melbourne to Europe, all serving London Heathrow (LHR) – direct flights to Frankfurt and Paris have been withdrawn. However, other airlines offer one-change connections to a great many European cities. Australians have traditionally travelled to Europe via Singapore (SIN), Bangkok (BKK), Kuala Lumpur (KUL) and Hong Kong (HKG), but travel via Middle East points – with or without stopovers – such as Dubai (DBX), Abu Dhabi (AYH) or Qatar (DOH) is increasingly common due to attractive schedules and airfares. This has accelerated as a result of the close partnership between Qantas and Emirates.
- There are other options, including flights via Japan, South Korea, Canada, and the USA. One-change flights to Europe are now available from all the state capitals except Hobart.

Airline Traffic / Capacity

Airlines operating direct services from Australia to Europe, September 2013[14]

Airline	Alliance	Flights	Seats	Origin	Stop	Destination
Qantas	OneWorld	7	3,387	SYD	DXB	LHR
Qantas	OneWorld	7	3,387	MEL	DXB	LHR
British Airways	OneWorld	7	2,079	SYD	SIN	LHR
Virgin Atlantic	—	7	2,156	SYD	HKG	LHR

Notes: For airport codes, see above (under 'Airports'). Weekly flights and seat capacities shown.

- These 28 direct flights to Europe offer a total of 11,009 seats per week – just half the capacity three years ago. However, this does not imply a reduction in effective capacity between Australia and Europe, because of the growing competitiveness of airlines offering one-change schedules. The principal airlines involved include Singapore Airlines, Cathay Pacific, Malaysian, Emirates, Etihad and Qatar Airways.
- Specifically, Qantas has reduced its services from Sydney and Melbourne to London Heathrow from two flights a day from each airport to one, and it withdrew its daily flight between Sydney and Frankfurt in April 2013. The flights, which used to be routed through Singapore, Bangkok or Hong Kong, now stop in Dubai.
- British Airways now offers a single daily flight from Sydney via Singapore to Heathrow: a second flight via Bangkok was withdrawn in March 2012. However, British Airways now has a code-sharing agreement with Cathay Pacific, allowing passengers from Sydney, Melbourne, Adelaide, Perth, Brisbane and Cairns to change in Hong Kong onto one of two daily British Airways and six daily Cathay Pacific flights to Heathrow. Cathay Pacific itself also flies to Amsterdam, Frankfurt, Milan, Moscow, Paris and Rome.
- Air Austral operated two flights a week from Sydney to Paris via Réunion until August 2012, but this too has been withdrawn.
- Particularly striking is the growing presence of Middle Eastern airlines. Emirates (Qantas' partner airline) now operates 12 flights a day from Dubai to Australia, including flights to Sydney, Melbourne, Perth, Brisbane and Adelaide (not all of them non-stop). Etihad operates 22 flights a week, to Sydney, Melbourne and (via Singapore) Brisbane. Qatar Airways has one flight a day from Doha to Melbourne and one to Perth. All of these airlines, of course, offer excellent connections to European destinations.
- Although most of the direct flights belong to the OneWorld alliance, Star Alliance is represented, for instance, by Thai flights via Bangkok and Singapore Airlines via Singapore, and SkyTeam by Korean flights via Seoul. Air France and Finnair offer connections via Hong Kong and Lufthansa via Singapore and Bangkok.
- Turkish Airlines has announced plans to introduce non-stop flights between Istanbul and Sydney in 2014. Garuda was due to begin flights between Jakarta and London Gatwick in November 2013, with connections to Australia, but these plans have been set back. Virgin Australia, which already operates three flights a week to Abu Dhabi, has expressed an interest in starting services to Italy.

TRAVEL PLANNING & BOOKING

Travel Formalities

- Australian tourists do not need visas to enter any European country except Russia, Belarus, Moldova and Ukraine. Formally, visitors to Turkey need a visa on arrival (or over the internet). The normal limit for the Schengen Area is 90 days within a 180 day period, but the rules for Germany and the Nordic countries are slightly different. The UK allows visits of up to six months; most other European countries outside the Schengen Area allow visits of up to 90 days.
- However, the scope for working (formally) for a while in European countries to help defray the high costs of long-haul travel (which used to be popular among younger Australians) may be diminishing. The UK's Working Holidaymaker and Youth Mobility schemes, for instance, are now subject to quotas.

