



tourism market insights
Australia

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1. Overview of Australia

About Australia

Where is Australia?

Some 3,680km from its eastern tip to its western extreme, Australia is the world's second largest island. The country lies about 1,000km from New Zealand, and about 500km south of Indonesia. Thus, its climate ranges from the subtropical in the north to the significantly colder regions of the south.

Population (millions)

25,809,973 (July 2021 est.)

Time Difference

Australia is 6-8 hours ahead of South Africa

Language

English 72.7%, Mandarin 2.5%, Arabic 1.4%, Cantonese 1.2%, Vietnamese 1.2%, Italian 1.2%, Greek 1%, other 14.8%, unspecified 6.5%

Age structure (2020 est.)

- 0-14 years: 18.72% (male 2,457,418/female 2,309,706)
- 15-24 years: 12.89% (male 1,710,253/female 1,572,794)
- 25-54 years: 41.15% (male 5,224,840/female 5,255,041)
- 55-64 years: 11.35% (male 1,395,844/female 1,495,806)
- 65 years and over: 15.88% (male 1,866,761/female 2,177,996)

Economy

- All economic activity stopped during the second quarter of 2020, as lockdown measures to fight the Coronavirus pandemic resulted in many businesses suspending their activities and consumers staying home.
- Nonetheless, quarantine has been less stringent than elsewhere thanks to the rather mild virus outbreak. Growth of real GDP ought to rebound to 3.0% in 2021 and will steadily decline to average about 2.3% per year between 2024-2027.
- Tourism has contributed around 10% to GDP in most years. The real value of inbound tourism and business receipts increased by 5.4% in 2019, but a contraction of 40.9% was predicted for 2020, due to travel restrictions in place to help contain COVID-19. This has affected tourism from China in particular.

Formal Greeting

- A handshake is the common greeting between strangers. Shaking with a firm hand and eye contact reflects confidence.

Australian Etiquette

- Appointments are necessary and relatively easy to schedule.
- They should be made with as much lead time as possible.
- Punctuality is important in business situations. It is better to arrive a few minutes early than to keep someone waiting.
- Meetings are generally relaxed; however, they are serious events.

2. Overview of the Australian Travel Market

Australian Travel Market	
Largest Cities Number of people	<ol style="list-style-type: none"> 1. Sydney (4,627,345) 2. Melbourne (4,246,375) 3. Brisbane (2,189,878) 4. Perth (1,896,548) 5. Adelaide (1,225,235)
Disposable income Per capita, US\$ 2019	33,792
Savings As % of disposable income (2019)	11.1%
Average Age (2019)	37.3 years
Paid Holiday (2020)	20 days
Public Holiday (2020)	10 days
Annual Leave (2020)	30 days
Outbound Departures ('000 trips)	<ol style="list-style-type: none"> 1. 2015: 16,981 2. 2016: 17,128 3. 2017: 18,272 4. 2018: 18,464 5. 2019: 18,680 6. 2020: 8,820
Outbound trips by mode of transport (‘000 trips, 2020)	<ol style="list-style-type: none"> 1. Air: 8,760 2. Land: - 3. Rail: - 4. Water: 60,7
Type of Outbound Trips	Leisure: 88.4% Business: 11.6%

000 Trips	2015	2016	2017	2018	2019	2020
New Zealand	1,327.6	1,409.8	1,472.7	1,494.9	1,493.6	742.7
United States	1,453.2	1,350.6	1,323.7	1,362.5	1,319.2	670.0
United Kingdom	1,045.7	1,014.7	1,114.4	1,030.8	1,051.9	455.4
France	1,267.0	1,008.5	1,097.9	816.7	829.8	411.1
Indonesia	1,081.9	1,281.9	1,235.6	1,281.1	1,244.0	393.2
Italy	810.9	686.4	778.2	763.2	751.3	350.2
Portugal	282.9	331.3	424.1	459.4	497.0	346.2
Japan	376.1	445.3	495.1	552.4	621.8	331.8
China	475.9	575.1	675.0	745.9	778.8	287.5
Greece	183.2	169.2	324.1	322.5	338.6	253.7

Top 10 Outbound Destinations
(‘000 trips)

3. Australia Traveller Trends

3.1. Outbound travel trends

According to Euromonitor's October 2020 edition of Tourism Flows in Australia, outbound departures reached 8.8 million trips in 2020, down from the 18.7 million trips taken in 2019 and a clear indication of the negative impact of COVID-19 restrictions on travel. The value of outbound expenditure reached AUD32.1 million in 2020 and is forecasted to reach AUD75.7 million by 2025. Over AUD29.5 million was spent on leisure travel in 2020 and AUD2.5 million on business. Top outbound destinations in 2020 included New Zealand, United States, United Kingdom, France and Indonesia in 5th position.

