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MARKET INSIGHTS
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AUSTRALIA

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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 37 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$11.2 bn in 2005, Australia was ranked 15th 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 4.8 mn trips abroad in 2005 (23 trips per 100 inhabitants). Trip volume declined in 2001-03, in line with the recession and several crises in world tourism, but bounced back strongly in 2004-05. It is expected to continue growing, but at a modest rate.
- Rolling 12-month data to the end of October 2006 shows a 4% increase in outbound trips, with countries in Asia such as Thailand and China showing the best growth.
- 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.
- Departure surveys suggest that, in 2004, Europe accounted for 19% of trips. Aside from the UK, the most important destinations in Europe are France, Italy, Austria, Germany, Ireland and Switzerland.
- Average length of overseas trips is 22 days. Trips to Europe tend to be even longer, and to include multiple destinations.

COUNTRY PROFILE

Currency

- Australian dollar (A$)   €1 = A$1.69 (2004), A$1.63 (2005)
- The Australian dollar tends to fluctuate quite strongly with commodity prices and international sentiment, and sometimes for no very obvious reason. It reached a four-year high of A$1.25:US$1 in February 2004 and has since fluctuated between A$1.45 and A$1.25. In December 2006 it was trading at around A$1.27: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 from an average of A$1.73:€1 in 2003 to AS$1.69 in 2004 and A$1.63 in 2005. In December 2006 it was trading at around A$1.69:€1.

Population

- The total population in 2007 is estimated at 20.6 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 (over 100,000 a year).
- Life expectancy at birth is 80 years. In 2005 20% of the population were aged 0-14, 63% were 15-59 and 17% were over 60 years old (see below). The population, like all OECD populations, is ageing, but not exceptionally fast: the Australian population remains relatively young. But childlessness is increasing and single person households are becoming more numerous.
- The population density is just 3 per km2 (very sparse), but the population is heavily concentrated in the eastern and southeastern coastal regions. 93% of the total is defined as urban.
- Sydney and Melbourne have populations of over 3 million, and Brisbane, Perth and Adelaide populations of over 1 million.

Age

Breakdown (%)	**2005**	**2020^{f}**
0-4 years	6.2	6.1
5-14	13.4	11.5
15-24	14.0	11.8
25-34	14.0	13.9
35-44	14.9	13.6
45-54	14.0	13.3
55-64	10.7	12.6
65-74	6.7	9.9
75-84	4.5	5.2
85+	1.5	2.1

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 in the fourth quarter of the same century.
- Australia is still 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.
- 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 eventually to return to Australia. Many professional Australians spend part of their working lives in the UK or USA.
- The indigenous Aboriginal people and Torres Strait Islanders represent only 1.5% of the total population.

Language & Religion

- With such a variety of ancestral backgrounds, many Australians speak a second or third language. However, 80% of Australians speak only English at home. Only 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

	2001	2002	2003	2004	2005
GDP (A$ bn)	712.0	760.4	808.5	865.5	922.9
Real GDP growth (%)	2.2	4.1	3.1	3.6	2.5
GDP per capita (A$)	36,900	39,000	41,000	43,400	45,800
Inflation (%)	4.4	3.0	2.8	2.4	2.7
Unemployment (%)	6.7	6.4	6.0	5.5	5.1

Australia's Economy 2005-06

- Australia enjoyed high rates of economic growth in the 1990s and early 2000s, but (in spite of the strong international demand and high prices for the commodities which Australia supplies) growth slackened in 2004-05. Real GDP is thought to have increased by 2.7% in 2006 and is forecast to increase by about 3.3% in 2007.
- Incomes have been rising strongly. Average weekly full-time wages had been rising by 4-5% a year, and accelerated (perhaps temporarily) to 6.0-6.5% a year in 2005-06. Taxes have also been reduced.
- However, consumer confidence was wavering in 2005-06, particularly because of worryingly high levels of household debt, a dip in house prices and the increase in interest rates.
- Inflation rose to 2.7% in 2005 and is thought to have averaged about 3.4% in 2006, mainly because of the effects of higher international oil prices throughout the economy. Transport and domestic tourism prices have been rising even faster. Inflation is expected to fall back to an average of about 2.7% in 2007.