Travel Decisions

- Travel plans (especially for extended long-haul trips, such as those to Europe) tend to be complex and may take form over a year or two, with repeated visits to travel agents.
- In this lengthy process, the different elements of a holiday trip (flights, accommodation, transport, etc) are often booked separately. Trips may be booked partly in advance and partly after arrival in Europe.
- As specific examples, OTTI finds that the decision to travel to the USA is taken, on the median average, four months before travel. CTC finds that 70% of visitors to Canada start planning their trip within six months of travel and 50% book their trip within three months of travel.
- However, VisitBritain finds that about 45% of trips to the UK are decided on more than six months in advance, and that about 18% more than a year in advance. Less than 15% are decided on within a month of travel (compared with an average of nearly 40% for all markets).

Booking Methods

- Australians are well used to booking air tickets and accommodation online (see below, especially in 'E-travel resources'). However, although travel agents have a strong online presence, the websites are generally not able to handle the complexity of lengthy, long-haul holidays (especially to Europe), and Australians still often visit travel agents to ensure that their holidays are well organised. Different components of a trip may be booked direct and through a travel agent.
- According to the UK's International Passenger Survey in 2012, as many as 85% of holiday airfares – and an even higher proportion of VFR airfares – may now be booked online. Most of the remainder are booked 'face to face' – the use of the telephone is now residual. Two thirds of those air-fares are booked direct with the airline and one third through a travel agent. The online and direct shares for accommodation bookings are lower, but not very much lower.
- Other destinations can come to very different conclusions, perhaps illustrating the fragility of such surveys as well as the differences between markets. CTC, for instance, finds that 49% of Australian travellers to Canada book through a travel agency, 22% book their flights directly with the airline, and 20% use an online retailer. Austria believes that 55% of travellers to Europe use a travel agent.
- The UK survey also found that Australians are much more likely to book theatre tickets, guided sightseeing tours and tickets for other attractions and events during their trip than before it – more so that other travellers in general.
- It also found that about 17% of holiday trips involved a packaged or all-inclusive tour (close to the average for all markets).
- MasterCard reports that 99% of the Australian population over 15 years old have a bank account and 79% a debit card. Cashless methods account for 86% of total consumer payments by value and a little over30% by volume – among the highest proportions in the world.

Information Sources

- Research sponsored by VisitBritain in 2013 found, as in previous years, that Australians consider conversations with family and friends as by far the most reliable and most inspiring source of information when selecting holidays. Otherwise, Australians are less likely than other travellers to acknowledge the influence of all the other sources of information offered in the survey. It is striking, however, that they are now more heavily influenced by online sources than traditional print, broadcast and commercial media. For instance, 30%-50% acknowledged the influence of hotel/accommodation websites, websites providing traveller reviews (e.g. Trip Advisor), online travel guides (e.g. Lonely Planet, Rough Guide, Frommers), travel agents' websites and destination websites. But notably fewer Australians than other travellers acknowledged travel blogs and forums, social media, published travel guides and brochures, and face-to-face or phone advice from travel agents and tour operators.
- In spite of Australians' intensive use of smartphones and social media (see below), CTC, in its 2011 survey of Australian travellers to Canada, found them using traditional means to communicate with family and friends during their trip: 46% sent postcards, 31% used a computer to share photos or messages, and 13% used a mobile telephone. After the trip, 81% shared their experiences with family and friends in person and 33% shared photos or messages via a social network; 9% blogged about their trip.

