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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 will be added to the series and updated at regular intervals.

The members of the MIG comprise the Research Directors of the 35 National Tourist Offices (NTOs) that 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 on the 'TourMIS' web platform.

More information on 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: http://www.etc-corporate.org.

OVERVIEW

- With an expenditure of US$17.6 bn in 2005, Australia was ranked 13th in the world by the World Tourism Organization in terms of spending on travel abroad (excluding transport).
- Australia is not a large market by world standards, 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 6.3 mn trips abroad in 2009 (29 trips per 100 inhabitants). Trip volume increased by an average of 6.9% in 2000-09. This growth slowed during the recent world economic downturn, but did not cease. Outbound trips are expected to show a further increase of 15% in 2010.
- 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 short stopovers in, for instance, Hong Kong, Singapore, Kuala Lumpur or Bangkok on their long-haul journeys. Multiple destinations for long-haul trips are also very common.
- Departure surveys suggest that, in 2009, Europe accounted for 16% of trips. Aside from the UK, the most important destinations in Europe are France, Italy, Germany, Austria, Greece, Ireland and Switzerland. However, growth in recent years has been concentrated in destinations in Asia, Eastern Europe and the Balkans, including Turkey and Greece.
- Average length of overseas trips is 20 days. Trips to Europe tend to be even longer (34-35 days), and to include multiple destinations.

COUNTRY PROFILE

Currency

- **Australian dollar (A$)**

	2005	2006	2007	2008	2009	30 Nov 2010
A$ per US$	1.31	1.33	1.20	1.19	1.28	1.04
A$ per euro	1.63	1.67	1.64	1.75	1.79	1.37

- The Australian dollar tends to fluctuate quite strongly with commodity prices and international sentiment, and sometimes for no very obvious reason. It has been regarded as strong in recent years, and rose further as international commodity prices strengthened in 2009-10. For a few days in November 2010 it rose above parity with the US dollar for the first time since 1982, but by the end of the month it had slipped slightly to A$1.04:US$1. At these levels it has been high enough to punish exporters and favour travel abroad.
- It has been more stable against the euro in recent years, but rose strongly as the euro weakened in 2010, reaching A$1.37:€1 by the end of November.

Population

- The total population in 2010 is estimated at 21.5 mn, growing by about 1.0% a year.
- Although most Australians are of British and Irish descent, this is a multi-cultural society with almost 5 mn settlers from 200 different countries. The indigenous aboriginal people and Torres Strait Islanders represent only 1.5% of the total population. Net immigration is very high (well over 100,000 a year).
- Life expectancy at birth is 82 years (80 years for men and 84 for women). The population, like all OECD populations, is ageing, but not exceptionally fast: the Australian population remains relatively young and the birth rate has recently begun to rise again.
- The population density is just 3 per km2 (very sparse), but the population is heavily concentrated in the eastern and southeastern coastal regions. New South Wales has a population of 7.0 mn, Victoria 5.3 mn, Queensland 4.3 mn, Western Australia 2.2 mn, South Australia 1.6 mn, Tasmania 0.5 mn and the Northern Territory 0.2 mn. The Capital Territory (Canberra) has a population of 0.3 mn.
- 93% of the total is defined as urban. Sydney has a population of 4.1 million, Melbourne 3.8 million, Brisbane 1.8 million, Perth 1.5 million and Adelaide 1.1 million.

Age

Breakdown (%)	2010	2020[f]
0-4 years	6.3	6.0
5-14	12.6	12.2
15-24	13.6	12.3
25-34	13.5	13.4
35-44	14.3	13.0
45-54	14.0	13.3
55-64	11.8	12.5
65-74	7.5	9.8
75-84	4.6	5.3
85+	1.9	2.2

- More simply, the population may be broken down as follows: 0-24 years: 32.5%; 25-59 years: 48%; over 60: 19.5%. This compares with world averages of 45%, 35% and 11%.
- According to the UN, the numbers of children and young people (aged 0-24) will rise by just 4% by 2020 and those aged 25-59 by 6%, while the numbers of those over 60 will increase by 32%.