As stated by the travel club Little Emperors, wellness is anticipated to be one of the first travel experiences consumers will look for when travel bans lift. They will pursue quieter destinations and private hotels, with adequate space to exercise mindfulness outdoors, and where guests can benefit from nature to revitalize and reset. The demand for secluded group holidays in the form of private yacht charters and villa rentals is set to rise, as families and friends come together, but remain nervous about discarding social distancing. Tailor-made itineraries and remote travel are also likely to become more prevalent.

Demand for sustainable and ethical tourism is also projected to increase. This was seen as a rising trend before the pandemic, and is anticipated to re-surface once travel takes off again.

Before COVID-19, older Australians were travelling more than ever. It is yet to be seen if they return to travelling as the impact of the pandemic passes. However, it is possible that these travellers will be more guarded, as they are most at risk of contracting the virus and of suffering ill effects, whilst the emotional effects of lockdown has also knocked their confidence. Obtaining travel insurance for this age segment can also become more challenging now than before the pandemic, which could hamper their appetite for travel. Companies will have to adjust their products to meet the new requirements of this consumer group.

3.2. Australian's travel planning behaviour since COVID-19

Travel trends specific to Australia was revealed at the Australian Regional Tourism Convention which commenced on the 27th October 2020. Dr Gabby Walters, a Researcher at the University of Queensland shared exciting stats on how Australian's travel planning behaviour altered over the COVID-19 period. Two surveys were undertaken among Australian residents, one in April and the other in August 2020. A total of 688 respondents were covered during data capturing.

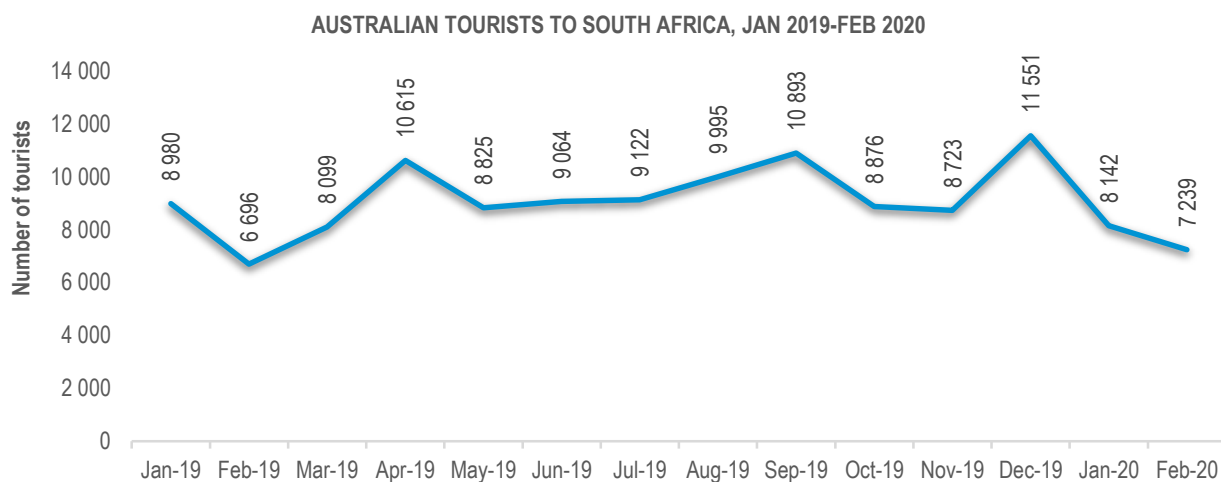
Key highlights from the data revealed that:

- 60% plan to travel, or travel when they were able
 - 30% will wait 12 months to travel
 - Only 12% claimed to be in no financial position to travel
 - Baby Boomers are less likely to delay their travel plans
 - Coastal destinations (51%) and regional destinations (34%) are on the immediate bucket list for Australian Residents
 - 65% trust the tourism industry to keep them safe
 - #1 motivation for people to travel is to support the tourism industry
-

4. The Australian traveller to South Africa

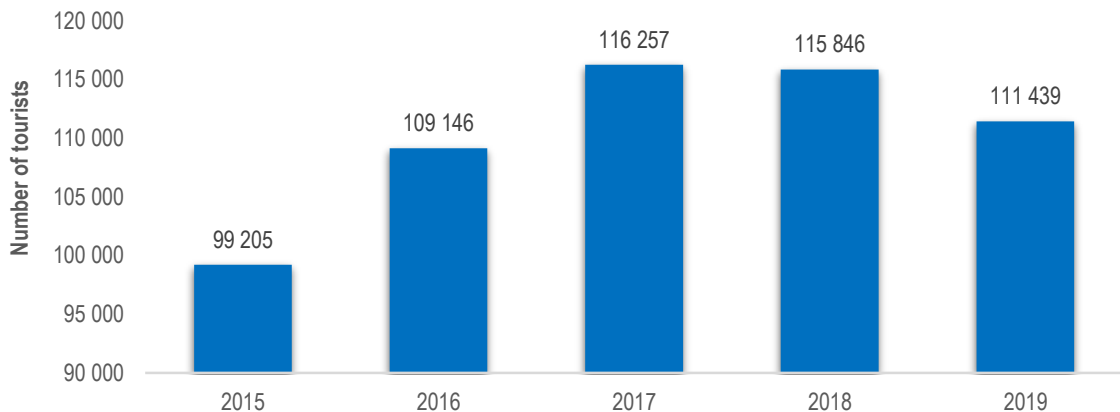
Australian Travel Market

Number of Arrivals	2015: 99 205 2016: 109 146 2017: 116 257 2018: 115 846 2019: 111 439
Purpose of visit to South Africa (2019)	Holiday (47.8%) Visiting friends & relatives (36.7%) Business traveller, MICE (5.2% each)
Average length of stay in South Africa (Number of nights)	2016: 12,8 2017: 14,8 2018: 15,2 2019: 14,6
Age profile (2019)	18-24 years: 15,9% 25-34 years: 25,5% 35-44 years: 14,7% 45-54 years: 17,3% 55-64 years: 16,3% 65+ years : 10,3%
Repeater Rate of Australian Travellers (2019)	First time: 48,9% 2-3 times: 15,7% 4-5 times: 10,3% 6-9 times: 11,9% 10 times or more: 13,2%
Accommodation Usage (2019)	Friends & family: 665,697 Hotels: 349,364 Self-catering: 110,948
Total Foreign Direct Spend in South Africa (R in billions)	2016: R1,9 2017: R2,1 2018: R2,0 2019: R2,1
Average Spend in South Africa	2016: R19 538 2017: R20 243 2018: R18 965 2019: R20 600



4. The Australian traveller to South Africa

4.1. Australian Tourist Arrivals to South Africa



4.2. Purpose of visit to South Africa

Australian tourists who travelled to South Africa in 2019 were predominantly holiday visitors (47.8%).

However, South Africa also holds a significant VFR (Visiting friends & relatives) segment, accounting for 36.7% of the market. Followed closely as the third and fourth highest share, 5.2% of Australian tourists travelled specifically for Business and MICE purposes respectively.

Travelers are typically between the ages of 25 – 34 (25.5%) and 45 – 54 (17.3%) years. In 2019, the highest share of Australian visitors were 1st timers (48.9%) and 51.1% were repeat visitors.