Internet, Media & Social Media

- According to Internet World Stats, there were 19.6 mn internet users in Australia in June 2012, representing 89% of the population – compared with 78% in the USA, 78% in the UK, 83% in Germany, 80% in Japan and a world average of 34%.
- The International Telecommunications Union (ITU) reports that, in 2012, 82% of households had a computer and 81% had access to the internet at home.
- The ITU reports that, in the same year, Australia had 10.5 mn fixed telephone subscriptions (45 per 100 inhabitants) and 20.3 mn mobile/cellular telephone subscriptions (106 per 100 inhabitants).
- The leading search engines are www.google.com.au (with a dominant share of searches), www.google.com, www.bing.com and www.yahoo.com.
- eMarketer reckons that 44% of Australians were using social media at the end of 2012. The 2013 Yellow Social Media Report shows a large further increase in the intensity of social media use in Australia, but also large numbers of withdrawals from individual platforms. Facebook is used by 95% of social media users, LinkedIn by 20% (notably by men in their 40s) and Instagram by 16% (rarely by people over 39). Twitter, Google and Pinterest are used by smaller numbers. The number of Twitter users has dropped sharply: 45% of respondents said they had stopped using the site. Smartphones overtook laptops and desktops as the most commonly used device to access social media in 2013; tablets are catching up fast.
- However, Experian Hitwise reports that consumers are still wary of 'brand engagement' via social media platforms. Although 58% of brands in Australia had a presence on social media in 2013, only 18% of consumers rated social media as one of the top three channels they trusted most for information about a brand or company – while 25% trusted Wikipedia.
- Australia has about 50 daily newspapers, and well over half of the population still read one. Print circulation is falling fast, but online subscriptions are rising. The only national dailies are *The Australian* and *The Australian Financial Review*. Other major newspapers include *Sydney Morning Herald/Sun Herald*, *Daily Telegraph/Sunday Telegraph* (tabloid) in Sydney, *The Age/Sunday Age* and *Herald Sun/Sunday Herald Sun* (tabloid) in Melbourne, *The Courier Mail/Sunday Mail* in Brisbane, the *Advertiser* and *Sunday Mail* in Adelaide, and *The Western Australian* and *Sunday Times* in Perth. *mX* is published as a daily freesheet commuter newspaper in Sydney, Melbourne and Brisbane. There are also about 500 monthly, weekly or twice-weekly regional, suburban, rural and community newspapers.
- Newspaper publishing is dominated by two media giants – News Ltd. and Fairfax Ltd. As an economy measure, each has appointed a single editor responsible for travel content across all their major newspapers.
- There are reported to be over 1,500 magazines published in Australia, a good few of which cover travel. The leading consumer travel magazines include *Luxury Travel*, *Vogue Entertaining & Travel*, *Gourmet Traveller*, *Vacations & Travel*, *International Traveller*, *Get Up & Go*, *Get Lost!*, *Time Out* and *Australian Geographic*.
- The leading travel websites include www.news.com.au/travel (belonging to News Ltd.), www.smh.com.au/travel (belonging to Fairfax), www.yahoo7.com.au/travel (associated with Channel 7) and sww.travel.ninemsn.com.au (associated with Channel 9).
- Leading trade magazines include *Travel Daily, Travel Weekly Australia* and the annual *Travel Trade Yearbook*.
- The principal 'free to air' television services are the commercial Channels 7, 9 and 10, and the public service broadcasters ABC and (multi-lingual) SBS. The main satellite service is Foxtel. There is very little travel programming.
- ABC and SBS are also radio broadcasters. ABC has four national channels – ABC Classic FM, Radio National, ABC News Radio and Triple J – and 60 metropolitan and regional stations. There are also about 250 commercial radio stations and 350 community radio stations. Important commercial broadcasters include Nova, Vega, 106.MIX and 2Day.