Ancestry & Migration

- Although roughly two thirds of Australians are of British and/or Irish origin (and 6.3% of Australia's current residents were born in the UK), large numbers of immigrants came from Europe, particularly in the third quarter of the 20th century, and from Asia more recently.
- Australia is a country with high levels of immigration and emigration. The census of 2001 found that only 30% of respondents had both parents born in Australia; 34% had a parent born in England, 3% in Scotland, 10% in Ireland, 4% in Germany, 3% in China, and 2% in Greece. 22% were themselves born abroad.
- In 2001 the government reckoned that there were over 1mn Australians living abroad, permanently or temporarily. Over 250,000 live in the UK, 135,000 in Greece, 106,000 in the USA, 68,000 in New Zealand, and 46,000 in Hong Kong. There are smaller numbers in Indonesia, Singapore, Malaysia, Thailand, Argentina, Croatia and 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 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.
- The indigenous Aboriginal people and Torres Strait Islanders represent only 2.3% of the total population.

Language & Religion

- With such a variety of ancestral backgrounds, many Australians speak a second or third language. However, 79% of Australians speak only English at home. Only 1-2% speak Cantonese, Italian or Greek at home; even fewer speak any other language.
- Around 76% of the Australian people are Christians (26% Anglicans, 26% Roman Catholic and 24% of other denominations). Other faiths practised include Judaism, Buddhism and Islam. 12% of the population say they are non-religious.

Economic Data

	2005	2006	2007	2008	2009^{e}
GDP (A$ bn)	966.3	1,040.3	1,135.0	1,237.1	1,256.5
GDP (US$ bn)	738.1	783.7	951.8	1,058.1	994.2
Real GDP growth (%)	3.2	2.6	4.8	2.2	1.2
GDP per capita (US$)	35,927	37,544	44,761	48,707	45,285
Inflation	2.7	3.5	2.3	4.4	1.8
Unemployment (%)	5.0	4.8	4.4	4.2	5.6
Employment (mn)	10.0	10.2	10.6	10.9	11.0

Australia's Economy 2009-10

- 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. The banking system has remained healthy and government debt has been falling quickly. Real GDP is set to increase by 3.0% in 2010 and about 3.5% in 2011. The only question currently being voiced is whether the very high mineral prices will persist if the Chinese economy slows (Lower prices would quickly put pressure on Australia's current account balance of payments).
- Consumers were briefly unsettled by the financial crisis in the last quarter of 2009 but have since remained moderately confident. Household debt remains high, so the decision of the Reserve Bank of Australia to raise interest rates repeatedly between October 2009 and May 2010, and again in November 2010, hurt.
- However, employment has continued to grow and unemployment, after a modest (by current OECD standards) increase in 2009, fell back to 5.1% in August 2010. Average weekly full-time wages are still rising by 4-5% a year. The threshold for income tax was raised in 2010 and personal taxation eased slightly in other respects.

* Inflation is of some concern, and is one reason for the rise in interest rates: by the third quarter of 2010 it had risen to 2.7%, and it is expected to rise a little further in 2011.

TRAVEL PROFILE

Australian Outbound Trips

	2004	2005	2006	2007	2008	2009
Total ('000)	4,369	4,756	4,941	5,462	5,808	6,285
% annual change	28.9	8.9	3.9	10.6	6.3	8.2