TRAVEL PROFILE

Australian Outbound Trips

	2000	2001	2002	2003	2004	2005
Total ('000)	3,498	3,443	3,461	3,388	4,369	4,754
% annual change	9.0	-1.6	0.5	-2.1	29.0	8.8

- Outbound travel by Australians soared in 2004 after three years of stagnation. The lack of growth in 2001-03 was related to the general downturn in world tourism that began in 2001 and to the various international emergencies, such as 9/11, the attacks on tourists in Bali and the SARS epidemic. Although the actual downturn in outbound travel was modest by comparison with trends out of the USA and some other OECD countries, it is believed that there was a large element of released pent-up demand in the 2004 upturn. Nevertheless, outbound trips increased by a further 9% in 2005.
- In October 2006 Australia's Tourism Forecasting Committee (TFC) estimated that outbound trips would increase by 4.4% in 2006, to 5.0 mn. Its long-term forecast for 2005-15 is for an average increase of 3.9% a year, to 7 mn trips.

- The number of outbound trips per hundred inhabitants rose steadily from 9.5 in 1985 to 18 in 2000. It then fell back slightly in each of the following three years before soaring to 22 in 2004 and 23 in 2005.
- Currently, there seems to be a fashion among Australians for travelling abroad rather than within the country. Domestic overnight trips have declined each year since 1998. Day trips are in 'free fall', from over 170 million in 1999 to less than 130 million in 2004; anecdotal evidence suggests that they have continued to fall. The strength of the Australian dollar is no doubt assisting this trend.
- Departure surveys suggest that, in 2004, Asia accounted for 38% of trips, the Pacific for 26%, Europe for 19%, the Americas for 12% and Africa and the Middle East) for 5%. Arrivals data, on the other hand, suggests that Asia accounted for about 36% of cumulative arrivals, the Pacific for 14%, Europe for 34%, the Americas for 10% and Africa and the Middle East for 3% each.
- New South Wales generates about 35% of total outbound travellers, Victoria 25% and Queensland 20%.

International Travel Expenditure (excl transport)

	2000	2001	2002	2003	2004	2005
Total (US$ mn)	5,740	5,700	6,080	7,236	10,293	11,229
% annual change	-0.9	-0.7	6.7	19.0	42.2	9.1
Per traveller (US$)	1,641	1,656	1,757	2,136	2,356	2,362

- Preliminary figures for international travel spending in the first eight months of 2006 show an increase of 1.2%, in Australian dollar terms.
- Overall spending per trip appears to have risen from US$1,650 (€1,820) in 2000-01 to US$2,360 (€1,900) in 2004-05. This largely reflects the decline in the value of the US dollar. 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 commitment. However, spend per trip to the UK (£745, or about US$1,360, in 2004) 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	2000	2001	2002	2003	2004
New Zealand	VF	574	630	632	702	856
UK	TF	777	694	702	723	787
Singapore	VF	510	551	538	393	561
USA	TF	540	426	407	406	520
Italy	TF	153	154	164	164	406
Indonesia	TF	460	398	346	269	400
Thailand	TF	323	367	356	281	393
China	VF	234	255	291	245	377
Hong Kong	TF	291	247	275	197	326
Malaysia	TF	237	222	194	145	204
Japan	TF	147	150	165	172	194
Canada	TF	175	165	158	152	180
Fiji	TF	77	98	124	142	160
Austria	TCE	116	100	88	91	117

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.

These figures differ greatly from those shown by Australia's outbound traveller surveys. This partly reflects the tendency for long-haul travellers from Australia to stop off at one or more points on their way to their principal destinations. For 2004, Tourism Australia reported the following departure figures for the principal destinations: New Zealand 835,000, USA 426,000, UK 405,000, Indonesia 320,000, Thailand 203,000, Hong Kong 186,000, Singapore 189,000, Fiji 197,000, Malaysia 160,000, China 135,000.