TRAVEL TRADE PROFILE

Structure of the Travel Trade

- There has been a great deal of consolidation in the Australian travel trade in recent years. There are now two dominant groups in the industry:
- Flight Centre Group, which includes Infinity Holidays (its in-house wholesaler), Explore Holidays (its wholesaler for third parties) and retailers Flight Centre, Escape Travel, Students Flights, Travel Associates and FCm Travel Solutions (for corporate travel).
- Helloworld Ltd., formerly Jetset Travelworld Ltd. This was formed in 2010 when Stella Group span off its hotel operations (which became Mantra Group) and merged its travel business with Qantas Holidays to form the Jetset Travelworld Group. In July 2013 the group announced that it was introducing a single retail brand, Helloworld, to replace Travelscene American Express, Jetset, Travelworld and Harvey World Travel. The group has formed a ten-year strategic alliance with Orbitz Worldwide to support the associated website, www.helloworld.com.au. The group includes wholesalers Qantas Holidays, Viva Holidays, Travel 2, Travelscene Holidays, Harvey's Choice, Rail Tickets and The Cruise Team, a corporate travel unit, QBT, and the ticketing and consolidating agencies Air Tickets, Smart Tickets, Best Flights and Ready Rooms. In August 2013 it sold its inbound travel operations (ATS Pacific, etc) and in November renamed itself Helloworld Ltd.
- Other important wholesalers include Creative Holidays (part of Travel Corporation), Tempo Holidays (which was acquired by Cox's and Kings in 2008), Carlson Wagonlit, Explore Holidays, Globus, Cosmos, Insight Vacations, Trafalgar Tours, Intrepid, Railplus, Scenic Tours, Skimax Qantas, Ski Tours, Talpacific and Venture Holidays. Leading coach tour operators to Europe include Insight Vacations, Globus/Cosmos, Trafalgar Tours, CIT Holidays, Tempo Holidays and Explore Holidays.
- Most major airlines, including Qantas, British Airways, Air New Zealand, Emirates and Air Canada, have their own tour programmes, which they offer wholesale and retail (i.e. through their ticketing operations). Some sub-contract to independent operators (eg Cathay Pacific uses Creative Holidays and Malaysia Airlines uses Spree Holidays). Qantas was the major shareholder in Qantas Holidays and is now the largest shareholder in Stella Group.
- The National Tourism Alliance (NTA) represents over 40,000 or 90% of tourism operators, covering accommodation, airlines, coach/car touring, inbound tourism, outbound tourism, retail travel agencies, business tourism, the meetings' industry, business and major events, farm and country tourism, youth hostels, retail, restaurants and cafes, adventure and other tour operators, the caravan and camping industry and wine tourism.
- Most wholesalers and tour operators are based in Sydney or Melbourne, although some, catering for their local markets, also have offices in other cities.

Leading Retail Travel Agencies

- There are about 3,800 retail travel agencies in Australia; 2,600 are members of the Australian Federation of Travel Agents (AFTA). Most are either owned by, or franchisees of, the major chains (see above). Independent, privately owned agencies are declining in numbers. The travel agencies are highly computerised; almost all have access to CRS systems.
- There are growing numbers of online travel agents (see below).

E-travel Resources

- PhoCusWright rates Australia as "one of Asia Pacific's most mature and dynamic online travel markets". Australians are already comfortable booking online and the market is beginning to mature. According to PhoCusWright, 39% of all travel sales in Australia and New Zealand in 2012 occurred online, while eMarketer forecasts that online travel sales in Australia will grow by 7.4% a year between 2011 and 2016.
- Roy Morgan Research reports that online travel sales totalled A$5.9 bn (€4.2 bn) in the year to June 2012, representing more than a quarter of all B2C e-commerce sales in Australia.

- The leading travel and travel agency websites include webjet.com.au, flightcentre.com.au, expedia.com.au, tripadvisor.com (TA's partner), zuji.com.au, travel.com.au, lastminute.com.au and (for hotel accommodation) wotif.com.au, hotels.com, stayz.com.au, hotelclub.com.au and booking.com. The most frequented airline websites are qantas.com.au, virginaustralia.com and jetstar.com.

KEY TRENDS AND FORECASTS

Key Characteristics of Australian Outbound Travellers

- International travel is something of a 'rite of passage' for young Australians and part of their way of life for many older Australians. However, in spite of the rapid growth in outbound trips, it seems that overseas travel is becoming less of a lifestyle priority for Australians, particularly among the younger generations. They are also reluctant to use credit to fund travel, which introduces a constraint on long-haul travel for many people.
- As a nation of immigrants, Australians usually have friends and relatives scattered around the world and their travel plans often involve them. The Australians are also famous for their compatriot support networks in many destinations.
- Australians generally place a high importance on independent travel. The standard views of Australians as travellers include younger people seeking social experiences, new friends and city cultures – and often looking for work in Europe; older people motivated by a sense of heritage, history, beautiful scenery and cultural sights/experiences; and outdoor activists, motivated by the great outdoors and sports.
- The distance and cost of trips to Europe naturally favours longer, multi-destination, multi-purpose trips. For such trips, with plenty of roaming, good rail and coach services are important – not all Australians want to rent a car.
- Australian travellers are said to look for good value for money (and often travel on modest budgets). They generally prefer the smaller and simpler hotels and guesthouses. New arrivals are likely to have been 'on the road' for 24-36 hours, and may be tired, jet-lagged and short-tempered: early check-ins, a good strong shower and a chance to rest will be appreciated.
- Australians like to see themselves as friendly, relaxed and egalitarian. They are frank and outspoken, and quick to mock any pretension (they tend to be self-deprecating, and like to see a similar sense of modesty in other people). They place a high value on the concept of fairness. They regard sporting rivalry and raillery as a normal part of social contact. A dry sense of humour can be puzzling or alarming to those not used to it – which includes most continental Europeans.