* Outbound travel by Australians has increased steadily in recent years. After three years of stagnation in 2001-03, related to the general downturn in world tourism that began in 2001 and to various international emergencies, such as 9/11, the attacks on tourists in Bali and the SARS epidemic, it soared in 2004, with a large element of released pent-up demand. Outbound trips continued to rise in the succeeding years – even during the world economic downturn of 2008-09.
* In November 2010 Australia's Tourism Forecasting Committee (TFC) estimated that outbound trips would increase by 15.0% in 2010, to 7.2 mn.
* TFC's long-term forecast for 2009-20 is for an average increase of 4.5% a year, to 10.2 mn trips. However, it expects increases of 7.7% in 2011, 4.7% in 2012 and 3.2% in 2013, and then a more gradual moderation in the rate of growth to 2.6% in 2020. This compares with an average rate of growth in 1999-2009 of 6.9%.
* The number of outbound trips per 100 inhabitants has risen quickly from 9.5 in 1985 to 18 in 2000, 23 in 2005 and 29 in 2009.
* Although 91% 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 have shown no sustained growth since the late 1990s and declined by 4.5% in 2008 and 6.3% in 2009, to 66.1 mn trips. The length of these trips has also been declining since 2005, but in this period day trips (which had been in 'free fall') have staged a partial recovery, rising by 6% to 144.4 mn in 2009.
* Departure surveys suggest that, in 2009, Asia accounted for about 43% of trips, the Pacific for 24%, Europe for 16%, the Americas for 12% and Africa and the Middle East) for 6%. Arrivals data for individual destinations, on the other hand, suggests that Asia accounts for about 39% of cumulative arrivals, the Pacific for 12%, Europe for 35%, the Americas for 9% and Africa and the Middle East for 5%.
* New South Wales generates about 35% of total outbound travellers, Victoria 25% and Queensland 20%.

International Travel Expenditure (excl transport)

	2004	2005	2006	2007	2008	2009
Total (US$ bn)	10.2	11.3	11.7	14.7	18.4	17.6
% change (real)	25.2	5.8	5.2	13.5	24.9	2.5
Per traveller (US$)	2,350	2,375	2,375	2,700	3,175	2,800

* The World Tourism Organization (UNWTO) ranks Australia as the world's 13th largest market in terms of travel spending (up from 15th in 2004). Spending increased in local currency terms, at constant prices, by 15% a year from 2004 to 2009.
* Preliminary figures for international travel spending in the first eight months of 2010 show an increase of 1.2%, in Australian dollar terms at constant prices.
* Overall spending per trip appears to have fallen from US$3,175 (€2,150) in 2008 to US$2,800 (€2,000) in 2009. 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.
* However, spend per trip to the UK (£936, or about US$1,460, in 2009) is more modest, due to the importance of VFR travel to the UK, with its opportunities for economies on spending.

Leading Destinations

Arrivals from Australia in key destinations ('000)

	Measure	2005	2006	2007	2008	2009
New Zealand	VFr	875	904	950	976	1,083
UK	VFr	919	956	941	955	912
Singapore	VFr	620	692	768	833	830
France	TFr	608[e]	636[e]	677[e]	820[e]	na
USA	TFr	582	603	670	690	724
Thailand	TFn	429	550	658	694	647
China	VFn	483	538	607	572	652
Italy	TFn	469	479	556	519	527
Hong Kong	TFr	422	451	507	510	463
Indonesia	TFr	392	227	314	450	584
Malaysia	TFr	265	277	320	427	533
Germany	TCEr	220	273	266	271	255
Fiji	TFr	203	207	207	248	249
Japan	VFn	206	195	223	242	212
Canada	TFr	202	200	220	239	205[e]
Vietnam	VFr	149	173	225	235	217
India	TFn	96	110	136	146	149
Greece	TFn	79	97	126	136	134
Ireland	TFr	111	115	122	134	113
Philippines	TFr	96	101	112	122	132
Philippines	TCEr	96	101	111	122	132
Austria	TCEr	118	129	116	121	103
South Africa	TFr	77	89	96	100	92
South Korea	VFn	63	68	81	96	99
Turkey	TFn	76	81	89	97	na

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.

- The figures differ greatly from those shown by Australia's outbound traveller surveys. This reflects the tendency for long-haul travellers from Australia to visit multiple destinations. For 2009, Tourism Australia reported the following departure figures for the principal destinations: New Zealand 1,033,000, USA 567,000, UK 443,000, Indonesia 548,000, Hong Kong 206,000, Singapore 206,000, Thailand 392,000, Malaysia 227,000, Fiji 242,000, China 279,000.
- Annual arrivals in European countries are roughly on the following scale:

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

- Over the five years to 2008, many countries in Asia saw double-digit annual increases in arrivals from Australia. So did many destinations in Eastern Europe and the Balkans, as well as Greece and Turkey, but arrivals in Western European countries generally increased by just a few percentage points a year. However, in France, Switzerland and the Nordic countries arrivals were growing by almost 10% a year.