Top reasons for travel to SA

Holiday (47.8%)
Visiting friends & relatives (36.7%)
Business traveller (5.2%)
MICE (5.2%)

**MICE- Meetings, Incentives, Conferences and Exhibitions.*

Average length of stay (2019)

14.6 nights

4.3. Activities in South Africa

Top activities undertaken

Shopping
visiting natural attractions
Wildlife
Beach
Culture/heritage

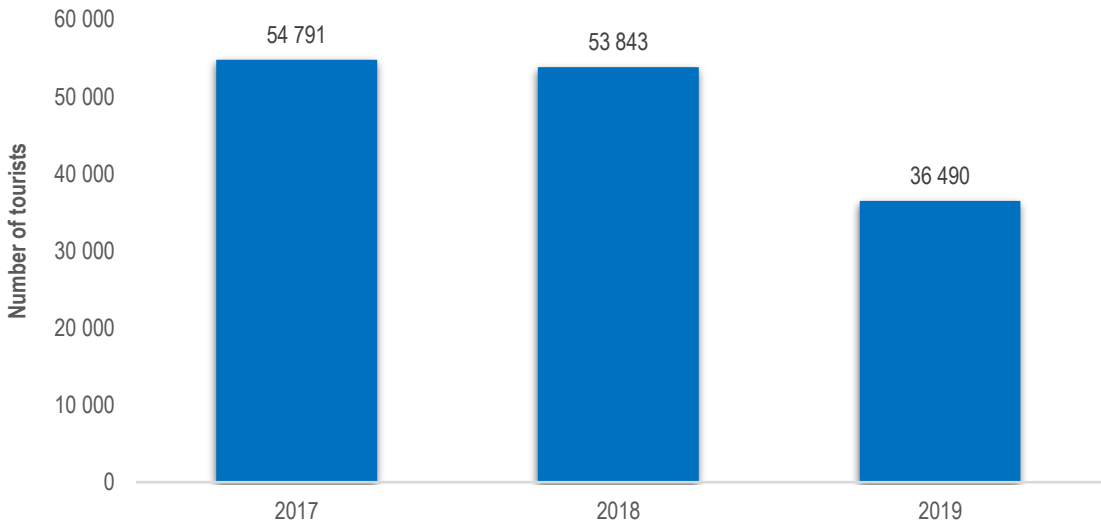
Outdoor experiences were the dominant type of activities undertaken by Australians, these activities were led by wildlife, visiting natural attractions and beaches.

Shopping ranked as the top activity enjoyed whilst in South Africa, in addition to a keen interest in the country's culture/heritage offering.

On average, Australians stay in South Africa for more than 10 days and they typically enjoy staying with friends and relatives during their stay. In addition, hotels, self-catering and lodges also ranked among the top accommodation choices for this market.

5. The Australian traveller to the Western Cape

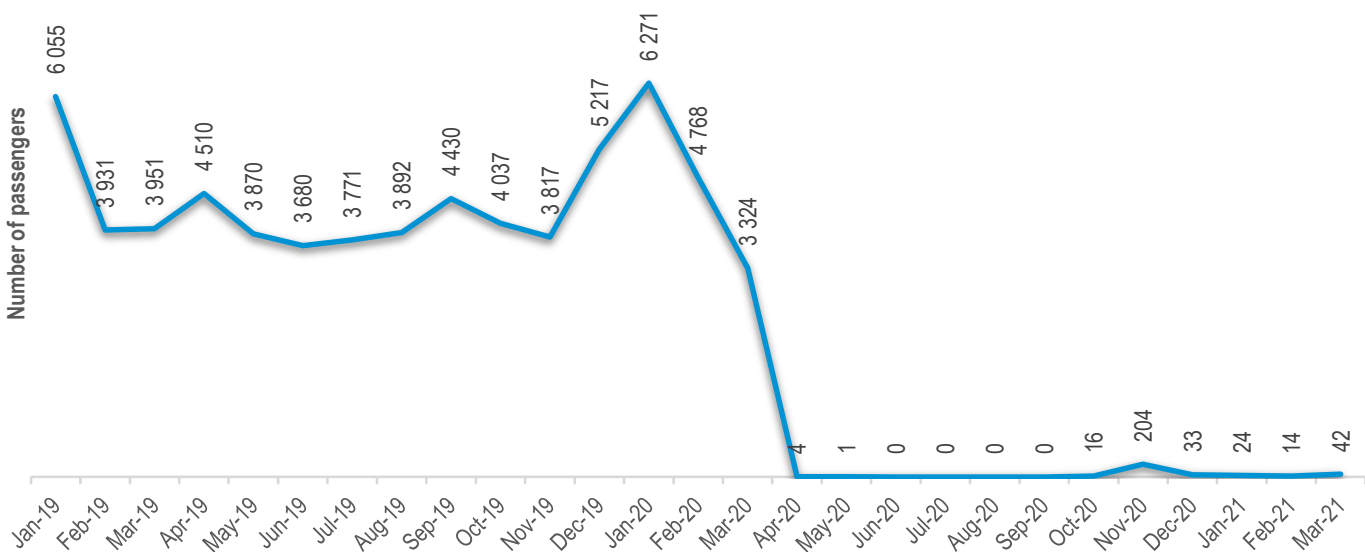
5.1. Australian Tourist Arrivals to the Western Cape