Short-term Prospects

- The Australian economy has been remarkably prosperous in recent years, sustaining the growth in outbound travel, but it is now entering a period of greater uncertainty.
- The great majority of Australians' holidays are still taken within the country, but the trend for outbound holiday trips to grow faster than domestic holiday trips is well entrenched. At the exchange rates prevalent in recent years, travel to many destinations in Asia has become very attractive, while long-haul travel to Europe and North America has been penalised by increases in airfares.
- The growing economic and cultural links between Australia and Asia also favours Asian destinations. The emergence of low-cost carriers and high fuel prices are benefiting Southeast Asian and Pacific holiday destinations. Nevertheless, the personal and cultural attractions of the UK, Ireland and continental Europe remain very strong.
- As a result of the partnership between Qantas and Emirates, increasing numbers of Australians are already using Dubai as a transit point, and this trend is expected to intensify. It will likely encourage more Australians to stop over in the Middle East for holidays – especially given the aggressive promotions of Emirates Holidays – and may influence travel patterns on their European trips. For instance, it may discourage their use of London as a base for travelling around Europe.

- In October 2013 the Tourism Forecasting Committee (TFC) forecast that outbound trips would increase by 4.9% in the year to June 2014, to 8.8 mn, and by 2.9% in 2014-15. For the ten years to 2022-23, it forecasts an average annual growth of 3.3% a year, to 11.3 mn trips. This represents a much slower rate of growth than in the past ten years, when outbound trips increased by 10% a year.
- The TFC expects trips to Europe to grow more moderately – by an average of 1.8% a year to the UK, and by 2.4% a year to the rest of Europe, over the next ten years. Trips to Asia will be growing substantially faster, by about 5% a year, but trips to the rest of the world will also be growing faster than those to Europe, in TFC's view.
- Outbound tripsl for holidays and VFR will continue to outpace those for business purposes, growing by 3.5%, 3.9% and 2.1% a year respectively, according to the TFC forecasts. The TFC expects domestic overnight trips to increase by just 1% a year over the next ten years.

NOTES

a Multiple responses possible/percentages add up to more than 100%
e Estimates
f Forecasts

SOURCES

1 International Monetary Fund (IMF)
2 Organisation for Economic Co-operation & Development (OECD)
3 United Nations Department of Economic & Social Affairs, Population Division
4 OandA.com
5 Australian Bureau of Statistics (ABS)
6 Tourism Australia (TA)
7 Tourism Research Australia (TRA)
8 Tourism Forecasting Committee (TFC)
9 National Visitor Survey (NVS)
10 World Tourism Organization (UNWTO)
11 TourMIS (at the Department of Tourism and Hospitality Management, MODUL University, Vienna)
12 US Department of Commerce, Office of Travel and Tourism Industries (OTTI)
13 Canadian Tourism Commission (CTC)
14 Bureau of Infrastructure, Transport and Regional Economics (BITRE)
15 ETC *New Media TrendWatch* (now replaced by the ETC Digital Portal – www.etc-digital.org)
16 The Travel Business Partnership (TBP) from various industry sources
17 TBP calculations

Note: Tourism Australia and Tourism Research Australia are government agencies responsible to the Department of Resources, Energy and Tourism. The National Visitor Survey is undertaken under the auspices of the Australian Standing Committee on Tourism (ASCOT) and published by TRA.

FURTHER INFORMATION

Tourism Australia	www.tourism.australia.com
Tourism Research Australia	www.tra.gov.au
Department of Industry, Tourism and Resources	www.ret.gov.au
TTF Australia (Tourism & Transport Forum)	www.ttf.org.au
National Tourism Alliance	www.tourismalliance.org
Australian Federation of Travel Agents (AFTA)	www.afta.com.au
Australian Bureau of Statistics	www.abs.gov.au

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