Purpose of Trip

Main purpose of outbound trips (%)

	2004	2005	2006	2007	2008	2009
Business	18.8	18.7	18.7	17.8	16.4	13.8
VFR	25.3	25.4	25.2	23.8	23.5	25.5
Holiday	52.3	52.5	52.6	55.1	56.8	57.8
Other	3.6	3.4	3.4	3.3	3.3	2.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

- Holiday trips account for nearly three fifths of outbound trips, VFR for about a quarter and business trips for a little less than one in seven. However, these proportions vary greatly for individual destinations. For instance, 42% of visitors to the UK in 2009 were on holiday, 42% visiting friends and relatives, 8% on business and 8% travelling for other reasons.
- The number of holiday trips continued to rise in 2008 and 2009 by about 10% a year. However, the number of outbound business trips fell by 2% in 2008 and 6% in 2009, taking their number back to their level in 2004-05. VFR travel surged in 2009, rising by 17%.
- The fact that almost as many holiday visitors to the UK reported staying principally 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.
- Although 40% of Australians travel on holiday each year, 93% of these holidays are taken within Australia, and only 7% abroad.

Nature of Trip

- Australian holidays abroad tend to be long – partly because so many trips are long haul. In 2009, according to the National Visitor Survey, the average length of all outbound trips was 20 days – 19 days for holiday trips, 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).
- Length of stay in individual countries tends to be much shorter (since a single trip may take in several countries). VisitBritain found that, in 2009, 70% of Australian visitors to the UK also stayed in other European countries. Average length of stay was 17 days for VFR trips, 13 days for holidays and 7.5 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.
- Australians generally place a high importance on independent travel. Four fifths of trips to Europe are independently arranged.
- 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. The situation is complicated by the large numbers of travellers to Europe who break their journeys in, for instance, Thailand, Malaysia, Singapore, Hong Kong or Dubai.

Holidays & Travel Seasonality

According to AusStats, the seasonal distribution of travel is relatively even. The peak month for holiday travel is September, and for VFR travel December. Business travel escalates in the run-up to Christmas.

However, European NTOs with data (such as VisitBritain and Tourism Ireland) 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 four weeks' holiday a year. 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.

Public holidays, 2011
1-3 Jan, 26 Jan, 6-9 Apr, 22-25 Apr, 26 Apr, 6 Jun, 13 Jun, 25-26 Dec.
There are other state and city holidays.

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). 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).

Accommodation

- In 2009, Australian visitors to the UK spent 62% of their nights staying as free guests with friends or family, 19% in hotels and guesthouses, 8% in rented houses, 4% in bed & breakfasts, 5% 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.

Leisure / Recreational Activities

- The Australian National Visitor Survey (NVS) of 2004 found the following 'principal purpose' of outbound trips in 2004: visiting friends (including weddings etc involving friends) 3.8%, visiting relatives (including family weddings etc) 22.3%, holidays 44.3%, entertainment or attending special event (eg festival, performance) 0.3%, participating in sport 0.7%, spectator sport 0.2%, shopping 0.1%, work (as driver or transport crew) 3.0%, business 20.9%, conferences, exhibitions, conventions or trade fairs 2.0%, training and research (employed – not students) 0.3%, education (mostly students) 1.0%, employment or leisure (eg working holiday) 0.4%, other 0.6. (This dimension of the NVS does not seem to have been updated).
- 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.
- Tourism Ireland reports that 80% of visitors from Australia go to cultural and historical sites, and up to 20% to gardens.
- The standard views of Australians as travellers include
  – younger people seeking social experiences, new friends and city cultures;
  – older people motivated by a sense of heritage, history, beautiful scenery and cultural sights/experiences;
  – outdoor activists, motivated by the great outdoors and sports.
- According to the 2009 Anholt-GfK Nation Brands Index, the top ten aspirational destinations "if money were no object" for Australians are, in order of importance, Canada, New Zealand, the UK, Italy, Scotland, Switzerland, the USA, Ireland, France and Sweden. This list has not changed much in recent years.