5.2. Australian passengers through the Cape Town International Airport

During the challenging nationwide lockdown which commenced on the 27th March 2020, the tourism and hospitality sectors have been the hardest hit throughout Africa. However, the announcement of business continuity brought much hope for the Western Cape. Australian passenger movement only picked up in November 2020 (204 passengers) since the start of business travel in June 2020. There were no Australian passengers recorded between June and September 2020, indicating the strong impact the pandemic had on inbound travel from this market.

AUSTRALIAN PASSENGER MOVEMENT THROUGH THE CAPE TOWN INTERNATIONAL AIRPORT, JAN 2019-MAR 2021



6. Key Findings

- According to Euromonitor's October 2020 edition of Tourism Flows in Australia, all types of tourism flows are expected to see strong growth due to pent-up demand in 2021; with similar growth rates for business and leisure respectively. Though, growth will be from a low base, and a return is not anticipated to the levels of arrivals, departures and domestic trips recorded in 2019. Also, consumers will possibly be more cautious about travelling to start with, not only for fear of getting infected, but also the additional anxiety of losing money due to possible cancellations.
- COVID-19 has posed many challenges for the tourism industry and companies will need to adjust once restrictions start to lift. Consumers are anticipated to need some reassurance to return to travelling, as they most likely lost their confidence. Technology will play a huge role in successfully marketing travel through virtual reality 360 degree video presentations. These experiences will provide consumers with a taste for travel and potentially lead to bookings.
- As stated by the travel club Little Emperors, wellness is anticipated to be one of the first travel experiences consumers will look for when travel bans lift. They will pursue quieter destinations and private hotels, with adequate space to exercise mindfulness outdoors, and where guests can benefit from nature to revitalize and reset.
- The demand for secluded group holidays in the form of private yacht charters and villa rentals is set to rise, as families and friends come together, but remain nervous about discarding social distancing. Tailor-made itineraries and remote travel are also likely to become more prevalent.
- Demand for sustainable and ethical tourism is also projected to increase. This was seen as a rising trend before the pandemic, and is anticipated to re-surface once travel takes off again.
- Before COVID-19, older Australians were travelling more than ever. It is yet to be seen if they return to travelling as the impact of the pandemic passes. However, it is possible that these travellers will be more guarded, as they are most at risk of contracting the virus and of suffering ill effects, whilst the emotional effects of lockdown has also knocked their confidence. Obtaining travel insurance for this age segment can also become more challenging now than before the pandemic, which could hamper their appetite for travel. Companies will have to adjust their products to meet the new requirements of this consumer group.
- Australian tourists to South Africa are predominantly holiday visitors and close to 40% of tourists in 2019 specifically travelled to the country to visit friends and relatives. This market is typically between the ages of 25 – 34 and 45 – 54 years and in 2019, the highest share of Australians travelled to South Africa for the first time (48.9%) while 51.1% were repeat visitors.

7. List of sources

1. South African Tourism
2. Euromonitor International
3. OAG Airline Passenger Traffic Analyser
4. <https://www.cia.gov/the-world-factbook/countries/australia/#people-and-society>
5. <https://worldpopulationreview.com/countries/cities/australia>
6. <https://tourismeschool.com/blog/how-travel-behaviour-has-changed-tactics-to-attract-future-travellers/>

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