Annual arrivals in European countries are roughly on the following scale:

>500,000	UK, France
250,000-500,000	Italy (the 2004 figure in the table above looks suspicious, although Italy has gained greatly in popularity)
100,000-250,000	Austria, Germany, Ireland, Switzerland
50,000-100,000	Greece, Spain, Turkey
25,000-50,000	Belgium, Croatia, Czech Republic, Netherlands,
10,000-25,000	Finland, Hungary, Malta, Poland, Portugal, Russia, Slovenia, Sweden
5,000-10,000	Bulgaria, Cyprus, Denmark, Estonia, Norway, Romania, Slovakia,
<5,000	Belarus, Bosnia & Herzegovina, Iceland, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Monaco, Serbia & Montenegro, Ukraine.

Purpose of Trip

Main purpose of trips (%)	**All trips**	**Trips to the UK**
Holiday	47	42
Business	25	9
VFR	21	39
Other	7	9

Note: Averages for 2000-04

- 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.

Nature of Trip

- Australian holidays abroad tend to be long – partly because so many trips are long-haul. Overall, 39% of all trips in 2004 were of 8-14 nights and 44% are of 15 or more nights. The average length of trip was 22 days.

Length of trips to Europe, 2004 (%)

	All trips	**VFR trips**
1-7 days	1	1
8-14 days	10	10
15-30 days	30	27
1-2 months	39	39
3-6 months	15	20
6-12 months	5	3

- Length of stay in individual countries varies greatly, of course. VisitBritain found that, in 2004, average length of stay was 18 days for VFR trips, 14 days for holidays and 10 days for business trips. Average length of stay in France seems to be about two weeks, while that in Germany is only two nights. The average length of stay in most European countries seems to be 2-4 nights, but it ranges up to about 10 nights in some Mediterranean resort destinations.
- 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 have 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.

Seasonality

According to AusStats, the seasonal distribution of travel is relatively even. The peak month for holiday travel is September, and the peak 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 at least three weeks' holiday a year, but there is evidence that, in recent years, about 40% have not been taking up their entitlement in full. Similarly, with the shift in employment patterns, the traditional 10-year long-service leave is becoming rare.

Public holidays, 2007
1 Jan, 8 Jan, 26 Jan, 6-9 Apr, 25 Apr, 4 Jun, 11 Jun, 6 Aug, 6 Nov, 25-26 Dec. There are other state holidays.

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

- The Canadian Tourism Commission (CTC) found that 44% of Australian long-haul travellers stay with friends and family, and 40% in four-star or five-star hotels.
- In 2004, Australians visitors to the UK spent 63% of their nights staying as free guests with friends or family, 15% in hotels and guesthouses, 9% in rented houses, 6% in bed & breakfasts, 3% in hostels, schools or universities, and 6% 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.

Leisure / Recreational Activities

- **On overseas trips, 2004 (%)**
  The Australian National Visitor Survey (NVS) found the following 'principal purpose' of outbound trips in 2004: visiting friends (incl. weddings etc involving friends) 3.8%, visiting relatives (incl. family weddings etc) 22.3%, holidays 44.3%, entertainment or attending special event (eg festival, performance) 0.3%, sport – participation 0.7%, sport – spectating 0.2%, shopping 0.1%, work (as driver or transport crew) 3.0%, business 20.9%, conferences, exhibitions, conventions or tradefairs 2.0%, training and research (employed – not students) 0.3%, education (mostly students) 1.0%, employment or leisure (e.g. working holiday) 0.4%, other 0.6.
- CTC's Holiday Tracking Survey 2002 showed that 43% of Australian long-haul travellers were on VFR trips, 28% touring, 6% on beach holidays, 6% on cultural and historical trips, 5% on big-city trips, and 4% were pursuing nature and the outdoors and 2% summer sports.
- 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;
  – and outdoor activists, motivated by the great outdoors and sports.
- **Aspirational destinations**
  According to Wave 3 2005 of the Anholt-GMI Nation Brands Index, the top ten aspirational destinations "if money were no object" for Australians are:
  1 Canada
  2 New Zealand
  3 UK
  4 Italy
  5 Ireland
  6 Switzerland
  7 USA
  8 Sweden
  9 France
  10 Netherlands

PROFILE OF TRAVELLERS

Nature of Overseas Travellers

- The majority of travellers to Europe are independent, although many purchase a package or group tour for part of their trip.
- According to CTC, 38% of Australian long-haul travellers are mid-life householders, 14% are young singles, 12% are young couples and 14% are young parents.
- 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 (82%) male.
- Two thirds of arrivals in the UK are repeat visitors.