PROFILE OF TRAVELLERS

Nature of Overseas Travellers

- The majority of Australian travellers to Europe are independent, although many purchase a package or group tour for part of their trip.
- Male and female holiday travellers to the UK are roughly evenly balanced. VFR visitors are slightly more likely to be female, while business travellers are overwhelmingly (78%) male. Other European destinations report similar proportions.
- Two thirds of arrivals in the UK are repeat visitors.
- CTC's Holiday Tracking Survey finds that 23% of 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.

Age of Outbound Travellers

% of outbound travellers, 2004	All travellers	Travellers to Europe
0-14 years	11	8
15-19	6	10
20-29	17	25
30-39	18	14
40-49	18	17
50-59	17	17
60+	13	9
Total	100	100

- Again, this dimension of the National Visitor Survey does not seem to have been updated recently, but the pattern is unlikely to have changed significantly.
- CTC notes a dramatic change in the age of Australian visitors to Canada in 2000-2008, with large increases in those over 55 and large reductions in middle-aged travellers. This probably partly relates to the nature of the Canadian market, but also to changes in lifestyle, with younger and middle-aged Australians placing less emphasis on travel abroad, and travelling more often to Asia rather than to Europe and North America.

% of visitors to Canada

	2000	2008
0-24 years	14	25
25-34	10	13
35-44	16	7
45-54	26	14
55-64	26	29
65+	12	21
Total	100	100

Travel Companions

- Fully independent travel (FIT) predominates. However, coach tours remain very 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 2009, 37% of Australian travellers arriving in the UK were travelling alone. 32% were travelling as a couple, 7% as a couple with children, 11% with family, 9% with friends, 1% with business colleagues and 2% in a tour group.
- Euromonitor/Grail Research reports that, in 2007, 30% of holidaymakers (possibly including domestic travellers) were travelling alone, 21% as a couple, 16% in organised tour groups, 14% as 'backpackers', 9% as families, 7% with friends and 3% with others.

AIR TRANSPORT

Airports

- The principal international airports for long-haul flights are Sydney (SYD), Melbourne (MEL) and Perth (PER). Other international airports (including Cairns, Darwin, Brisbane, Adelaide and Hobart) serve mainly regional destinations. Being such a large country, Australia is plentifully endowed with regional airports: about 250 have scheduled services.

- Only four airlines provide direct services from Sydney and Melbourne to Europe, serving London Heathrow (LHR), Frankfurt (FRA) and, with just two flights a week via Réunion (RUN), Paris (CDG) – but others offer one-change connections to a great many European cities. Many Australians travel to Europe via Singapore (SIN), Bangkok (BKK), Kuala Lumpur (KUL), Hong Kong (HKG), Dubai (DBX), Abu Dhabi (AYH) or Qatar (DOH). 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 2010

Airline	Alliance	Flights	Seats	Origin	Stop	Destination
Qantas	OneWorld	14	5,796	SYD	SIN or BKK	LHR
Qantas	OneWorld	14	4,728	MEL	SIN or HKG	LHR
Qantas	OneWorld	7	2,758	MEL	SIN	FRA
British Airways	OneWorld	14	4,151	SYD	BKK or SIN	LHR
Virgin Atlantic	-	7	2,177	MEL	HKG	LHR
Austral	—	2	728	SYD	RUN	CDG

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

- These 58 flights offer a total of 21,235 seats per week. Capacity on direct flights has generally been falling in recent years, but 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, Air China, Air New Zealand, Emirates, Etihad and Qatar Airways. Emirates and Etihad, with rights for 84 and 42 weekly flights to Australia respectively, are now especially competitive. Although most of the direct flights belong to the OneWorld alliance, Star Alliance are 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.
- Austrian Airlines dropped its direct flights to Sydney and Melbourne in 2006. Turkish Airlines report that it intends to start a service (probably to Sydney) in 2011. Virgin Blue formed a marketing alliance with Etihad in September 2010.
- Air Asia has offered a one-change 'no-frills' service from London and Paris to Melbourne and Perth via Kuala Lumpur since 2009. However, most of Air Asia's traffic to/from Europe and Australia is for Asia.

TRAVEL PLANNING & BOOKING

Travel Formalities

- Australian tourists do not need visas to enter the Schengen area, the UK, Ireland or most other European countries.
- 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.

Booking Methods

- Tourism Australia reports that, in 2004/05, roughly 50% of Australians booked their trips (domestic and foreign) over the telephone, 30% booked them in person, 30% booked them over the internet and 5% used other methods. The proportions using the telephone have been falling, while those using the internet have been rising – but the scope for booking complex trips to Europe over the internet is limited and many people still (in 2010) value the services of travel agencies.

Information Sources

- Tourism Australia reports that in 2004/05, for their overseas trips, roughly 35% of Australians had help in choosing their destinations from friends and relatives, 25% from past experience, 65% from travel agents, 15% from brochures, and 25% from travel or guide books. There seems to be no detail about the use of the internet.
- Research sponsored by VisitBritain in 2008 found that Australians consider conversations with family and friends as by far the most reliable and most inspiring source of information when selecting holidays. Travel programmes on television and travel guidebooks were also rated relatively highly. So were articles in magazines and newspapers and travel brochures, in terms of inspiration rather than reliability. Conversely, national and city tourism organisations (websites and walk-in centres) were rated highly in reliability, but not inspiration. Other websites, social media and advertisements were rated as less important.

Internet & Media

- Nielsen NetRatings reckons that in August 2009 there were 17.0 mn internet users in Australia – 70% of the total population. The International Telecommunications Union (ITU) quotes a figure of 15.8 mn users in 2009 (74% of the population, with 6.1 mn subscriptions (29 per 100 inhabitants), 85% of which are broadband (dial-up connections are being phased out quite quickly). These figures place Australia towards the top of the world spectrum for internet use.
- The leading search engines are www.google.com.au (with a share of searches as high as 87% in May 2010), www.google.com, www.bing.com and www.yahoo.com. Facebook and YouTube are widely used.
- The ITU reports that, in 2009, Australia had 9.0 mn fixed telephone lines (42 per 100 inhabitants, down from 51% in 2004) and 24.2 mn mobile telephone subscriptions (114 per 100 inhabitants) – growing by 8% a year in 2004-09). However, Nielsen believes that this market is approaching saturation, with 92% of Australians owning a mobile telephone.
- Australia has about 50 daily newspapers, and well over half of the population still read one. 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* in Brisbane, and *The West 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 weekly or twice-weekly regional, suburban and rural 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*, *Get Up & Go*, *Get Lost!*, *Time Out* and *Australian Geographic*.
- 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 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. Currently the only channel to carry specific travel programming is Channel 9.
- 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 350 community radio stations and 250 commercial 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.
  – Stella Group, a hotels and travel group which in 2009 included wholesalers Travel 2, Travelscene Holidays, World Association, Rail Tickets and Concord Travel, and the retail chains Travelscene/American Express and Harvey World Travel. In August 2010 Stella Group span off its hotel operations (since renamed Mantra Group) and in September merged with the third major group, Qantas Holidays, including its retail chain Jetset Travelworld. The group also includes the ticketing and consolidating agencies Air Tickets, Smart Tickets, Best Flights and Ready Rooms.
- 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 and Scenic Tours.
- Most major airlines, including Qantas, British Airways, Air New Zealand 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, although some, catering for their local markets, also have offices in other cities.

Retail Travel Agencies

- There are about 3,800 retail travel agencies in Australia. Most are either owned by, or franchisees of, the major chains, which include Flight Centre, Harvey World Travel, Travelscene/American Express, Jetset Travelworld and STA. 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).
- According to research published by Euromonitor, the retail travel industry's sales in 2007 (for domestic and international travel) amounted to US$15.4 bn, of which 43% were packages, 35% flights, 6% city breaks, 5% accommodation, 3% cruises, 3% fly-drive and 4% other products.