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

Occupations & Education

- 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.

Travel Companions

- In 2003, 44% of Australian travellers arriving in the UK were travelling alone. 29% were travelling as a couple, 19% as a family group, 6% with friends, 1% with business colleagues and 1% in a tour group.
- Fully independent travel (FIT) now 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.

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. Many Australians therefore need to make long preliminary journeys within the country before boarding their long-haul flights.
- Only four airlines provide direct services to Europe, serving London Heathrow (LHR), Frankfurt (FRA) and Vienna (VIE) – but others offer one-change connections to many European cities. Many Australians to Europe travel via Singapore (SIN), Bangkok (BKK), Kuala Lumpur (KUL), Hong Kong (HKG) or Dubai. There are other options, including flights via Japan and the USA.

Airline Traffic / Capacity

Airlines operating direct services from Australia to Europe, July 2006

Airline	Alliance	Flights	Seats	Origin	Stop	Destination
Qantas	OneWorld	14	5,516	SYD	SIN or BKK	LHR
Qantas	OneWorld	14	5,516	MEL	SIN or HKG	LHR
Qantas	OneWorld	7	2,758	MEL	SIN	FRA
British Airways	OneWorld	14	5,558	SYD	BKK or SIN	LHR
Austrian	Star Alliance	6	1,868	SYD	KUL	VIE
Austrian	Star Alliance	3	690	MEL	SIN	VIE
Virgin Atlantic	-	7	2,177	MEL	HKG	LHR

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

- These flights offer a total of 24,083 seats per week, down from 25,896 a year ago (British Airways has withdrawn its daily flight to Melbourne). However, this does not imply a reduction in effective capacity between Australia and Europe, because of the competitiveness of airlines offering one-change schedules. The principal airlines involved include Singapore Airlines, Cathay Pacific, Malaysian and Emirates.

  Nevertheless, there are growing constraints on capacity due to difficulties between Australian, UK and European regulators in coming to agreements on increasing the number of flights, and to the delays to the introduction of the Airbus A380 (Qantas, Emirates and Singapore Airlines had all intended to introduce the A380 in 2006-07).

TRAVEL PLANNING & BOOKING

Travel Formalities

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

Travel Decisions

- Travel plans (especially for extended long-haul trips, such as those to Europe) tend to complex, and may take form over a year or two, with repeated visits to travel agents.
- 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.
- The Canadian Tourism Commission found that, in 2002, 72% of Australians used a travel agent to make their travel arrangements. 14% used an airline, 12% the internet and 4% a tour operator. 11% booked accommodation directly, 6% booked car hire and 4% made other direct bookings.

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.

Internet & Media

- Nielsen NetRatings reckons that in January 2006 there are 14.2 mn internet users in Australia – 68% of the total population. According to ABS, in September 2004 there were 1.3 mn broadband and 658,000 dial-up internet connections in Australia.
- Many studies have concluded that Australia is not at the forefront of internet travel usage. A report by Nielsen NetRatings suggests that, in 2004-05, online travel in Australia grew by nearly 30%. However, it also suggests that the internet is often not the first point of call for travellers. Usually, travellers go to guidebooks, friends, and travel agents before booking online.
- This report contrasts sharply with another from the Asia Pacific online travel company Zuji, which suggests that Australians are leading the region in researching and booking travel online. Zuji says that Australians are the most confident online travellers in Asia Pacific – 88% of Australian bookings and payments through Zuji are made online.
- PhoCusWright also rates Australia as the most sophisticated e-travel market in the Asia-Pacific region. It believes that 25% of leisure travel and 13-15% of corporate travel is booked over the internet, and expects the proportion for leisure travel to rise to 35% by 2008. Google Australia reports that 77% of its users had searched for airlines, 71% hotels, 60% destinations, 47% holiday packages, and 45% car rentals.
- Use of the internet declines rapidly with age. TNS Interactive reckons that 86% of the under-20s, but only 21% of the over-60s, use the internet.
- The airline Virgin Blue is credited with having led Australians into internet travel. Expedia set up its Australian operations in 2005.