E-travel

- Australians are comfortable with booking travel over the internet: the Anholt-GfK Nation Brands Survey 2009 found that 54% of respondents agreed with the proposition that it is a safe method and only 12% disagreed. However, as mentioned above, the scope for booking complex trips to Europe over the internet is limited and online booking is generally less common than in Europe.
- Sales over the internet have nevertheless been rising rapidly. Of the US$15.4 bn retail sales in 2007 mentioned above, 10% was booked over the internet (up from 6% in 2002 – bookings over the internet rose by 27% a year in 2002-07). However, 47% of this was flights and 39% accommodation – and mainly for domestic rather than international travel. 9% was 'dynamic packaging'.
- The leading travel and travel agency websites include webjet.com.au, flightcentre.com.au, expedia.com.au, zuji.com.au, travel.com.au, lastminute.com.au and (for hotel accommodation) wotif.com.au, stayz.com.au and hotelclub.com.au. The most frequented airline websites are qantas.com.au, virginblue.com.au and jetstar.com. There are also travel search engines like Bezurk.

- According to Experian Hitwise, the top travel agency websites in October 2010 were webjet.com.au, flightcentre.com.au and expedia.com.au,

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. Nevertheless, recent market research has shown that overseas travel is becoming less of a 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.
- Traditionally identified segments of the Australian market include 'touring youths' (young people touring the world on minimal budgets), 'DINKS' (double income no kids) and SINKS (single income no kids – single-person households have become very common in Australia), and 'retirees and empty-nesters' (over 55s in search of distant relatives and their cultural heritage). More generally, Australians usually have friends and relatives scattered around the world and their travel plans often involve them.
- 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; 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.
- 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 regard sporting rivalry and raillery as a normal part of social contact. They are frank and outspoken, and quick to mock any pretension. A dry sense of humour can be puzzling or alarming to those not used to it.

Short-term Prospects

- The Australian economy has been remarkably prosperous in recent years, sustaining the growth in outbound travel. It is tempting, but always rash, to assume that such growth will continue indefinitely, but the current consensus seems to be that the commodity prices underpinning this prosperity are set to remain high.
- In November 2010 the Tourism Forecasting Committee (TFC) forecast that outbound trips would increase by 4.5% a year in 2009-20, to 10.2 mn trips. However, it expects this growth to be concentrated in the first few years, with increases of 7.7% in 2011, 4.7% in 2012 and 3.2% in 2013, and then a more gradual moderation in the rate of growth to 2.6% in 2020.
- The fashion among Australians for travelling abroad rather than within the country seems to be well entrenched, in spite of the government's efforts to reverse the trend. 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.

NOTES

a Multiple responses possible/percentages add up to more than 100%

e Estimates

f Forecasts

SOURCES OF INFORMATION

Principal statistical sources (by section):

- **Country Profile:** International Monetary Fund (IMF); United Nations Department of Economic & Social Affairs Population Division; Australian Bureau of Statistics (ABS).
- **Travel Profile**: Tourism Australia (including Tourism Research Australia and the Tourism Forecasting Committee - TFC); Australian National Visitor Survey (NVS); World Tourism Organization (UNWTO); VisitBritain.
- **Profile of Travellers**: Tourism Australia; NVS; VisitBritain; Tourism Ireland; Canadian Tourism Commission (CTC); Tourism South Africa; The Travel Business Partnership (TBP) from various industry sources.
- **Air transport/Airlines:** SRS Analyser, TBP.
- **Travel Planning and Booking:** Tourism Australia; NVS; ETC *New Media Trend Watch*; International Telecommunications Union (ITU); VisitBritain; Tourism Ireland; CTC; Anholt-GfK Nation Brands Survey; Nielsen NetRatings. TBP.
- **Travel Trade Profile:** Tourism Australia; VisitBritain; Experian Hitwise; Roy Morgan; TBP.

FURTHER INFORMATION

Tourism Australia	www.tourism.australia.com
Tourism Research Australia	www.tra.australia.com
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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