TRAVEL TRADE PROFILE

Structure of the Travel Trade

- The travel trade includes wholesalers, tour operators, general sales agents (GSAs) and retail travel agents. Leading wholesalers include Adventure World, Alpine World, Asia Pacific Travel, Carlson Wagonlit, Creative Holidays, Explore Holidays, Globus Cosmos, Insight Vacations, Intrepid, Railplus, Scenic Tours, Skimax Qantas, Ski Tours, Talpacific, Trafalgar Tours, and Venture Holidays.
- 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).
- The National Tourism Alliance (NTA) represents over 40,000 or 90% of tourism operators, covering accommodation, airlines, 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 4,000 retail travel agencies in Australia. Most are either owned by or franchisees of the major chains, which include Flight Centre, American Express, Jetset, Travelworld, STA and Qantas. There are also some important co-operatives , including Harvey World Travel and TravelScene. The remainder are independent and usually privately owned, but these 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 (the leaders include Zuji.com.au, Travel.com.au, Lastminute.com.au and Flightcentre.com.au) and travel search engines like Bezurk.

KEY TRENDS AND FORECASTS

Key Characteristics of Australian Outbound Travellers

- 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 are becoming 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.
- 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.
- Spending power is shifting from the young towards the middle aged. However, the growing importance of the SINKS and DINKS segment is, as VisitBritain points out, a double-edged sword from the long-haul travel trade's point of view: "with ever-increasing working hours taking their toll, [they] are very much cash rich and time poor".
- 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.

Short-term Prospects

- The surge in outbound trips in 2004 (29%) and 2005 (9%) was mainly a recovery after several years of stagnation, and is not expected to continue. However, there will continue to be steady, if more modest, growth from this market.
- In October 2006 Australia's Tourism Forecasting Committee (TFC) estimated that outbound trips would increase by 4.4% in 2006, to 5.0 mn. Its long-term forecast for 2005-15 was for an average increase of 3.9% a year, to 7 mn trips.
- 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. The TFC is forecasting only very modest growth for domestic tourism.
- The growing economic and cultural links between Australia and Asia currently favours Asian destinations. The emergence of low-cost carriers and high fuel prices are benefiting Southeast Asian and Pacific holiday destinations (although Bali lost ground after the bombings there). 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; United Nations Department of Economic & Social Affairs Population Division; The Economist Intelligence Unit (EIU)
- **Travel Profile**: Tourism Australia (including Tourism Research Australia); Australian National Visitor Survey (NVS); (Australian) Tourism Forecasting Committee (TFC); World Tourism Organization (UNWTO); Pacific Asia Travel Association (PATA); Anholt-GMI Nation Brands Index; VisitBritain; Tourism Ireland; Canadian Tourism Commission (CTC).
- **Profile of Travellers**: Tourism Australia; NVS; VisitBritain; Tourism Ireland; CTC; The Travel Business Partnership (TBP) from various industry sources.
- Air transport/Airlines: SRS Analyser, OAG.
- Travel Planning and Booking: Tourism Australia; NVS; *ETC New Media Review*; VisitBritain; Tourism Ireland; CTC; PhoCusWright; Fairfax Business Network; TBP.
- Travel Trade Profile: Tourism Australia; NVS; VisitBritain; TBP.

FURTHER INFORMATION

Tourism Australia	www.tourism.australia.com
Tourism Research Australia	www.tra.australia.com
Department of Industry, Tourism and Resources	www.industry.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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